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/AUGUST 2022-2023

BGL/SEC/BSE/2/AUGUST 2022-2023

August 26, 2022

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

SYMBOL: BHARATGEAR

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

STOCKCODE: 505688

Sub: Compliance of Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report along with the Notice of Annual General Meeting of "Bharat Gears Limited" for the Financial Year ended 31st March, 2022.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For **Bharat Gears Limited**

Prashant Khattry
Head (Legal) and Company Secretary

BHARAT GEARS LIMITED ★ FARIDABAD ★

Encl: As above

BHARAT GEARS LIMITED

Geared for Life

NOTICE

TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the 50th Annual General Meeting (AGM) of the members of Bharat Gears Limited will be held as under through Video Conference ("VC")/Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode"):

Day	:	Tuesday
Date	:	20 September, 2022
Time	:	11:30 A.M.

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31 March, 2022 together with Reports of the Directors and Auditors thereon.

2. To consider the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) as the Statutory Auditors of the Company and if thought fit, pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company thereof, the consent of the members be and is hereby accorded for the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) as the Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of 55th Annual General Meeting in the year 2027 in place of M/s. S R B C & CO LLP (SRBC), Chartered Accountants (ICAI Registration No.324982E/E300003) whose tenure expires at this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

SPECIAL BUSINESS:

3. To consider the appointment of Mr. Raman Nanda, Additional Director of the Company, as a Non-Executive Independent Director on the Board of the Company and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

   "RESOLVED THAT Mr. Raman Nanda (holding DIN 00078198), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29 December, 2021 in terms of the provisions of Section 161 of the Companies Act, 2013 and Article 164 of the Articles of Association (AOA) of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Raman Nanda as a candidate for the office of Non-Executive Independent Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for five consecutive years for a term upto the conclusion of the 55th Annual General Meeting of the Company in the calendar year 2027 pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

   RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of

amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

4. To consider the payment of remuneration to Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company for a further period of 3 (Three) years w.e.f. 01 April, 2022 of his present tenure and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, as may be required in this regard, the consent of the members be and is hereby accorded for the payment of remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V of the Companies Act, 2013 without obtaining the approval of the Central Government to Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company for a further period of 3 (Three) years of his tenure w.e.f. 01 April, 2022 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement forming part of this resolution payable to Mr. Surinder Paul Kanwar, Chairman and Managing Director for a period of 3 (Three) years w.e.f. 01 April, 2022 is subject to the condition that:

a. the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole time Directors of the Company and/ or ten percent (10%) of the net profits of the Company for all Managing/Whole-time Directors in accordance with the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force or

b. if the remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/ inadequate profits.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Surinder Paul Kanwar, Chairman and Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

5. To consider the payment of remuneration to Mr. Sameer Kanwar, Joint Managing Director of the Company for a period of 2 (Two) years w.e.f. 01 June, 2022 of his present tenure and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, as may be required in this regard, the consent of the members be and is hereby accorded for the payment of remuneration less than the maximum permissible remuneration as specified in Section II of Part II of Schedule V of the Companies Act, 2013 without obtaining the approval of the Central Government to Mr. Sameer Kanwar, Joint Managing Director of the Company for a period of 2 (Two) years of his tenure w.e.f. 01 June, 2022 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement forming part of this resolution payable to Mr. Sameer Kanwar, Joint Managing Director for a period of 2 (Two) years w.e.f. 01 June, 2022 is subject to the condition that:

a. the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all Managing/Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force or

b. if the remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be less than the maximum permissible limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/ inadequate profits.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Sameer Kanwar, Joint Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

6. To consider the re-appointment of Mr. Nagar Venkatraman Srinivasan, who retires by rotation and is eligible for re-appointment, as a Non-Executive Director on the Board of the Company liable to retire by rotation and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and subject to such other requisite approvals as may be required in this regard, Mr. Nagar Venkatraman Srinivasan (holding DIN 00879414) who retires by rotation at the Annual General Meeting (AGM) be and is hereby re-appointed as a Non-Executive Director of the Company liable to retire by rotation upto the conclusion of the 51st AGM of the Company in the Calendar year 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

7. To consider the ratification of the remuneration payable to M/s M.K. Kulshrestha & Associates, Cost Auditors of the Company for the Financial Year 2022-23 and if thought fit, pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s M.K. Kulshrestha & Associates, the Cost Auditors of the Company appointed by the Board of Directors of the Company in its meeting held on 27 May, 2022 upon recommendation of the Audit Committee, to conduct the audit of the cost records of the Financial Year ending 31 March, 2023, at a remuneration of ₹ 2,25,000/- for the Financial Year 2022-23 be and is hereby confirmed, ratified and approved.

8. To consider the issue of Bonus Shares to the members of the Company by way of capitalization of reserves and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Article 137 of the Articles of Association (AOA) of the Company and in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Foreign Exchange and Management Act, 1999 and all other applicable provisions, Regulations and Guidelines issued from time to

time by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and other statutory authorities and subject to such other consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, the consent of the members be and is hereby accorded to capitalize a sum not exceeding ₹ 5,11,83,530/- (Rupees Five Crores Eleven Lakhs Eighty Three Thousand Five Hundred Thirty Only) out of the sum standing to the credit of 'Capital Redemption Reserve Account' of the Company, as per the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of Equity Shares not exceeding 51,18,353 (Fifty One Lakhs Eighteen Thousand Three Hundred Fifty Three) Equity Shares of ₹ 10/- (Rupees Ten) each as fully paid up bonus shares, to the eligible members of the Company holding Equity Shares of ₹ 10/- each, whose names appear in the Register of Members or as the beneficial owner(s) of the Equity Shares of the Company, in the records of the Depositories, on the close of business on the Record Date being September 13, 2022, in the proportion of 1:2 i.e. 1 (One) new Equity Share of ₹ 10/- (Rupees Ten) each for every 2 (Two) Equity Shares of ₹ 10/- (Rupees Ten) each held as on the Record Date and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase in the nominal amount of the Equity Share Capital of the Company held by each of such member(s) and not as income.

RESOLVED FURTHER THAT the new Equity Shares of ₹ 10/- (Rupees Ten) each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank paripassu in all respects and carry the same rights as the existing fully paid Equity Shares of the Company.

RESOLVED FURTHER THAT the allotment of the new bonus Equity Shares to the extent that they relate to the Non-Resident members, Foreign Portfolio Investors (FPIs), Persons of Indian Origin (PIO), Overseas Corporate Bodies (OCBs) and other foreign investors of the Company, shall be subject to the approval, if any, of the RBI under the Foreign Exchange Management Act, 1999 and other applicable rules/regulations/guidelines issued/ amended by RBI from time to time in this regard.

RESOLVED FURTHER THAT in case of fractional shares, if any, arising out of the issue and allotment of the bonus Equity Shares, the suitable arrangements shall be made to deal with such fractions for the benefit of the eligible members, including but not limited to, allotting the total number of new Equity Shares representing such fractions to a Committee/Person(s)/Company within the Group/Registrar and Transfer Agent of the Company to be authorised by the Board of Directors who would hold them in trust for such members and shall, as soon as possible, sell such Equity Shares at the prevailing market rate and the net sale proceeds of such Equity Shares, after adjusting the cost and the expenses in respect thereof, be distributed among such members who are entitled to such fractions in proportion of their respective fractional entitlements.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

By order of the Board



Prashant Khattry

Date: 24 August, 2022 Head (Legal) and Company Secretary

NOTES:

1. In view of the continuing Covid 19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 02/2022 dated 05 May, 2022 permitted the holding of Annual General Meeting through Video Conference ("VC")/Other Audio Visual Means ("OAVM") without the physical presence of Members at a common venue as per the procedure prescribed by MCA in the General Circular No. 20/2020 dated 05 May, 2020. In compliance with the said Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the members of the Company is being held through VC/OAVM.

2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Annual General Meeting is being held through VC/OAVM pursuant to the aforesaid MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

3. Institutional/Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said

Resolution/Authorization shall be sent to the Scrutinizer by e-mail at agbcorplegal@gmail.com through their registered e-mail address with copies marked to the Company at investor@bglindia.com and to the Registrar and Transfer Agent (RTA) at delhi@linkintime.co.in.

4. Registration of e-mail ID and Bank Account details:

In case the shareholder's e-mail ID is already registered with the Company/its Registrar and Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered e-mail address. In case the shareholder has not registered his/her/their e-mail address with the Company/ its RTA/Depositories and/or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Limited, www.linkintime.co.in under Investor Services > E-mail/Bank detail Registration – fill in the details and upload the required documents and submit. **OR**

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the e-mail address and bank account details in the demat account as per the process followed and advised by the DP.

5. The Notice of the Annual General Meeting ("AGM") along with the Annual Report for the Financial Year 2021-22 is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and Circular issued by the Securities and Exchange Board of India ("SEBI") dated 13 May, 2022. Members may note that the Notice of 50th AGM and Annual Report for the Financial Year 2021-22 will also be available on the Company's website at www.bharatgears.com under the link: http://bharatgears.com/annual-report.htm; website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the National Stock Exchange of India Limited at www.nseindia.com. Members are requested to download the Annual Report and Notice of the AGM from the website of the Company and the Stock Exchange(s). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

6. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 50th Annual General Meeting by electronic means and the business may be transacted electronically through the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") as provided by Link Intime India Private Limited (LIIPL).

The facility for electronic voting system shall also be made available at the 50th Annual General Meeting (AGM). The Members who have not cast their votes through remote e-voting shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

8. Instructions for Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

a) Members are entitled to attend the Annual General Meeting through VC/OAVM platform "InstaMeet" provided by the Registrar and Transfer Agent, Link Intime India Private Limited by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (Fifteen) minutes from the scheduled time of the Annual General Meeting. Members holding more than 2% equity shares, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join at 11:15 A.M. IST i.e. 15 (Fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (Fifteen) minutes after the scheduled time. Participation is restricted upto 2000 members only.

b) <u>The details of the process to register and attend the AGM are as under:</u>

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the "**Company**" and "**Event Date**" and register with your following details:-

A. Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio No.

- Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN). Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your e-mail id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet support desk for any support on the dedicated number provided to you in the instruction/InstaMeet website.

c) <u>Instructions for Members to speak during the Annual General Meeting through InstaMeet:</u>

1. Members who would like to speak during the meeting must register their request on or before 13 September, 2022 with the Company on investor@bglindia.com created for the general meeting.
2. Members will get confirmation on first cum first serve basis.
3. Members will receive "speaking serial number" once they mark attendance for the meeting.
4. Other Members may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
6. Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

d) <u>Instructions for Members to Vote during the Annual General Meeting through InstaMeet:</u>

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit Demat Account No./Folio No. and OTP (received on the registered mobile number/ registered e-mail Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e." Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under "Favour/Against".
5. After selecting the appropriate option i.e. "Favour/ Against" as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

e) Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through remote e-voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

f) Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.

g) Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

h) Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

i) For a smooth experience of viewing the AGM proceedings on InstaMeet, shareholders/members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/.

j) In case shareholders/members have any queries regarding login/e-voting, they may send an e-mail to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

9. Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

    1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

    2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

    3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

    1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi /Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

    2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

    3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

    4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants.

    You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form/Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

   A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format)

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

   Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

   Shareholders holding shares in **NSDL form, shall provide 'D' above*

   - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   - Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour/Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

4. After selecting the desired option i.e. Favour/Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as '**Custodian/Mutual Fund/Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution/authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian/Mutual Fund/ Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his/her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/depository participants website.

- ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ➢ For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ➢ During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

InstaVote Support Desk

Link Intime India Private Limited

10. Brief profile & other details of the Directors proposed to be appointed, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is annexed to this Notice.
11. The relevant Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Resolution(s) set out in this Notice is appended hereinafter.
12. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under the provisions of Section 103 of the Companies Act, 2013.
13. All the documents referred to in the Notice will be available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 20 September, 2022. Members seeking to inspect such documents can send an e-mail to investor@bglindia.com.
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ("the Act"), Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents required by the Act and any other law, will be made available electronically for inspection by Members of the Company at the meeting.
15. Since the AGM will be held through VC/OAVM, the Route Map to reach to the venue of the 50th Annual General Meeting has not been annexed to this Notice.
16. Members seeking any further clarification/information relating to the Annual Financial Statements are requested to write at the Registered Office of the Company at least ONE WEEK before the date of the Meeting i.e. on or before 13 September, 2022 to enable the management to keep the information ready at the Meeting.
17. Members are requested to note that under Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government of India. Further; all shares in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, are required to be transferred to designated Demat Account of the IEPF Authority.

    The Company during the Financial Year 2021-22 had accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the Financial Year 2013-14 along with relevant shares to the IEPF on 30 August, 2021.

    The Company has uploaded the information in respect of unpaid and unclaimed dividends and details of shares transferred to IEPF on the website of the IEPF Authority viz. www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.bharatgears.com under the link: http://bharatgears.com/corporate-governance.htm.

There is no unclaimed dividend and shares required to be transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2022-23.

Members who have not encashed their dividend drafts since 2018-19 are advised to write to the Company or Registrar and Transfer Agent of the Company immediately claiming dividends declared by the Company.

In terms of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the detailed procedure for claim of Dividend/ Shares transferred to the IEPF Authority along with the details of Nodal Officer appointed by the Company for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority (IEPF Authority) as communicated to the IEPF Authority has been provided in the Corporate Governance Report forming part of the Annual Report 2021-22.

Further, the necessary details of Nodal Officer are available on the website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/corporate-governance.htm.

18. Members are requested to note that Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that any Equity Shares of the Company lying unclaimed (including shares represented by the undelivered share certificates) shall be transferred into the "Unclaimed Suspense Account" after due compliance as prescribed under the said Regulation read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

    Equity Shares remaining unclaimed after reminders to respective shareholders in terms of the provisions of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be transferred into the "Unclaimed Shares Suspense/Escrow Demat Account".

    Pursuant to the transfer of such unclaimed Equity Shares into the "Unclaimed Shares Suspense/Escrow Demat Account", the said Equity Shares shall be dealt with in accordance with the provisions of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

    During the Financial Year 2021-22, 3 (Three) reminders to the respective shareholders advising them to claim their shares had been sent and subsequently, it has been proposed to transfer the Equity Shares attached to undelivered Share Certificates in possession of the Company still remaining unclaimed into the "Unclaimed Suspense Account".

    For the purpose, the "Unclaimed Suspense Account" has been opened with Central Depository Services (India) Limited (CDSL) and the Equity Shares attached to undelivered Share Certificates in possession of the Company shall be transferred into the said account.

19. The Shares of the Company are compulsorily traded in demat mode. Hence, the members who are still holding physical Share Certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer and prevention of forgery.

20. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificate(s) to Link Intime India Private Limited, Registrar and Transfer Agent for consolidation into a single folio.

21. Members are requested to register their e-mail address(es) and changes in their particulars like change in address from time to time with Link Intime India Private Limited, Registrar and Transfer Agent for shares held in physical form and with the respective Depository Participants for the shares held in dematerialized form.

22. Members may please note that the Securities and Exchange Board of India ('SEBI') has made Permanent Account Number (PAN) as the sole identification number of all participants transacting in the securities market, irrespective of the amount of such transactions.

    Further, SEBI has prohibited the transfer of shares in physical form except in case of transmission or transposition of shares. Members holding shares in physical form and intending to transfer their shares are advised to open a demat account with the Depository viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL) through respective Depository Participant(s) and transfer their shares after dematerialization.

23. SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 mandates the Company to record the PAN, Address with PIN code, E-mail address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Wherein any ONE of the cited details/ documents, (i.e PAN, Address with PIN code, E-mail address, Mobile Number Bank Account details, Specimen Signature and Nomination) are not available on or after 01 April, 2023, the respective folios shall be frozen as per SEBI circular.

    Thereafter, the securities in the frozen folios shall be:

    - Eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents/ details as aforesaid.
    - Eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.

Therefore, the Shareholders holding Shares in physical form are requested to update their KYC with the Company so as to avoid freezing of their respective folios.

The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 have been sent to the respective shareholders and are also available on the Company's official Website i.e. www.bharatgears.com.

Members are requested to furnish PAN, Postal Address, E-mail Address, Mobile Number, Specimen Signatures, Bank Account Details and Nomination by the submitting the relevant Form(s) as below to the Registrar and Transfer Agent of the Company, Link Intime India Private Limited:

Sr.No.	Particulars	Form
1.	Registration of PAN, postal address, e-mail address, Mobile number, Bank Account Details or changes/updation thereof	ISR-1
2.	Confirmation of Signature of shareholder by the Banker	ISR-2
3.	Registration of Nomination	SH-13
4.	Cancellation or Variation of Nomination	SH-14
5.	Declaration to opt out of Nomination	ISR-3

Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility or further change in nominations.

General Guidelines for shareholders:

1. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an e-mail to enotices@linkintime.co.in or Call at :- Tel : 022 - 49186000.

2. The remote e-voting period commences on **Saturday, 17 September, 2022 at 9.00 A.M. and ends on Monday, 19 September, 2022 at 5.00 P.M.** During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date** i.e. **Tuesday, 13 September, 2022** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LIIPL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

3. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 13 September, 2022. The person who is not a member as on the cut-off date should treat this Notice for information purpose only.

4. Any person, who acquire shares of the Company and become member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut-off date i.e. Tuesday, 13 September, 2022, may obtain the user ID and password by sending a request at rajiv.ranjan@linkintime.co.in or delhi@linkintime.co.in. However, if you are already registered with LIIPL for remote e-voting, then you can use your existing user ID and password for casting your vote.

5. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as evoting at the AGM.

6. The Company has appointed Ms. Rashmi Aswal, M.com, ACS having her office at 5A/14, 2nd Floor, B.P. NIT-5, Faridabad - 121001 as the Scrutinizer to scrutinize the remote e-voting process and e-voting at the Annual General Meeting in a fair and transparent manner.

7. The Chairman shall, at the AGM, at the discussion on the resolutions on which voting is to be held, allow voting to be cast by use of e-voting facility 'InstaMeet' of LIIPL for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

8. The Scrutinizer shall after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least Two (2) witnesses not in the employment of the Company and shall make, not later than 48 (forty eight) hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

9. The Results of the AGM shall be declared by the Chairman or person authorized or anyone of the director of the Company after the AGM within the prescribed time limits. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

10. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bharatgears.com and on the website of LIIPL and communicated to BSE Limited (BSE) and the National Stock Exchange of India (NSE) accordingly.

By order of the Board



Prashant Khattry
Head (Legal) and Company Secretary

Date: 24 August, 2022

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 02

The members of the Company had appointed M/s S R B C & CO LLP, Chartered Accountants (ICAI Registration No. 324982E/E300003) (S R B C) as the Statutory Auditors of the Company in the 45th Annual General Meeting (AGM) held on 09 August, 2017 for a period of 5 (Five) years to hold the office from the conclusion of 45th AGM to the conclusion of 50th AGM in the Year 2022 in terms of the provisions of Section 139 of the Companies Act, 2013.

The tenure of S R B C as the Statutory Auditors of the Company will be completed at the end of 50th AGM in the year 2022.

The Board of Directors of the Company has considered experience and expertise and on the recommendation of the Audit Committee has recommended the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) ("DHS LLP" or "Firm") as the Statutory Auditors of the Company for a period of 5 (Five) Years to hold the office from the conclusion of the 50th AGM to the conclusion of 55th AGM in the year 2027. The proposed remuneration to be paid to DHS LLP for the first year is Rs. 35 lacs. The said remuneration excludes applicable taxes and out of pocket expenses.

The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee. There is no material change in the remuneration proposed to be paid to Auditors for the first year and the remuneration paid to the Retiring Auditors for the last year of their 5 years tenure.

Deloitte Haskins & Sells was constituted in 1997 and was converted to a Limited Liability Partnership, Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm"), in November 2013. DHS LLP is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 4000 professionals and staff. DHS LLP has offices in Mumbai, Gurugram, Kolkata, Chennai, Bengaluru, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune and Goa. The registered office of the Firm is One International Center, Tower 3, 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

As required under the provisions of Section 139(1) of the Companies Act, 2013, the Company has received a written consent from DHS LLP to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified to be appointed.

Accordingly, the Board recommends the resolution as set out at Item No. 02 of the Notice in relation to the appointment of DHS LLP as the Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of 55th Annual General Meeting in the year 2027, by way of an Ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 02 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 20 September, 2022 and shall also be available at the meeting.

ITEM NO. 03

Mr. Raman Nanda, aged 66 years is a Bachelor in Commerce from Shri Ram College of Commerce, Delhi University-Gold Medalist and Master of Business Administration from the Indian Institute of Management, Ahmedabad with a specialization in Finance. He has served in various renowned Companies like Gestamp, Tata Autocomp Systems, Murugappa Group, Usha Martin Black, Tega Industries etc. He is founder and CEO, Step Transformations since 2020 having an objective of serving the business community by helping people and businesses grow. He is also a Visiting Faculty at Flame University, Pune. He has rich experience of 45 years.

The Board of Directors of the Company vide its resolution passed through circulation on 29 December, 2021 appointed Mr. Raman Nanda as an Additional Director of the Company in terms of the provisions of Section 161 of the Companies Act, 2013 and Article 164 of the Articles of Association (AOA) of the Company. Under the provisions of Section 161(1) of the Companies Act, 2013 read with Article 164 of the Articles of Association (AOA) of the Company, Mr. Raman Nanda holds office only upto the date of this Annual General Meeting of the Company.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Raman Nanda being eligible and offering himself for appointment, is proposed to be appointed as a Non-Executive Independent Director for five consecutive years for a term upto the conclusion of the 55th Annual General Meeting of the Company in the calendar year 2027.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Raman Nanda has been provided in a separate section of this Notice.

In terms of the provisions of the Companies Act, 2013, Mr. Raman Nanda has filed requisite consent(s)/disclosures before the Board.

The Company has also received an intimation from Mr. Raman Nanda in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority to be appointed as a Director in any Company.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Raman Nanda as a candidate for the office of Non-Executive Independent Director of the Company.

The Company has received a declaration from Mr. Raman Nanda confirming that he meets the criteria of independence as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Raman Nanda fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non-Executive Independent Director of the Company and is independent of the management.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Raman Nanda as a Non-Executive Independent Director, for the approval by the members of the Company, by way of a Special resolution.

Except Mr. Raman Nanda, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 03 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 20 September, 2022 and shall also be available at the meeting.

ITEM NO. 04

Mr. Surinder Paul Kanwar, aged 70 years is presently designated as Chairman and Managing Director of the Company.

He is a Commerce Graduate from University of Delhi. He has been affiliated with the Company as a member of the Board of Directors since 29 September, 1982 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Automotive Parts Industry. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board.

Mr. Surinder Paul Kanwar is also the Chairman and Managing Director of Raunaq EPC International Limited from where he is drawing a token remuneration of ₹ 1.00 (Rupee One) per month only.

Mr. Surinder Paul Kanwar had been re-appointed as the Chairman and Managing Director of the Company for a period of 5 (Five) years w.e.f. 01 October, 2020 in the Annual General Meeting held on 16 September, 2020 and is entitled for the following remuneration for a period of 2 (Two) years w.e.f. 01 October, 2020 as per the Section II of Part II of Schedule V of the Companies Act, 2013 in reference to the member's approval granted in the Annual General Meeting held on 16 September, 2020.

A) Salary and Perquisites:

Salary: ₹ 1,00,00,000/- (Rupees One Crore Only)

Perquisites: ₹ 20,00,000/- (Rupees Twenty Lakhs Only)

B) The Chairman and Managing Director shall also be eligible to the following perquisites which are not included in the computation of ceiling remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

1) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

3) Encashment of the leave at the end of the tenure.

C) Other terms:

1. He shall be entitled to re-imbursement of actual out-of pocket expenses incurred in connection with the business of the Company.

2. He shall be entitled to re-imbursement of entertainment expenses incurred for the business of the Company.

3. As long as he functions as Chairman and Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.

4. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point (A) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 196, 197 of the Companies Act, 2013, along with the perquisites stated under point (B) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.

5. He shall be entitled to earned/privileged leave as per the Rules of the Company.

6. He shall be entitled for telephone facility as per Company's policy.

During the previous tenure of Mr. Surinder Paul Kanwar, he had been drawing a remuneration of ₹ 2,40,00,000/- p.a. w.e.f. 01 October, 2018 and then during Covid-19 pandemic time, he voluntarily proposed to get the remuneration reduced to ₹ 1,20,00,000/- p.a. w.e.f. 01 April, 2020 considering the impact of Covid-19 pandemic on the operations of the Company. Further, he had been re-appointed as Chairman and Managing Director for a period of 5 (Five) years along with the same reduced remuneration of ₹ 1,20,00,000/- p.a. for a period of 2 (Two) years w.e.f. 01 October, 2020 and has been drawing remuneration of ₹ 1,20,00,000/- p.a. till now. Now as the Company has done remarkably well and has achieved its highest ever Turnover and Profits, it has been proposed to restore his previous remuneration of ₹ 2,40,00,000/- p.a.

Therefore the, Board of Directors of the Company in its meeting held on 27 May, 2022 approved the payment of remuneration to Mr. Surinder Paul Kanwar, Chairman and Managing Director for a further period of 3 (Three) years of his tenure w.e.f. 01 April, 2022 as recommended by the Nomination and Remuneration Committee in its meeting held on even date in terms of the provisions of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out below:

A) Salary and Perquisites:

Salary: ₹ 2,00,00,000/- (Rupees Two Crores Only)

Perquisites: ₹ 40,00,000/- (Rupees Forty Lakhs Only)

B) The Chairman and Managing Director shall also be eligible to the following perquisites which are not included in the computation of ceiling remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

1) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

3) Encashment of the leave at the end of the tenure.

C) Other terms:

1. He shall be entitled to re-imbursement of actual out-of pocket expenses incurred in connection with the business of the Company.

2. He shall be entitled to re-imbursement of entertainment expenses incurred for the business of the Company.

3. As long as he functions as Chairman and Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.

4. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point (A) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 196, 197 of the Companies Act, 2013, along with the perquisites stated under point (B) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.

5. He shall be entitled to earned/privileged leave as per the Rules of the Company.

6. He shall be entitled for telephone facility as per Company's policy.

7. He shall not be liable to retire by rotation.

Further, pursuant to the provisions of Section 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the members in the Annual General Meeting.

The necessary information/disclosure in compliance with Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Surinder Paul Kanwar has been provided in a separate section of this Notice.

Accordingly, the Board recommends the resolution as set out at Item No. 04 of the Notice in relation to the remuneration to Mr. Surinder Paul Kanwar as Chairman and Managing Director, for the approval by the members of the Company, by way of a Special resolution.

Except Mr. Surinder Paul Kanwar, himself and his son Mr. Sameer Kanwar, Joint Managing Director of the Company, no other Director or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 04 of the notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 20 September, 2022 and shall also be available at the meeting.

ITEM NO. 05

Mr. Sameer Kanwar, aged 44 years is presently designated as Joint Managing Director of the Company. He holds a Bachelor's Degree in Business Economics from York University, Canada. After completing his Graduation, he received two years training in the areas of Planning, Finance and Control at ZF Friedrichshafen AG, Germany, the world's largest maker of drivelines and chassis for Automobiles.

He has deep exposure in Marketing, Purchase, Production and HR Management. He has in-depth knowledge of the core business of the Company i.e. Automotive Gears.

He has been affiliated with the Company as a member of the Board of Directors since 01 February, 2002 and from then the Company has gained from his visionary approach. He has a vast experience of about 22 years and wholesome exposure on all aspects of business of the Company

Mr. Sameer Kanwar had been re-appointed as the Joint Managing Director of the Company for a period of 3 (Three) years w.e.f. 01 June, 2021 in the Annual General Meeting held on 22 September, 2021 and is entitled for the following remuneration for a period of 1 (One) year w.e.f. 01 June, 2021 as per the Section II of Part II of Schedule V of the Companies Act, 2013 in reference to the member's approval granted in the Annual General Meeting held on 22 September, 2021.

A) Salary and Perquisites:

Salary: ₹ 95,00,000/- (Rupees Ninety Five Lakhs Only)

Perquisites: ₹ 20,00,000/- (Rupees Twenty Lakhs Only)

B) The Joint Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

iii. Encashment of the leave at the end of the tenure.

C) Other terms:

1. He shall be entitled to re-imbursement of actual out-of-pocket expenses incurred in connection with the business of the Company.

2. He shall be entitled to re-imbursement of entertainment expenses incurred for the business of the Company.

3. As long as he functions as Joint Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.

4. He shall be entitled to earned/privileged leave as per the Rules of the Company.

5. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point (A) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 196, 197 of the Companies Act, 2013, along with the perquisites stated under point (B) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.

6. Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Joint Managing Director of the Company and as may be delegated to him from time to time.

7. He shall not be liable to retire by rotation.

During the previous tenure of Mr. Sameer Kanwar, he had been drawing a remuneration of ₹. 1,60,00,000/- p.a. w.e.f. 01 June, 2018 and then during Covid-19 pandemic time, he voluntarily proposed to get the remuneration reduced to ₹ 1,15,00,000/- p.a. w.e.f. 01 April, 2020 considering the impact of Covid-19 pandemic on the operations of the Company. Further, he had been re-appointed as Joint Managing Director for a period of 3 (three) years along with the same reduced remuneration of ₹ 1,15,00,000/- p.a. for a period of 1 (One) year w.e.f. 01 June, 2021 and has been drawing remuneration of ₹ 1,15,00,000/- p.a. till now. Now as the Company has done remarkably well and has achieved its highest ever Turnover and Profits, it has been proposed to restore his previous remuneration of ₹ 1,60,00,000/- p.a.

Therefore the Board of Directors of the Company in its meeting held on 27 May, 2022 approved the payment of remuneration to Mr. Sameer Kanwar, Joint Managing Director for a further period of 2 (Two) years of his tenure w.e.f. 01 June, 2022 as recommended by the Nomination and Remuneration Committee in its meeting held on even date in terms of the provisions of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out below:

A. Salary and Perquisites:

Salary: ₹ 1,40,00,000/- (Rupees One Crore Forty Lakhs Only)

Perquisites: ₹ 20,00,000/- (Rupees Twenty Lakhs Only)

B. The Joint Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

iii. Encashment of the leave at the end of the tenure.

C. Other terms:

1. He shall be entitled to re-imbursement of actual out-of-pocket expenses incurred in connection with the business of the Company.

2. He shall be entitled to re-imbursement of entertainment expenses incurred for the business of the Company.

3. As long as he functions as Joint Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.

4. He shall be entitled to earned/privileged leave as per the Rules of the Company.

5. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point (A) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 196, 197 of the Companies Act, 2013, along with the perquisites stated under point (B) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.

6. Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Joint Managing Director of the Company and as may be delegated to him from time to time.

7. He shall not be liable to retire by rotation.

Further, pursuant to the provisions of Section 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the members in the Annual General Meeting.

The necessary information/disclosure in compliance with Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Sameer Kanwar has been provided in a separate section of this Notice.

Accordingly, the Board recommends the resolution as set out at Item No. 05 of the Notice in relation to the remuneration of Mr. Sameer Kanwar as Joint Managing Director, for the approval by the members of the Company, by way of a Special resolution.

Except Mr. Sameer Kanwar, himself and his father Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company, no other Director or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 05 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 20 September, 2022 and shall also be available at the meeting.

ITEM NO. 06

Mr. Nagar Venkatraman Srinivasan, aged 78 years is a Non-Executive Director of the Company since 03 November, 2017. He is a graduate in Mechanical Engineering. He has done MS in Industrial Engineering from University of Illinois and he is an MBA from Graduate School of Business from the University of Pittsburgh in USA. He has rich experience of 53 years. Having started his career with Larsen & Toubro Limited, Mr. Srinivasan joined Bharat Gears Limited in the year 1976. Over the years, he served at various senior level positions in materials, manufacturing and general management. He retired from the Company, after a long stint of 33 years, as Corporate Business Head having overall responsibility of all the operations of the Company. He continued to be associated with the Company as Technical and Management Advisor upto 28 February, 2022.

The members of the Company in their Annual General Meeting held on 22 September, 2021 approved the re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director of the Company liable to retire by rotation upto the conclusion of the 50th Annual General Meeting (AGM) of the Company in the Calendar Year 2022 pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended which provides that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person, the age of Mr. Nagar Venkatraman Srinivasan being more than seventy five years on the commencement of said tenure.

In terms of the above, the present tenure of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director of the Company expires at this Annual General Meeting (AGM).

The Board of Directors of the Company in its meeting held on 27 May, 2022, in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on even date considered and approved the re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director of the Company liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended, upto the conclusion of 51st Annual General Meeting of the Company in the Calendar year 2023, subject to the approval of members by way of Special resolution, the age of Mr. Nagar Venkatraman Srinivasan being more than seventy five years at the commencement of his proposed tenure.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Nagar Venkatraman Srinivasan has been provided in a separate section of this Notice.

Mr. Nagar Venkatraman Srinivasan has a deep exposure on all aspects of business of the Company i.e. Automotive Gears. He had worked for more than 33 years closely with the management and retired as Corporate Business Head. Since then he had been associated with the Company as Technical and Management Advisor upto 28 February, 2022. With the continuation of Mr. Nagar Venkatraman Srinivasan, the Company can continue to take advantage of his valuable guidance and achieve further growth and success in the subsequent period.

In view of his enriched experience and appreciable contribution, the approval of members by way of Special resolution is being sought to re-appoint Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director of the Company liable to retire by rotation upto the conclusion of the 51st Annual General Meeting (AGM) of the Company in the Calendar year 2023 in terms of the provisions of Section 152 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution as set out at Item No. 06 of the Notice in relation to re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director, for the approval by the members of the Company, by way of a Special resolution.

Except Mr. Nagar Venkatraman Srinivasan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 06 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 20 September, 2022 and shall also be available at the meeting.

ITEM NO. 07

The Board of Directors of the Company in its meeting held on 27 May, 2022 on the recommendation of the Audit Committee has approved the appointment of M/s M.K. Kulshrestha & Associates as Cost Auditors of the Company to conduct the audit of the cost records of all the 3 (Three) plants of the Company located at Mumbra (Maharashtra), Lonand (Maharashtra) and Faridabad (Haryana) for the Financial Year ending 31 March, 2023 at a remuneration of ₹ 2,25,000/- (Rupees Two Lakhs Twenty Five Thousand Only) pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and Rule 4 of the Companies (Cost Records and Audit) Rules, 2014.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

The consent of the members is sought by way of an Ordinary Resolution for ratification of the remuneration payable to M/s M.K. Kulshrestha & Associates as Cost Auditors of the Company for the Financial Year ending 31 March, 2023.

Accordingly, the Board recommends the resolution as set out at Item No. 07 of the Notice in relation to ratification of the remuneration payable to M/s M.K. Kulshrestha & Associates as Cost Auditors of the Company for the Financial Year ending 31 March, 2023, by way of an Ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 07 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. 20 September, 2022 and shall also be available at the meeting.

ITEM NO. 08

The Company is in its 50th year of start of its operations and has done remarkably well during the previous Financial Year, therefore it has been proposed to share the benefits to the valuable members of the Company as a token of gratitude.

The Board of Directors of the Company in its meeting held on August 24, 2022 has considered and approved the capitalization of reserves of the Company by way of issue of Bonus Shares to the members of the Company subject to the approval of the members of the Company, provisions of the Articles of Association (AOA) of the Company, Section 63 and such other applicable provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other rules and regulations as may be applicable for the time being in force, in the ratio of 1:2 i.e. issue of 1 (One) Equity Share for every 2 (Two) Equity Shares held by the members whose names appear in the Register of Members or as the beneficial owner(s) of the Equity Shares of the Company, in the records of the Depositories, on the close of business on the Record Date being September 13, 2022.

In case of fractional shares, if any, arising out of the issue and allotment of the bonus Equity Shares, the suitable arrangements shall be made to deal with such fractions for the benefit of the eligible members, including but not limited to, allotting the total number of new Equity Shares representing such fractions to a Committee/ Person(s)/Company within the Group/Registrar and Transfer Agent of the Company to be authorised by the Board of Directors who would hold them in trust for such members and shall, as soon as possible, sell such Equity Shares at the prevailing market rate and the net sale proceeds of such Equity Shares, after adjusting the cost and the expenses in respect thereof, be distributed among such members who will be entitled to such fractions in proportion of their respective fractional entitlements.

Accordingly, the Board recommends the resolution as setout at ItemNo. 08 of the Notice in relation to the issue of Bonus Shares to the members of the Company, forthe approval bythe members of the Company, by way of a Special resolution.

Except Mr. Surinder Paul Kanwar, Chairman and Managing Director and his son Mr. Sameer Kanwar, Joint Managing Director of the Company to the extent of entitlement of Mr. Surinder Paul Kanwar, Chairman and Managing Director for the Bonus Shares directly/ through relatives/through Companies within the Group, no other Directoror Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution setout at Item No. 08 of the notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for electronic inspection without fees by the members from the date of circulationof this Notice up to the date of AGM i.e. 20 September, 2022 and shall also be available at the meeting.

By order of the Board



Prashant Khattry

Date: 24 August, 2022 Head (Legal) and Company Secretary

STATEMENT OF PARTICULARS
(PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013)
MR. SURINDER PAUL KANWAR, CHAIRMAN AND MANAGING DIRECTOR

I. GENERAL INFORMATION

Sl.No.	Particulars/Subject	Information
1.	Nature of industry	Manufacture of Automobile Gears
2.	Date or expected date of commencement of commercial Production	05 January, 1972
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	In the Financial Year 2021-22, the Company made a turnover of ₹ 729.44 Crores (including other income) and Profit of ₹ 25.84 Crores after tax.
5.	Export performance and net foreign exchange collections	During the Financial Year 2021-22, Export of goods: ₹ 288.68 Crores (Previous Year ₹ 155.47 Crores).
6.	Foreign Investments or collaborators, if any.	No such investment or collaboration except minor shareholding of Non Resident Indians.

II. INFORMATION ABOUT THE APPOINTEE

1.	Background Details	Mr. Surinder Paul Kanwar is a Commerce Graduate from University of Delhi. He has been affiliated with the Company as a member of the Board of Directors since 29 September, 1982 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Automotive Parts Industry. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board. Mr. Surinder Paul Kanwar is also the Chairman and Managing Director of Raunaq EPC International Limited from where he is drawing a token remuneration of ₹ 1.00 (Rupee One) per month only.
2.	Past remuneration	During his present tenure as Chairman and Managing Director of the Company, Mr. Surinder Paul Kanwar has been drawing remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013.

Sl.No.	Particulars/Subject	Information
3.	Recognition or awards	During the tenure of Mr. Surinder Paul Kanwar, the Company has received various recognition and awards, such as: • Eaton Corporation - One Eaton Supplier Premier Award • Transaxle Manufacturing of America - Supplier Excellence Award 2016, 2019 • Escorts Limited - Best Quality Award • Spicer India Private Limited - Appreciation for Quality improvement • JCB - Participation in JCB APQP/NPIP Training Programme • Certification under IATF 16949 awarded to Bharat Gears Limited for design and development of products and services PRODUCT(S) DELIVERED - Bevel and Transmission Gears • John Deere India - Commendable Performance Award • Toyota - Zero PPM Quality Certificate • Escorts Kubota - Recognition for remarkable Improvement (quarter on quarter) • Toyata - Recognition of outstanding contribution by achieving zero defect supplies for the year 2021 • John Deere India - Unit Partner Recognition
4.	Job profile and his suitability	Mr. Surinder Paul Kanwar has been instrumental in pressing forward the art of gear manufacturing and keeping abreast with the latest technology for delivering the highest quality of products. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company. His sincerity, commitment and ideas have resulted in opening up of new opportunities of the Company. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes for the payment of remuneration to Mr. Surinder Paul Kanwar, Chairman and Managing Director, for a further period of 3 (Three) Years of his tenure w.e.f. 01 April, 2022, as per the details stated in explanatory statement of Item No. 04 of the Notice.
5.	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the explanatory statement of Item No. 04 of the Notice. The remuneration proposed is within the permissible remuneration as per Schedule V of the Companies Act, 2013.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is within the permissible remuneration as per Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size and profitability.
7.	Pecuniary relationship directly or indirectly with the company personnel, if any	Mr. Surinder Paul Kanwar, Chairman and Managing Director and Mr. Sameer Kanwar, Joint Managing Director are the two Whole time Directors (WTDs) in the Company and both are related as father and son. Except the WTDs, no other director or relative is having any material pecuniary relationships with the Company. During the period ended on 31 March, 2022, related party transaction amounted to ₹ 10.15 Crores (FY 2020-21: ₹ 5.09 Crores). The WTDs also drew their remunerations in the period amounting to ₹ 2.55 Crores (FY 2020-21: ₹ 2.48 Crores). The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transaction every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transaction is prejudicial to the interest of the Company.

III. OTHER INFORMATION

Sl.No.	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	In the Financial Year ended 31 March, 2022, the Company made Profit after Tax of ₹ 25.84 Crores and Cash Profit of ₹ 50.86 Crores. During the Financial Year 2021-22, Offtake from customers has been robust, especially export customers. As result overall sales volume showed an upward trajectory. Revenue from operations for the year has increased by 45% in comparison to the previous year (operations in which were affected because of lockdown). The Profits are still inadequate for the remuneration proposed in terms of the provisions of section 197, 198 and schedule V of the Companies Act, 2013. The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
2.	Steps taken or proposed to be taken for improvement	The Company has adopted the following measures to improve the profitability: • Modernisation of existing facilities to improve overall operating efficiency and gear up for catering to higher demand from OEMs. • Widening of customer base and better market penetration, especially in overseas market. • Conscious effort to develop products/customers base in alternate market segments. • Technology upgradation by way of investing in state of the art machinery to meet stringent quality requirements of customers. • Focus on significant improvements in operating costs. • Cost control in all areas. • Deeper penetration in the replacement market in India & abroad. • Improvement in OE & Export Sales. • Improving the quality to make products competitive in Indian & Overseas markets.
3.	Expected increase in the productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

MR. SAMEER KANWAR, JOINT MANAGING DIRECTOR

I. GENERAL INFORMATION

Sl.No.	Particulars/Subject	Information
1.	Nature of industry	Manufacture of Automobile Gears
2.	Date or expected date of commencement of commercial Production	05 January, 1972
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	In the Financial Year 2021-22, the Company made a turnover of ₹ 729.44 Crores (including other income) and Profit of ₹ 25.84 Crores after tax.
5.	Export performance and net foreign exchange collections	During the Financial Year 2021-22, Export of goods: ₹ 288.68 Crores (Previous Year ₹ 155.47 Crores).
6.	Foreign Investments or collaborators, if any.	No such investment or collaboration except minors shareholding of Non Resident Indians.

II. INFORMATION ABOUT THE APPOINTEE

1.	Background Details	Mr. Sameer Kanwar holds a Bachelor's Degree in Business Economics from York University, Canada. After completing his Graduation, he received two years training in the areas of Planning, Finance and Control at ZF Friedrichshafen AG, Germany, the world's largest maker of drivelines and chassis for Automobiles. He has deep exposure in Marketing, Purchase, Production and HR Management. He has in-depth knowledge of the core business of the Company i.e. Automotive Gears. He has been affiliated with the Company as a member of the Board of Directors since 01 February, 2002 and from then the Company has gained from his visionary approach. He has a vast experience of about 22 years and wholesome exposure on all aspects of business of the Company.
2.	Past remuneration	During his present tenure as Joint Managing Director of the Company, Mr. Sameer Kanwar has been drawing remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013.

Sl.No.	Particulars/Subject	Information
3.	Recognition or awards	During the tenure of Mr. Sameer Kanwar, the Company has received various recognition and awards, such as: • Eaton Corporation - One Eaton Supplier Premier Award • Transaxle Manufacturing of America - Supplier Excellence Award 2016, 2019 • Escorts Limited - Best Quality Award • Spicer India Private Limited - Appreciation for Quality improvement • JCB - Participation in JCB APQP/NPIP Training Programme • Certification under IATF 16949 awarded to Bharat Gears Limited for design and development of products and services PRODUCT(S) DELIVERED - Bevel and Transmission Gears • John Deere India -Commendable Performance Award • Toyota - Zero PPM Quality Certificate • Escorts Kubota - Recognition for remarkable Improvement (quarter on quarter) • Toyata - Recognition of outstanding contribution by achieving zero defect supplies for the year 2021 • John Deere India - Unit Partner Recognition
4.	Job profile and his suitability	Mr. Sameer Kanwar has a deep exposure in marketing and purchase. He has knowledge of the core business of the Company. He has contributed in creation of a successful organization which has foster people and developed a climate that recognizes performance and leadership. He has been abreast with the latest technology for delivering highest quality of products. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes for the payment of remuneration to Mr. Sameer Kanwar, Joint Managing Director for a further period of 2 (Two) years w.e.f. 01 June, 2022, as per the details stated in the explanatory statement of Item No. 05 of the Notice.
5.	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the explanatory statement of Item No. 05 of the Notice. The remuneration proposed is less than the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is within the permissible remuneration as per Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size and profitability.
7.	Pecuniary relationship directly or indirectly with the company personnel, if any	Mr. Sameer Kanwar, Joint Managing Director and Mr. Surinder Paul Kanwar, Chairman and Managing Director are the two Whole time Directors (WTDs) in the Company and both are related as Son and Father. Except the WTDs, no other director or relative is having any material pecuniary relationships with the Company. During the period ended on 31 March, 2022, related party transaction amounted to ₹ 10.15 Crores (FY 2020-21: ₹ 5.09 Crores). The WTDs also drew their remunerations in the period amounting to ₹ 2.55 Crores (FY 2020-21: ₹ 2.48 Crores). The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transaction every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transaction is prejudicial to the interest of the Company.

III. OTHER INFORMATION

Sl.No.	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	In the Financial Year ended 31 March, 2022, the Company made Profit after Tax of ₹ 25.84 Crores and Cash Profit of ₹ 50.86 Crores. During the Financial Year 2021-22, Offtake from customers has been robust, especially export customers. As result overall sales volume showed an upward trajectory. Revenue from operations for the year has increased by 45% in comparison to the previous year (operations in which were affected because of lockdown). The Profits are still inadequate for the remuneration proposed in terms of the provisions of section 197, 198 and schedule V of the Companies Act, 2013. The remuneration proposed is less than the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
2.	Steps taken or proposed to be taken for improvement	The Company has adopted the following measures to improve the profitability: • Modernisation of existing facilities to improve overall operating efficiency and gear up for catering to higher demand from OEMs. • Widening of customer base and better market penetration, especially in overseas market. • Conscious effort to develop products/customers base in alternate market segments. • Technology upgradation by way of investing in state of the art machinery to meet stringent quality requirements of customers. • Focus on significant improvements in operating costs. • Cost control in all areas. • Deeper penetration in the replacement market in India & abroad. • Improvement in OE & Export Sales. • Improving the quality to make products competitive in Indian & Overseas markets.
3.	Expected increase in the productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

By order of the Board



Prashant Khattry
Head (Legal) and Company Secretary

Date: 24 August, 2022

Details required under Section 102 of the Companies Act, 2013 in respect of the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting (AGM) and their Brief Resume have been provided under the Explanatory Statement annexed to this Notice. The other Information/Disclosure in compliance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India have been provided herein below:

Particulars	Item No. 03	Item No. 04	Item No. 05	Item No. 06
Name of the Director	**Mr. Raman Nanda**	**Mr. Surinder Paul Kanwar**	**Mr. Sameer Kanwar**	**Mr. Nagar Venkatraman Srinivasan**
DIN	00078198	00033524	00033622	00879414
Brief Resume	As detailed in Explanatory Statement above for Item No. 03 of the Notice	As detailed in Explanatory Statement above for Item No. 04 of the Notice	As detailed in Explanatory Statement above for Item No. 05 of the Notice	As detailed in Explanatory Statement above for Item No. 06 of the Notice
Category of Director	Non-Executive Independent Director	Chairman and Managing Director	Joint Managing Director	Non-Executive Director
Date of Birth (Age in Years)	15 March, 1956 (66)	28 July, 1952 (70)	24 December, 1977 (44)	04 April, 1944 (78)
Date of Appointment on the Board	29 December, 2021	29 September, 1982	01 February, 2002	03 November, 2017
Qualifications	Commerce Graduate, MBA	Commerce Graduate	Bachelor's Degree in Business Economics from York University, Canada	Graduated in Mechanical Engineering, MS in Industrial Engineering and MBA
No. of years of Experience	45 Years	47 Years	22 Years	53 Years
Expertise in specific functional areas	Knowledge of Core Business i.e. Automotive Gears, Plant Management, Strategic Planning, Product Development and Marketing, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements	Knowledge of Core Business i.e. Automotive Gears, Plant Management, Strategic Planning, Product Development and Marketing, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements	Knowledge of Core Business i.e. Automotive Gears, Plant Management, Strategic Planning, Product Development and Marketing, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements	Knowledge of Core Business i.e. Automotive Gears, Plant Management, Strategic Planning, Product Development and Marketing, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements
Terms and conditions of appointment/re-appointment	As detailed in Explanatory Statement above for Item No. 03 of the Notice The other terms and conditions are available at the website of the Company at www.bharatgears.com under the link: http://bharatgears.com/documents/terms-of-appointment-non-executive-indpendent-directors-new.pdf	As detailed in Explanatory Statement above for Item No. 04 of the Notice The other terms and conditions are available at the website of the Company at www.bharatgears.com under the link: http://bharatgears.com/corporate-governance.htm	As detailed in Explanatory Statement above for Item No. 05 of the Notice The other terms and conditions are available at the website of the Company at www.bharatgears.com under the link: http://bharatgears.com/corporate-governance.htm	As detailed in Explanatory Statement above for Item No. 06 of the Notice The other terms and conditions are available at the website of the Company at www.bharatgears.com under the link: http://bharatgears.com/corporate-governance.htm
Chairmanship/ Membership of Committees of the Company	Nil	Member-Nomination and Remuneration Committee Member-Finance Committee Chairman-Corporate Social Responsibility Committee Member-Stakeholders' Relationship Committee	Member-Finance Committee Member-Corporate Social Responsibility Committee Member-Stakeholders' Relationship Committee	Member-Stakeholders' Relationship Committee
Directorships held in other Companies	Nil	• Raunaq EPC International Limited# • Ultra Consultants Private Limited • Vibrant Reality Infra Private Limited • Clip-Lok Simpak (India) Private Limited	• Nexus EPC Private Limited • Nexus Driveline India Private Limited • Akasa Design Studio LLP* • Ejot-Octagon Fastening Systems Private Limited	Nil

Chairmanships/ Memberships of committees of other Companies	Nil	Raunaq EPC International Limited# • Member-Nomination and Remuneration Committee • Member-Stakeholders' Relationship Committee • Member-Finance Committee • Chairman-Corporate Social Responsibility Committee • Member-Share Issue Committee	Nil	Nil
Listed entities from which the Director has resigned in the past three years	Nil	Nil	Raunaq EPC International Limited w.e.f. 31 December, 2021	Raunaq EPC International Limited w.e.f. 19 April, 2019
Number of Board Meetings attended during the year	2@	6	6	6
Relationships between Directors inter-se	None	Father of Mr. Sameer Kanwar, Joint Managing Director of the Company	Son of Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company	Apart from being associated with the Company as Technical and Management Advisor upto 28 February, 2022, Mr. Nagar Venkatraman Srinivasan is not related in any capacity whether directly or indirectly with any other Director, Manager and Key Managerial Personnel (KMP) of the Company.
Relationships with Manager and other Key Managerial Personnel of the Company	None	None	None	
Remuneration details (Including Sitting Fees & Commission) and last remuneration drawn	Please refer to the 'Report on Corporate Governance', forming part of the Annual Report 2021-22			
Number of shares held in the Company	Nil	37,87,326 (37.00%)	Nil	Nil

 # Indicates Listed Company
**** Indicates LLP***
@ Appointed w.e.f. 29 December, 2021

By order of the Board



Prashant Khattry
Head (Legal) and Company Secretary

Date: 24 August, 2022

Geared for Life

BHARAT GEARS LIMITED

Geared for Life



Annual Report 2021-22

Gears for years

Bharat Gears is a story that goes beyond just five decades of unparalleled leadership. It is a saga which since inception in 1971 has combined forecasting, astute planning and continuous innovation, and of course, relentless inspiration to perform year after year. Today, the Company's products have transcended borders where they define precision and quality.

Bharat Gears Limited looks towards the future with steadfastness to maintain technological superiority to keep delivering satisfaction to the most discerning customers on the globe. Little wonder, the tectonic shift in global automotive technology and the imminent consumer behavior have poised new challenges and opened opportunities for Bharat Gears Limited. The Company stands reassured and confident to brace up to the changing automotive landscape.



Fifty years into the future

It is the fiftieth year since Bharat Gears Limited dreamt of a self-reliant India in the area of gears. The past half century is driven by pursuit for perfection, achievements and introducing path breaking products for global customers. Operational initiatives, sales focus and a customer specific strategy have paved the road to crossing new milestones for the next fifty years and beyond.

Focus – A legacy spanning fifty years and beyond

To be driven at Bharat Gears Limited by the doctrine of 'Customer First'.



ACROSS THE PAGES

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Caution regarding forward looking statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Gears for years

Bharat Gears Limited - The gears of change

The Company's growth is fostered by the precision and the grit to stay at the forefront of innovation. Today, Bharat Gears Limited is ranked among the top manufacturers of automotive gears and heat treatment furnaces.

The portfolio of the company boasts of high quality automotive gears for heavy, medium and light trucks, utility vehicles, tractors and off-highway vehicles. Bharat Gears Limited proudly boasts of three state-of-the-art plants across states of Maharashtra & Haryana.

Our Vision

We shall strive vigorously to delight our customers and shareholders who are our very purpose, by pursuing excellence and innovation through teamwork. To this end, we shall promote continuous learning, achievement orientation and ethical business practices, which will make us shine as a global player.

Our Mission

To retain and reinforce our position as a leading Indian manufacturer of automotive gears and aggregates and meet the aspirations of customers in domestic and export markets. This will be achieved through on-time zero defect supplies backed by responsive service, empowered employees, vendor partners and satisfied investors.

Our inherent strength lies in combining state of the art technology, smart and efficient workmanship and on-time delivery. This has made us the partner of choice for leading 'Original Equipment Manufacturers' who have remained associated with us for a long duration. International technical collaborations and engineering & product development expertise have made us a force to reckon with.

Our ever growing customer base, globally, is a testimony to our capabilities, processes and quality management.



Our Business Segments

Gears

Bharat Gears Limited produces a wide variety of ring gears and pinions, transmission gears, shafts and differential gears. These assemblies form an integral part of today's fast moving automobiles. We are completely equipped to match the ever evolving automobile ecosystem across the world.

Furnaces

From captive usage to commercial acceptance, the company's furnaces have benchmarked quality and performance. Bharat Gears Limited has collaborated with technology giant AFC-Holcroft, Michigan (USA) to manufacture high end heat treating furnaces. These furnaces are operator friendly as well as easy to maintain.

Automotive Component

Bharat Gears Limited has the privilege of being a leading supplier of high performing products such as automotive clutches and components, turbo chargers and components, driveline products, axle shafts, fly-wheel assemblies and rings, propeller shaft components, U-cross, steering components, differential cages and steel wheel rims.

Culture – A legacy spanning fifty years and beyond

To keep improving existing technology, introducing latest machinery and enhancing workmanship through new ideas.







Gears for years

Bharat Gears - Milestones through the success journey

Bharat Gears Limited has demonstrated its grit and passion to excel by reinventing itself year on year. These milestones have carried the Company's sceptre over five decades.

1972
- Laid the foundation stone of Mumbra Plant

1974
- Inaugurated Bevel gear Plant and commenced production with 'Gleason Machines'

1980
- Installed first 'Oerlikon Spiromatic Generator'
- Became one of first companies in India to have both cutting systems under one roof

1981
- Entered technical collaboration with AFC-Holcroft, USA for construction of furnaces in India

1985
- Entered into technical and financial collaboration agreement with ZF Friedrichshafen AG, Germany (till 2007)

1987
- Delivered ZF S6-36 Gears & Shafts to Ashok Leyland and ZF Friedrichshafen AG, Germany
- Started assembly of ZF S5-24 Gear Boxes for Ashok Leyland

1988
- Started business with DANA Corporation, USA

1994
- Received ISO 9002 certification

1996
– Crossed Rs.1 billion revenue mark

1998
- Laid the foundation stone of Faridabad Plant


Mumbra


Faridabad

2000
- Commenced commercial production at Faridabad Plant
- Received QS 9000 certification for Mumbra Plant

2004
- Started supply to Toyota Kirloskar Auto Parts from Faridabad Plant
- Received ISO 14001 certification for Faridabad Plant

2005
- Received TS 16949 certification for Faridabad and Mumbra Plants

2008
- Introduced Dry Cut Hobbing process

2009
- Introduced Klingelnberg Close Loop CNC Gear Measuring system

2010
- Introduced Bevel Gear dry cutting process with close loop technology

2011
- Received OHSAS 18001 certification for Faridabad Plant

2012
- Laid the foundation stone of Lonand Plant

2014
- Commenced commercial production at Lonand Plant

2015
- Received TS 16949, ISO 14001 and OHSAS 18001 certifications for Lonand Plant

2018
- Received IATF 16949 certification for all three plants

2019
- Second Phase of Lonand Plant completed
- Introduced Single flank testing Machine (MTE)
- Introduced CGCF with Robotic - Automation

2022
- Highest ever turnover in the Company's history – Rs. 729 crores
- Entry into Hydraulics, EV & industrial gear segments.

A legacy spanning fifty years and beyond

To deliver excellence and performance by keeping pace with innovation and crossing new milestones on the way.





Lonand

Gears for years

Market network for growth

Bharat Gears Limited cherishes an unwavering faith from its partners – investors, collaborations, vendors, distributors and customers. Bharat Gears Limited leverages core strengths.

Competitive pricing and expansion lent scalability to operations supported by, superior technology and comprehensive product development are key drivers of our success. This is validated by 45% revenue growth of Bharat Gears Limited over last financial year. This watershed year resulted from buoyant market mood after a sluggish 2019-20 and 2020-21 that were marred by the Covid-19 pandemic.

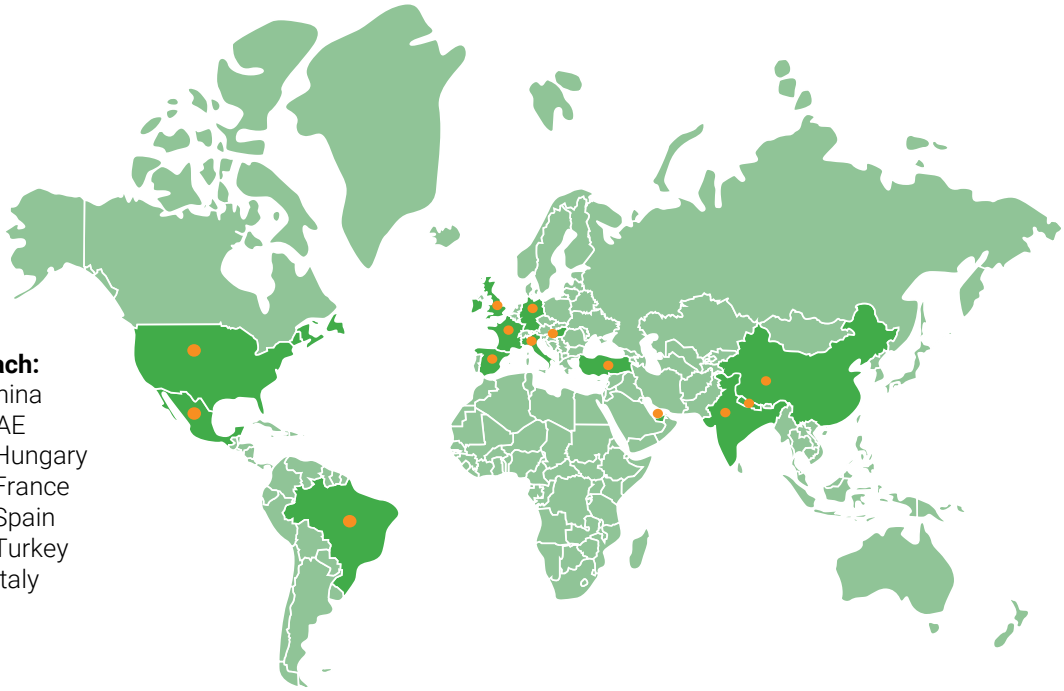
Key initiatives that led to strengthening our strong market network

- Enhanced supply chain management.
- After sales support.
- Optimized costs.
- Increased presence in North America and Europe.
- Focus on over-all customer experience.

Today, the strong market network of Bharat Gears Limited stands testimony of relentless pursuit of accessing more customers, deliver more solutions and keep crossing previously set milestones.

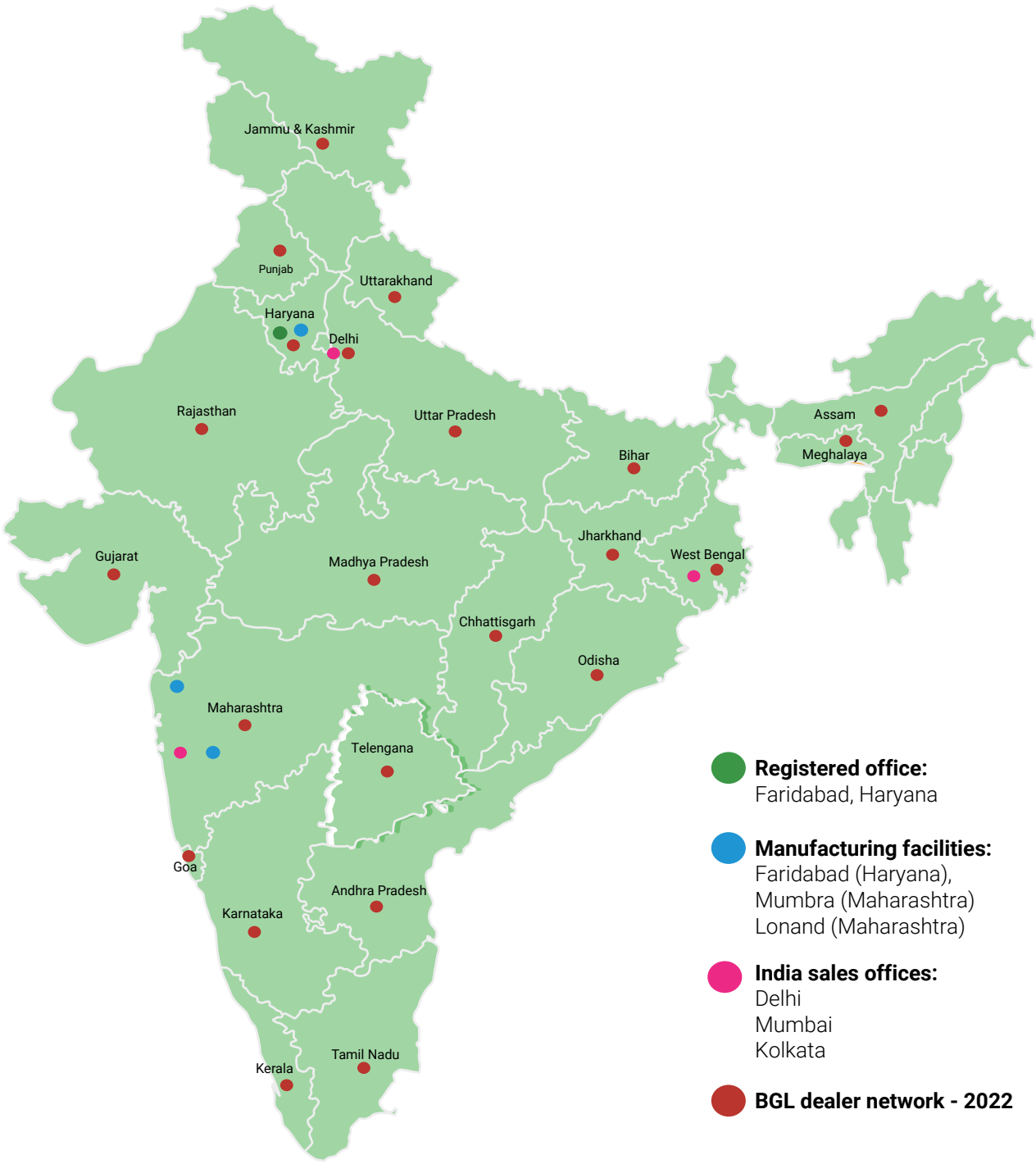
Promise - A legacy spanning fifty years

To be synonymous with customer satisfaction through innovation and cost effective gears, furnaces and automotive components and efficient delivery systems.



Global market reach:

1. India
2. USA
3. UK
4. Nepal
5. Germany
6. Brazil
7. Mexico
8. China
9. UAE
10. Hungary
11. France
12. Spain
13. Turkey
14. Italy



Registered office:
Faridabad, Haryana

Manufacturing facilities:
Faridabad (Haryana),
Mumbra (Maharashtra)
Lonand (Maharashtra)

India sales offices:
Delhi
Mumbai
Kolkata

BGL dealer network - 2022

76
Dealers across 22 states, pan India

3
Sales offices – Delhi, Mumbai, Kolkata

Gears for years

Pillars of inherent strengths – A strong infrastructure

The wheels of global economy are geared by high performing gears. Bharat Gears Limited comprehends the need for a robust infrastructure and its value while contributing to the manufacture of these gears.

Spirit – A legacy spanning fifty years

To upgrade facilities and add new ones consistent with burgeoning demand in the ever evolving market.

As engrained in its corporate culture, Bharat Gears Limited has invested in enhancing competences, technological up-gradation and optimizing costs. This allows the company to increase the efficiency across its synergies and upgrade existing technologies while pioneering new ones. Constant perseverance has edged Bharat Gears Limited past competition across customer segments globally.

Three state-of-the-art manufacturing plants stand testimony to five decades of consistent and sincere investment in building the impeccable manufacturing infrastructure which the Company possesses today.

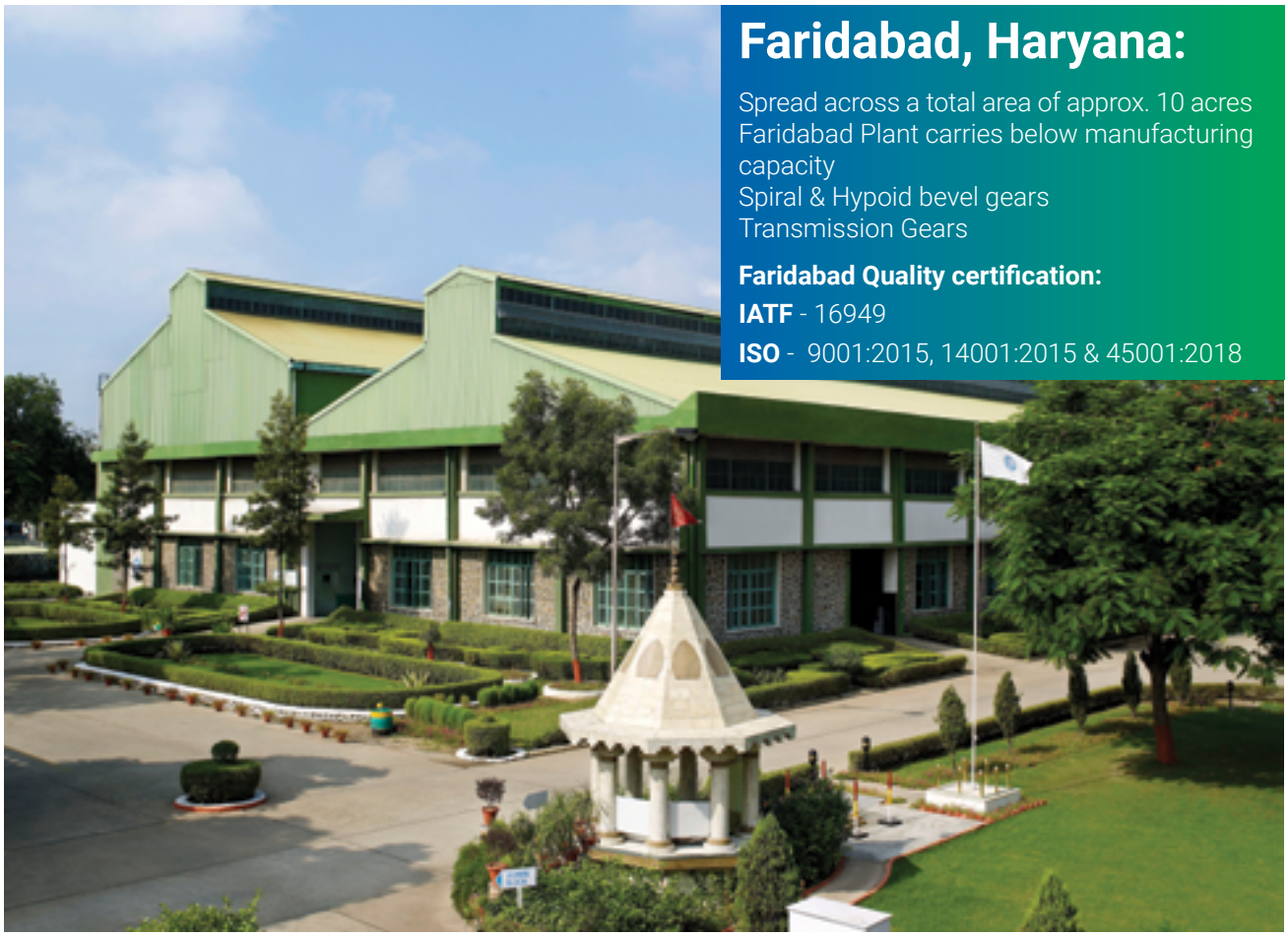


Mumbra, Maharashtra:

Spread across a total area of approx. 32 acres
Mumbai Plant carries below manufacturing capacity

Spiral & Hypoid bevel gears
Differential Gears & Crosses
Transmission Gears

Quality Certifications: IATF - 16949



Faridabad, Haryana:

Spread across a total area of approx. 10 acres
Faridabad Plant carries below manufacturing capacity
Spiral & Hypoid bevel gears
Transmission Gears

Faridabad Quality certification:
IATF - 16949
ISO - 9001:2015, 14001:2015 & 45001:2018



Lonand, Satara, Maharashtra:

Spread across a total area of approx. 10 acres
Satara Plant carries below manufacturing capacity
Transmission Gears

Quality Certifications:
IATF - 16949
ISO - 14001:2015 & 45001:2018

Gears for years

Instruments of the drive – Our precision products

Delivering performance is at the core of the Company and is the Company's steering force. As a leading provider of gears and furnace, Bharat Gears Limited focuses on increasing its deliverables to its customers in agri-equipment, commercial vehicles & construction industry.

Gears

Ring Gears and Pinions





Transmission Gears and Shafts







Differential Gears





Heat Treatment Furnaces

Sealed quench furnace lines
Pusher continuous gas carburizing lines





Other Heat Treatment Equipment

1. Endothermic gas generators
2. Rotary hearth atmosphere hardening
3. Conveyor furnaces lines
4. Pusher type furnaces

Automotive Components

Crown Wheel & Pinion	Transmission Gears	Fly Wheel Rings
Steering Components	Fly Wheel Assembly	Cover assemblies
Axle Shaft	Ceramic Button (Miba, Austria)	Clutch components
Lever and Spring Kits	Propeller Shaft Components	Turbo charger core and rotor
Differential Cage	Turbo charger kit	
Crankshaft	Straight bevel parts	















Motto – Legacy of fifty years and beyond

To touch every customer by assuring better performance and better experience anywhere and at any given time through technology and innovation

Gears for years

Five decades of forging enduring partnerships

Partnering in customers growth journey

The Company understands that customers are their extended arm. It is hence a firm belief that working with customers as partners gives the Company an opportunity to grow along and allow patrons the freedom and trust to champion mutual progress.

The very success of the Company's partnerships has stemmed from higher customer retention, increased share through retained product demand and customizing as per their product needs.

Today, the Company is satisfied and highly encouraged with depth, width and strength of clientele. Some of the biggest corporates are enlisted in the Company's client list.

Gears Business

- Carraro India, Italy, China
- CLAAS Tractor SAS France, Hungary
- CNH Industrial India Pvt Ltd
- DANA Anand India Pvt. Ltd
- Dana India Pvt. Ltd.
- EATON Corporation - India, USA, Mexico, Poland, Brazil
- Escorts-KUBOTA
- JCB-India, UK
- John Deere - India, USA, Spain, Mexico, Brazil, Germany
- KION India
- Mahindra & Mahindra Ltd.
- Mahindra & Mahindra Ltd., Swaraj Division
- Paharpur Cooling Towers Ltd.
- Schafer Driveline LLC, USA
- SML Isuzu Limited
- Sonalika ITL
- TATA Motors Ltd.
- Tractors and Farm Equipment Ltd.
- Transaxle Manufacturing of America (TMA) USA
- Toyota Kirloskar Auto Parts Ltd.
- Tuff Torq
- VST Tillers & Tractors
- ZF India, USA, Germany

Furnace Business

AAM India Manufacturing (American Axles)

Automotive Axles Ltd.

Avdhoot Industries Ltd.

Mahindra & Mahindra Ltd.

Oerlikon Drive Systems

Timken India

Varroc

Partnering in technology, delivering quality

Bharat Gears Limited has a long history of forging successful professional partnerships. The Company values every alliance as a catalyst to business over all.

Over the years, Bharat Gears has partnered successfully with leading technology players. The success of the Company's sincerity, commitment and result oriented approach is visible in the success and the endurance of these partnerships.:

ZF AG Germany - Financial & Technical Partnership:

From 1985 till 2007 Bharat Gears successfully partnered with ZF AG Germany for technical and financial collaboration. During this period ZF was a 26% equity shareholder in the Company and Development/ Production of 5-24 Gear Box and ZF S6-36 Gear Box took place with the help of ZF.

AFC-Holcroft, USA - Technical Partnership:

Bharat Gears has a long standing Technical Collaboration with AFC-Holcroft, USA since 1982.

Resolve: A legacy spanning fifty years

To define technology and precision performance by systematically adopting better products & services and embracing newest technology.

Tryst: A legacy spanning fifty years and beyond

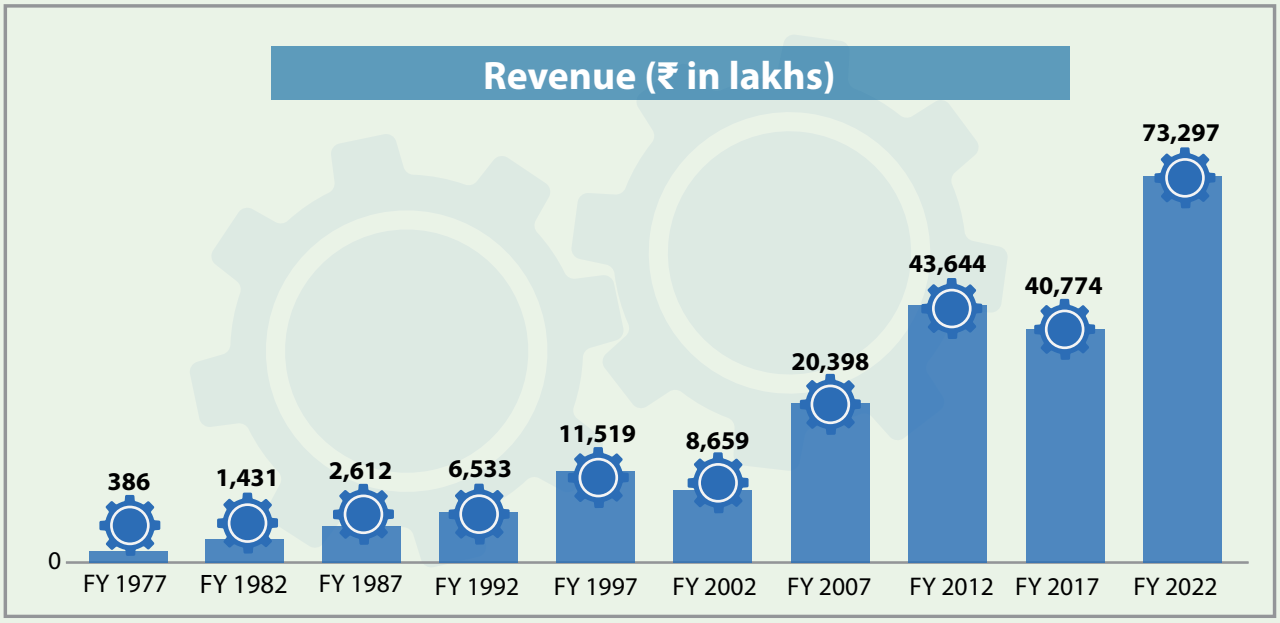
To be at the forefront of understanding customer expectations and customizing products/aggregates and remain meaningful in years to come .

Gears for years

Five decades of delivering results

Bharat Gears has been steadfastly nurturing and protecting stakeholder value through consistent financials performance across top line, middle line and bottom line. Our commitment to business and vision to build long-term enterprise value has brought us so far and shall be our guiding force going forward. The very success of the Company's partnerships has stemmed from higher customer retention, increased share through retained product demand and customizing as per their product needs.

Today, the Company is satisfied and highly encouraged with depth, width and strength of clientele. Some of the biggest corporates are enlisted in the Company's client list

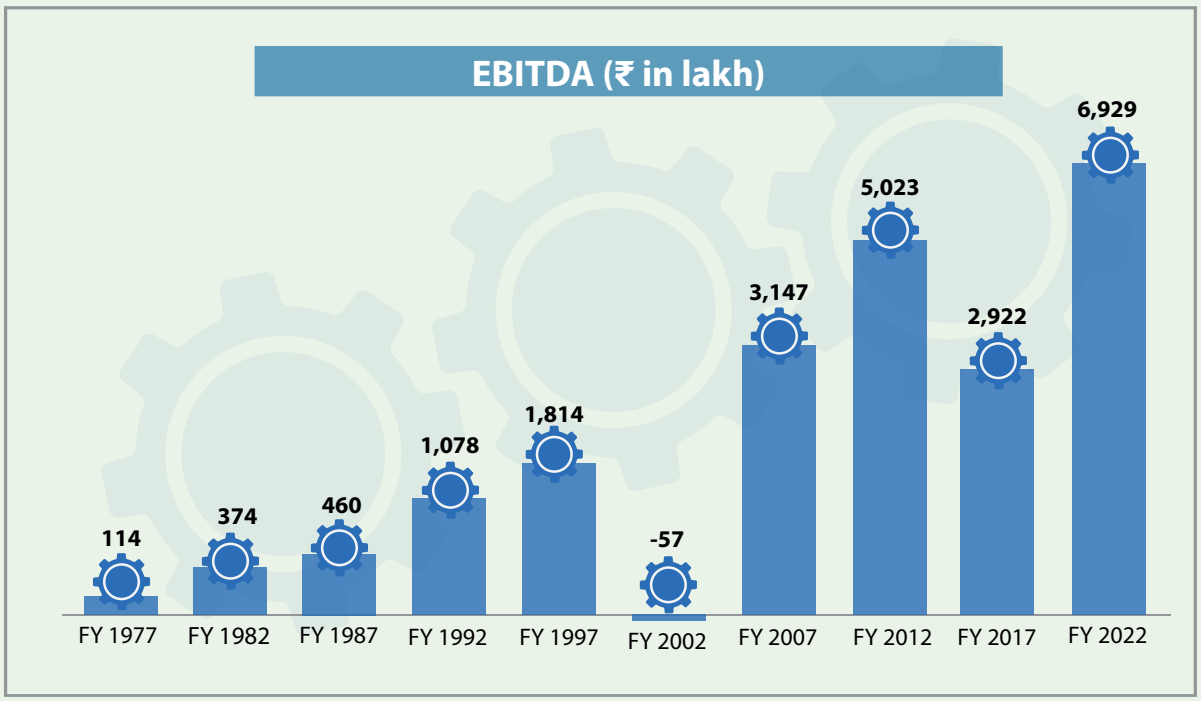


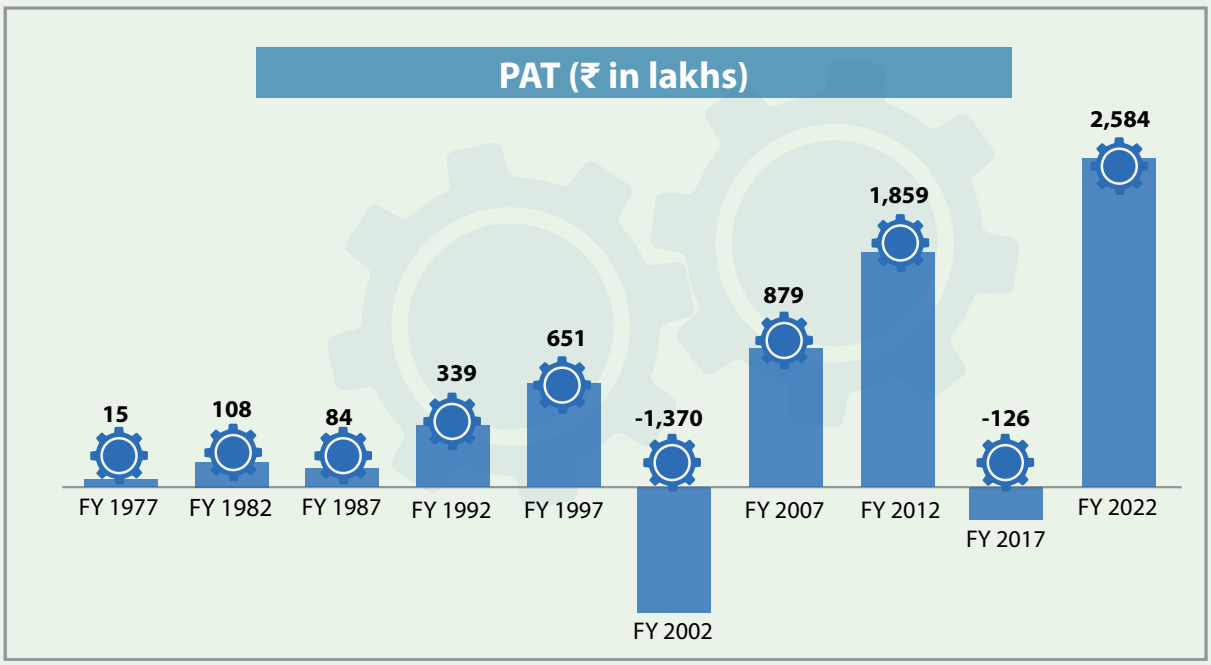
13% CAGR - 50 years

Revenue CAGR of 13% over the last 50 years – impeccable vision, immaculate execution, consistent results.

Ambition – A legacy spanning fifty years and beyond

Consistently grow, re-invest, expand, scale-up and make growth sustainable.


EBITDA (₹ in lakh)
114
374
460
1,078
1,814
-57
3,147
5,023
2,922
6,929
FY 1977
FY 1982
FY 1987
FY 1992
FY 1997
FY 2002
FY 2007
FY 2012
FY 2017
FY 2022


PAT (₹ in lakhs)
15
108
84
339
651
-1,370
879
1,859
-126
2,584
FY 1977
FY 1982
FY 1987
FY 1992
FY 1997
FY 2002
FY 2007
FY 2012
FY 2017
FY 2022

Message from the Chairman



Dear Shareholders,

I would like to present to you the Annual Report for FY 2021-22 in the golden jubilee year of your Company with a quiet sense of pride and deep gratitude. In this report and the message, we intend to share with you the key highlights of your Company's excellent performance during the reported year, some important moments and milestones from our illustrious journey, and our strategic growth levers that will take us to newer heights in the coming years. Your Company has always pursued excellence in technology, product innovation and quality, manufacturing productivity and customer satisfaction in all these years. And this focus will continue to remain the key value for the continued expansion and market leadership of the Company.

Macro-Economic Scenario

The year 2021 was a rebound year for the global economy after the havoc COVID-19 pandemic played on it during 2020. Notwithstanding the second and third wave seen in some of the major world economies, the economic activity across the globe expanded by 6.1% over 2020 due to the pent-up demand, government initiatives to mitigate the economic impact of the pandemic, and increasing vaccination rates. However, the supply chain bottlenecks due to the pandemic-related disruptions and the Russian-Ukrainian war have cast a pall on the economic resurgence. Inflation has become a major cause of concern across the world and most central banks are responding by increasing policy rates to drain excess liquidity from the market. These are likely to have a significant impact on the global GDP growth in 2022 and 2023.

Indian economy tracked the global economy during the FY 2021-22 period when it once again became the fastest growing major economy in the world with a YOY GDP increase of 8.9%. With the pandemic related restrictions being gradually removed, the reform measures and stimulus support given by the central and state governments, and the growth in consumer demand, the macro environment was supportive of growth across the sectors. The manufacturing sector recovered from a 0.6% decline in FY 2020-21 to a 10.5% leap during FY 2021-22. The domestic market was not the only one bubbling with optimism, as the country's overall and merchandise exports touched record highs during the financial year. However, the global factors such as geopolitical tensions, inflation, and tight monetary policies have affected the near-term prospects of Indian economic growth too. The growth projections of FY 2022-23 for India have been revised downward by most agencies and with a negative bias due to continuing downside risks. The estimates for FY 2022-23 growth range from 7% to 8%.

Industry Review

The Indian Automotive and Auto-Components industry is the bellwether for the prospects of the Indian Manufacturing sector. During the reported year, the production of automobiles (excluding two-wheelers) surged more than 21% despite facing issues such as chip shortage, increasing raw material costs, lockdown restrictions etc. This year has been a turnaround year for the industry, barring the two-wheeler segment, after a consistent downtrend that started after the peak achieved in FY 2018-19. The export market for the industry is driven

by the two-wheeler segment. Indian automotive exports registered their lifetime high by crossing the 5 million units mark in FY 2021-22. India is also the leader in the Agricultural Machinery and Construction Equipments industries. Both the industries saw a single digit percentage dip in sales in FY 2021-22 from the record sales achieved during the previous financial year when record sales were achieved due to a shortage of labor resulting from the pandemic. However, the long-term prospects continue to be upbeat as farm mechanization levels, infrastructure spending, and government assistance go up. Global Automotive Components, Agricultural Machinery and Construction Equipments industries are also expected to grow in the near future creating an expanding market opportunity for your Company's exports.

Performance

Despite facing challenges due to the second and third waves of the pandemic, the Company outperformed as compared to the previous financial year because of the supportive external demand environment, its ability to be a trusted partner and its experience in working in compliance with the pandemic related restrictions. It did not lose even a single day of production due to the pandemic during the reported year. Our gross revenue jumped from ₹ 503.03 crores to ₹ 729.44 crores, an increase of 45%, as compared to FY 2020-21, first quarter of which was a washout because of nationwide lockdown to curb the spread of COVID-19 largely supported by healthy growth in exports. As a result, the net loss of ₹ 7.70 crores in FY2020-21 turned to a net profit of ₹ 25.84 crores in FY 2021-22. At the operating level as well, the profitability went up significantly with EBITDA seeing an 86% increase. The cash profits also leapt by more than 251% because of higher operating profits and lower interest costs.

Operational Initiaitves

We have worked very diligently to maintain our position as one of the industry leaders and a preferred supplier of automotive gears to a wide range of industries and leading OEMs across the world. Cost leadership is a key element of our strategy and in this respect, our efforts to continuously improve productivity across all our manufacturing plants are relentless. We have achieved success in raising the productivity levels over the years through the use of new technology or upgrading our machines, re-design of parts, process innovation, energy conservation initiatives, and ongoing training of our workers. Zero Defect and Safety cultures are also critical in maintaining high productivity and customer and employee satisfaction. We have maintained our track record in these respects at our plants. Our use of production partners to strategically enhance capacities to cater to market needs is an art that we have mastered over the years. Regular investment in the development of vendors is a critical component of this strategy. The manufacturing excellence, our product portfolio, technology leadership, and a motivated team are our pillars of strength.

Outlook

While there are challenges in the external environment, we are cautiously optimistic that the Indian markets for Automotive Components, Agricultural Machinery and Construction Equipments will remain reasonably attractive in terms of growth. We have also expanded our international presence over the years, which will help us in dealing with stresses in specific economies and pivot to high growth countries. The emerging growth segments such as Electric Vehicles (EV), small utility machines for small-holding agricultural lands, and heavy construction machinery for mega infrastructure projects will be in our sight for product innovation and portfolio expansion.

Closing Remarks

Our fifty-year long journey to become one of the leading gear manufacturers in the country with a significant global presence would not have been possible without the trust reposed by our clients in us. I would like to thank them for their generous support. It has also been a privilege to chart this journey with my colleagues on the Board, the Company's management team, and dedicated employees, both current and past, whose contributions to our success I acknowledge with humility. Last but not the least, I would also like to thank our business associates, bankers and all the stakeholders for their continued support to Bharat Gears in times, good or bad.

We hope to be honored with your continued support to take our voyage to many more shores of success and growth.

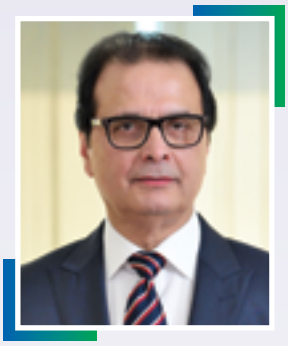
Warm Regards,

Surinder Paul Kanwar
Chairman and Managing Director

Gears for years

Impeccable vision, promising leadership.

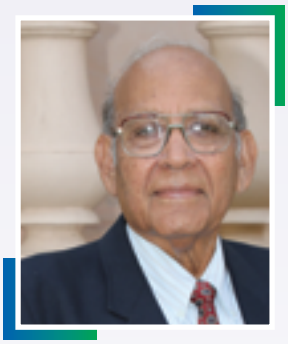
Board of Directors



Mr. Surinder Paul Kanwar
Chairman and Managing Director



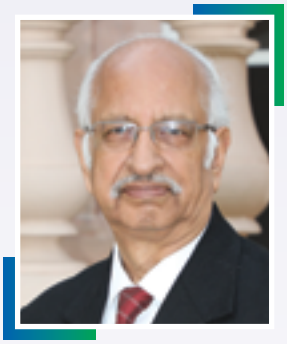
Mr. Sameer Kanwar
Joint Managing Director



Mr. Virendra Kumar Pargal
Non-Executive Independent Director



Mr. Wolfgang Rudolf Schilha
Non-Executive Independent Director



Mr. Nagar Venkatraman Srinivasan
Non-Executive Director



Mr. Rakesh Chopra
Non-Executive Independent Director



Ms. Hiroo Suresh Advani
Non-Executive Independent Director



Mr. Raman Nanda
Non-Executive Independent Director

The visionaries of Bharat Gears Limited

At Bharat Gears Limited, we have been extremely fortunate to have been fostered under the impeccable visionary leaders who had laid the strong foundation for this futuristic organization. These leaders gave the right direction to the growth efforts of the Company. Here we acknowledge the invaluable contribution of these visionaries to our success journey.



Dr. Raunaq Singh
Founder Chairman



Mr. Surinder Paul Kanwar
Chairman & Managing Director

Executive Leadership Team



Mr. Jagdeep Singh
Business Head - After Market



Mr. Naresh Verma
Corporate Business Head



Mr. Milind Pujari
Chief Financial Officer



Mr. Prashant Khattry
Head - Legal & Company Secretary

Gears for years

Opportunity landscape, strategic edge and success roadmap

Vision 2025

Sustainable growth by adding value to all stakeholders.

Opportunity Landscape

Bharat Gears Limited recognizes the immense potential of revenue growth in gears and furnaces in the times to come. With the market growth estimated at 5.7% globally (amounting to USD 320,000 Million - CAGR) by 2026, the opportunity to explore and lead becomes infinite. To brace up with this growth and the impending competition, the Company is exploring new geographies and new collaborations. India alone witnessed a FDI inflow of USD 30.38 billion in the automobile sector in 2020-21. The Government of India is further expecting to attract another USD 8 billion investment from Indian and foreign players. This could peg the growth in the automobile sector solely at 16%-22%. The automobile component industry is likely to be at USD 3.69 billion.

Bharat Gears - Strategic Edge

- Robust engineering capabilities
- Adherence to highest ethical standards and governance
- Embracing technology and fostering innovation
- Benchmark quality across products and services
- Customer first, customer satisfaction foremost
- Strong team, stronger business



Success Roadmap

At 50, Bharat Gears Limited believes that the Company's corporate journey has just begun. Over the decades Bharat Gears Limited has witnessed the ups and downs of business, the industry and the economy. Topping over it have been the previous two years of Covid-19 onslaught which have not only given never before seen challenges but never before seen opportunities and ways to conduct business.

FY22, has been the year of achieving highest turnover of Rs.729.44 crores, highest ever quarterly gear sales and venturing into newer segments like supplies to EVs. Building further on these

encouraging trends together with our inherent strengths, we are setting much higher goals for ourselves, for coming years.

In order to achieve set goals, strategies and capabilities have been aligned as under:

Cost Reduction and Operational Efficiency Optimization: A penny saved is a penny earned. Going by virtues of frugal cost management and optimization, the Company targets cost reduction through a systematic, consistent and long-term approach. It includes effective and prudent means of cost reduction and optimization through:

1. Reducing manpower cost by capability balancing and optimization
2. Reducing materials cost through centralized buying
3. Implementing Lean Management
4. Newer techniques and staff training for reduced PPM, inventory level

Expanding & Diversifying Customer Base: The Company believes in customer first approach and has crossed many milestones successfully by close interaction with existing and potential customers to realize higher potential.

Innovation and Research & Development: Working closely with customers; analyzing and predicting demands, closely watching technological advancements in automobile and automotive sector; all need consistent, most modern and scalable in future products, services and solutions. In recent times, the Company successfully rolled out many such products/product lines.

Frugal Financial Prudence: We believe that availability of liquid, low-cost and efficient finances are key to present and future growth.

Bharat Gears Limited has taken initiatives towards making its financing facilities more leveraging, costing less and paving way for overall operational enhancement.

Direction – A legacy of fifty years and beyond

To inculcate team spirit and entertain positive interaction between different levels of management so that there can be sustained growth



Gears for years

Supporting community & environment

Goal – Fifty years and more

To create a conducive social fabric in by sharing and enriching the vision and objectives of the central and the state governments

Strengthening social ecosystem and protecting environment is entrenched deep in the Company's corporate culture. Bharat Gears Limited utilizes its assets for combating poverty and illiteracy while supporting women empowerment through education, employment and promotion of gender equality. This is coupled with concerted efforts towards maintaining ecological balance by protecting and nurturing the environment.

Following have been the key activities and initiatives towards community & environment support, during recent years:

Although the Company's CSR spends are defined as per policy and statutory mandates, the Company has at times spent in excess as well.

1. **Sanction of funds for bio gas plants for bio gas farmers:** Bharat Gears Limited contributed towards greener environment and livelihood of the marginalized farmers. The Company sanctioned a sum of Rupees Two Lakh to "Bhagirath", an organization working towards various livelihood and development activities in villages and remote areas like biogas plants, milking animals, milk Collection, Goumutra Ark, Vermi compost, and Govari (Cow dung cake) etc. Till date "Bhagirath" has set up 30 Biogas plants.
2. **Financial aid to Ramkrishna Mission Vidyapith:** Bharat Gears has planned a financial contribution to Ramakrishna Mission Vidyapith, Deoghar, Jharkhand. Ramkrishna Mission & Ramkrishna Math are non-political, non-sectarian organizations, engaged in various humanitarian and social activities for more than a century. Ramkrishna Mission Vidyapeeth is a residential school. The school has about 500+ resident students, 150 staff and 14 monastic teaching members.
3. **Provided fully-equipped patrolling vehicles to Faridabad police:** The Company provided fully-equipped patrolling vehicles to Faridabad police for promoting road safety among the residents, riders/ drivers.







4. Financial Aid to following organizations working across varied set of social development activities:
   A. **"Vidya Jagat Cancer Foundation"** as part of the initiative on **preventive health care**
   B. "**Sarvam Foundation**" towards **women empowerment**
   C. "**Lawrence School Sanawar Society**" for promoting **education and sanitization**
   D. "**Save Aravali Foundation**" as contribution towards **environment sustainability**
   E. "**Robin Hood Army, Faridabad**" for distribution of **food and foodgrains to local needy people**

Corporate information

Board of Directors

Executive Directors

Mr. Surinder Paul Kanwar
Chairman & Managing Director

Mr. Sameer Kanwar
Joint Managing Director

Non-Executive Director
Mr. Nagar Venkatraman Srinivasan

Independent Directors
Mr. Wolfgang Rudolf Schilha
Mr. Rakesh Chopra
Mr. Virendra Kumar Pargal
Ms. Hiroo Suresh Advani
Mr. Raman Nanda

Audit Committee
Mr. Rakesh Chopra, Chairman
Mr. Virendra Kumar Pargal
Ms. Hiroo Suresh Advani

Stakeholders' Relationship Committee
Mr. Rakesh Chopra, Chairman
Mr. Sameer Kanwar
Mr. Nagar Venkatraman Srinivasan
Mr. Surinder Paul Kanwar

Nomination & Remuneration Committee
Mr. Virendra Kumar Pargal, Chairman
Mr. Rakesh Chopra
Mr. Wolfgang Rudolf Schilha
Mr. Surinder Paul Kanwar

Corporate Social Responsibility Committee
Mr. Surinder Paul Kanwar, Chairman
Mr. Sameer Kanwar
Mr. Rakesh Chopra

Finance Committee
Mr. Rakesh Chopra, Chairman
Mr. Surinder Paul Kanwar
Mr. Sameer Kanwar
Mr. Virendra Kumar Pargal

Auditors
S R B C & CO LLP
Chartered Accountants
22, Camac Street, Block 'C',
3rd Floor, Kolkata - 700 016

Bankers
State Bank of India
IDBI Bank Limited

NBFC
Aditya Birla Finance Limited
KKR India Financial Services Limited

Registrar & Transfer Agent
Link Intime India Private Limited
Noble Heights, 1st Floor, Plot NH 2,
C-1 Block LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110 058

Plant Locations
Kausa Shil, Mumbra,
District Thane - 400 612, Maharashtra

20 K.M. Mathura Road, P.O. Amar Nagar,
Faridabad - 121 003, Haryana

Lonand, Taluka Khandala,
District Satara - 415 521, Maharashtra

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

Corporate Office
14th Floor, Hoechst House,
Nariman Point, Mumbai - 400 021

Branch Office
1009, Surya Kiran Building,
19, Kasturba Gandhi Marg,
New Delhi - 110 001

G-6, 1, Crooked Lane,
Kolkata - 700 069

MANAGEMENT DISCUSSION & ANALYSIS



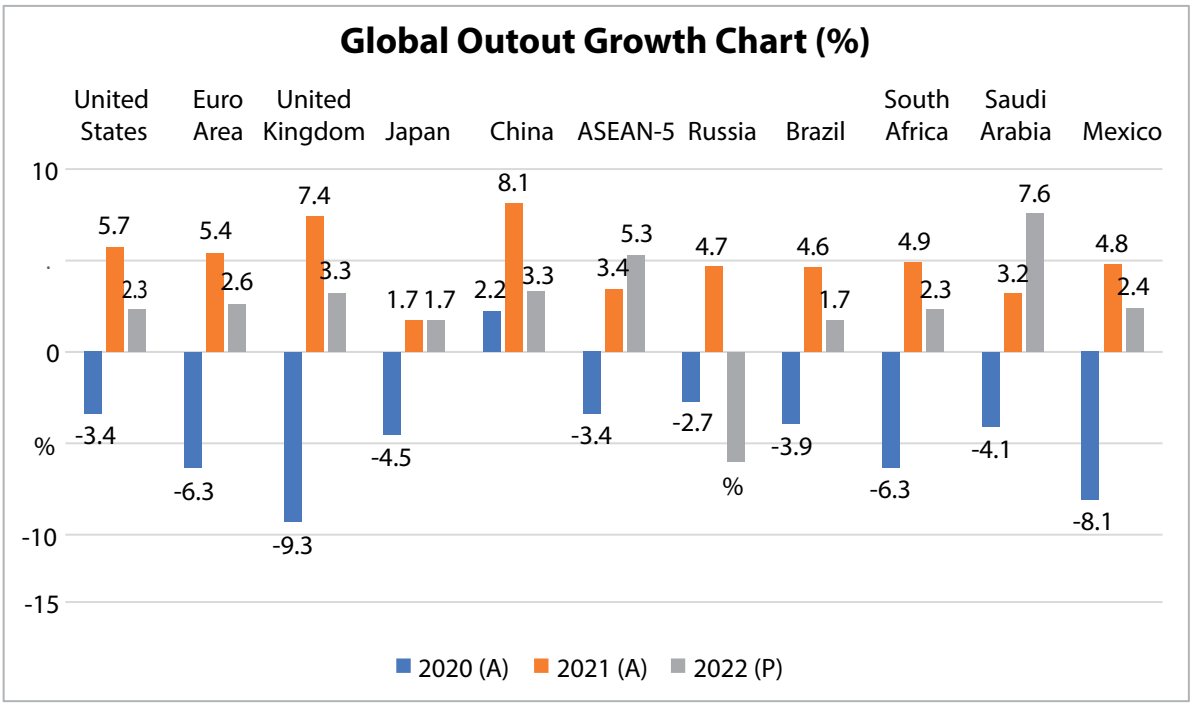
Economic Review

Global

The Global Economy saw a rebound in the year 2021 after the contraction witnessed in the previous year. The collapse of economic activity that resulted from the lockdowns and movement restrictions to control the COVID-19 pandemic in 2020 gave way to a strong but uneven recovery in 2021. After a de-growth of 3.1% in 2020, the global economy rallied with a 6.1% growth in 2021. The Advanced Economies block saw its output jump by 5.2% on the back of strong performance by UK (7.4%), USA (5.7%) and Euro Area (5.4%) in 2021. At the same time, the Emerging Market & Developing Economies (EMDE) witnessed a greater surge with a 6.8% expansion, led by Emerging Asian countries, including China, India and ASEAN-5, that delivered the highest YOY economic output growth at 7.3%.

These positive trends were expected to continue in 2022 due to expanding vaccine availability and lower and milder impact of COVID-19 in the post-Delta wave period. However, uncertainty created by the new Omicron variant, continued supply disruptions vis-à-vis robust demand, and now, most importantly, the continuing war in Ukraine have led to higher inflation across many major economies. Economic damage from the conflict and sanctions imposed on Russia will impose a significant cost, not only on Ukraine and Russia, but worldwide through the commodity markets, trade, and financial channels. High inflation is expected to become entrenched as fuel and food prices have increased rapidly, particularly affecting the at-risk populations in low-income countries. This will pose a dilemma for the central banks as they fight the deflating economic activity due to war and simultaneously need to contain price pressures. Tight liquidity and firm interest rates will exert pressure on capital markets, especially in the EMDE countries and raise the prospects of a recession in Advanced Economies.

IMF's projected growth for the world's economic 2022 was revised downward by 1.2% to 3.2% in the latest July 2022 update as compared to its initial projection. The corresponding number for the Advanced Economies is 2.5% and for the EMDE countries is 3.6%. There are significant downward risks to these projections as the conditions that led to the slowing of the growth momentum could exacerbate and impact negatively. The key downside risks are prolonged Russia – Ukraine war and/or expansion thereof and arrival of any new deadlier COVID-19 variant that can evade the vaccine and natural immunity.



Source: *International Monetary Fund's (IMF's) World Economic Outlook, July 2022*

Source for all the data in the above paragraph: *International Monetary Fund's (IMF's) World Economic Outlook, July 2022*

Indian Economy

The COVID-19 pandemic hit the already slowing Indian economy hard in FY 2020-21, however, the impact was not as severe as previously envisaged. The economy contracted 6.6% during the Fiscal Year, as per the revised numbers released by the National Statistical Office (NSO) in January 2022, vis-à-vis 7.3% contraction projected in provisional numbers in May 2021. The gradual lifting of restrictions on day-to-day activities and prudent economic reforms by the Government have resulted in the economy rallying to reach the pre-pandemic levels in the second quarter of FY 2021-22. The estimates released by the NSO in May 2022 showed the country registering an expansion of 8.7% in FY 2021-22. The real GDP (at Constant 2011-12 prices) was estimated to touch ₹ 147.36 trillion during the Financial Year against ₹ 135.58 trillion in FY 2020-21. The Nominal GDP growth at Current Prices during the same period was projected to be 19.5%. Real Gross Value Added (GVA) was expected to show an upsurge of 8.1% vs de-growth of 4.8% in the previous year.

The sectoral GVA (Real) Growth Estimates:

Industry	FY 2020-21 GVA Growth Over Previous Year (%)	FY 2021-22 GVA Growth Over Previous Year (%)
Agriculture, Forestry & Fishing	3.3	3.0
Mining & Quarrying	-8.6	11.5
Manufacturing	-0.6	9.9
Electricity, Gas, Water Supply & Other Utility Services	-3.6	7.5
Construction	-7.3	11.5
Trade, Hotels, Transport, Communications & Services Related to Broadcasting	-20.2	11.1
Financial, Real Estate & Professional Services	2.2	4.2
Public Administration, Defense & Other Services	-5.5	12.6

(***Source:*** *National Statistical Office; https://bit.ly/3BGazlf)*

The above table highlights the widespread nature of the recovery, especially for the Services sectors that were hit hard because of the lockdowns and other restrictions. The economic indicators also show kickstarting of the investment cycle and return of the demand. For the FY 2022-23, the Reserve Bank of India (RBI) has projected the economic growth to slow down to 7.2% due to the overhang of the Russia – Ukraine war on the global economy, high energy and commodity prices, and tightening money supply as central banks raise the rates. IMF estimates the economy to expand at 7.4% in FY 2022-23. These latest estimates are lower than the previously projected 7.8% and 8.9% by RBI and IMF, respectively.

International trade contributed significantly to the economic growth in FY 2021-22. The merchandise exports touched an

all-time high of US$ 417.81 billion during the year. The Current Account Deficit (CAD) was expanded from a surplus of 0.9% of GDP in FY 2020-21 to a deficit of 1.2% of GDP because of high growth in imports as the economy grew *(**Source:** Reserve Bank of India; https://bit.ly/3PXmqQc)*. On the Fiscal Deficit front, the country ended the FY 2021-22 with a deficit of 6.7% as against a forecast of 6.6% and a deficit of 9.3% in the previous year *(**Source:** National Statistical Office; https://bit.ly/3zVyhsm)*. The Budget for FY 2022-23 plans for a Fiscal Deficit of 6.4%.

Inflation was an area of concern during the FY 2021-22 as the demand returned across the board and the continuing supply disruptions in many commodities and products. The war has further aggravated the situation as Russia and Ukraine are both key suppliers of energy and some critical commodities. China's zero-Covid policy is also likely to cause further disruptions in supply chains as the pandemic shows resurgence in its key industrial provinces in the East. Inflation was 5.5% in FY 2021-22 and then projected to touch 6.7% for FY 2022-23 by the RBI. Even after inflation temporarily breached its mandated limit of 6% during the Q4 FY 2021-22, the RBI had maintained its accommodative monetary stance to prioritize growth given the recovery was in early stages after the pandemic. However, since the beginning of FY2022-23, as a response to inflation and rate hikes by the US Federal Reserve, the RBI has increased the repo rates from 4% to 4.9% in two tranches. It is likely to increase the rates further based on the developing situation.

The key theme adopted by the Government to bring the country out of the economic doldrums was supply side reforms, uptick in public spending on capital creation and renewed push for disinvestment while supporting the vulnerable sections of the society badly affected by the pandemic through income and food support. Major government reforms and initiatives include:

1. The Production Linked Incentive scheme under the "Atmanirbhar Bharat" initiative to promote domestic manufacturing and placing India firmly in the global supply chain in key sectors.
2. Deregulation of several sectors – for e.g., scrapping telecom regulations in IT-BPO sector, allow private players to participate in the space sector.
3. Business-friendly reforms – abandoning bad ideas such as 'retrospective taxes', extension of lower corporate tax rates and more.
4. Debottlenecking and reducing the logistics cost by promoting ease of movement of people, goods, and services with the "Gati Shakti" – National Master Plan for Multi-modal Connectivity. This is a key element of the strategy to make India globally competitive.
5. Privatization saw a renewed push with one of the toughest objectives of achieving sale of Air India completed during FY 2021-22. In addition, the Government also announced a National Monetization pipeline to monetize public assets and generate ₹ 6 trillion over next four years.

Industry Overview

Tractor Industry

Global

The Global tractors market, which was worth US$ 67.4 billion in 2021 is projected to grow at a CAGR of 4.4% between the period 2021-2028 and touch US$ 98 billion by 2028 as per a study conducted by BlueWeave Consulting (***Source:** https://bit.ly/3zvUTON*). The key growth drivers for this expansion are rising adoption of farm mechanization, wage inflation, and shorter tractor replacement cycles. A key focus area for the Global Agricultural industry is to reduce the Greenhouse gas emissions and hence, shift towards electrification of tractors is also gathering steam. The industry is segmented into 2-wheel and 4-wheel drive tractors with the 2-wheel drive tractors dominating the market share because of their lower cost that makes them attractive for emerging markets. However, the 4-wheel drive tractors have a higher projected CAGR due to increasing demand. The market is also segmented based on the power output of the tractors into 'Less Than 30 HP', '30-50 HP', '50-100 HP', and 'More Than 100 HP' segments. In terms of production and sales, India leads the global tractor market and is followed by China.

India

Indian agriculture sector contributes around 14% of the country's total GDP but employs 42% of the total labour (***Source:** https://bit.ly/3OUTnvm*). With the focus of the Government of India on industrialization and pushing more labour towards manufacturing, the Farm sector is expected to adopt more mechanization. However, given the average farm size being extremely small at 1.2 hectares (and declining) (***Source**: https://bit.ly/2ncQmzS*) and 82% farmers being small and marginal (***Source**: https://bit.ly/3Q3Ajwh*), the Agricultural Machinery sector faces tough challenges in improving mechanization. The Government has launched various initiatives regarding rural development and farm mechanization to improve farm productivity, reduce cost of farming, support rural wages and

address scarcity of farm labour. It has set a target of doubling farm mechanization in 10 years from 2021. The Government has also been nudging the industry to produce small utility machines catering to the smallholder farmers. These are likely to increase the tractor volumes over the long term.

The Indian Agricultural Machinery sector accounts for about one-third of the global production of tractors, which cater not only to the domestic market but also export demand. India is also the largest market worldwide if the sub 20 hp belt driven tractors used in China are excluded. Today, the size of the Indian Tractor market has grown to ~900,000 units. The sales volume in FY 2020-21 was a record 988,043 with domestic market contributing 899,480 and exports of 88,563 tractors. This translated to a growth of 25.9% over FY 2019-20. A major factor that played a role in this performance was continued growth of the Agriculture sector but scarcity of farm labour due to the pandemic. However, with the availability of farm labour improving as the effect of pandemic subsided in FY 2021-22, the industry sales moderated marginally with sales volumes declining by 6.4% in the Domestic market as compared to FY 2020-21. Overall sales dipped only by 1.7% in FY 2021-22 to 970,902 as the exports registered an impressive growth of 45.2% over the previous year to reach a record volume of 128,636 (***Source for sales data:*** *Tractor and Mechanization Association Monthly Reports; https://bit.ly/3JuzTg1*).

Key growth drivers for the sector are:

- Continued focus of the Government to improve the Farm economy by increasing yields, price discovery and reduction in input costs.
- Higher allocation of ₹ 1.32 trillion for the Ministry of Agriculture and Farmers' Welfare in the FY 2022-23 budget.
- Increase in the agriculture credit flow target to ₹ 18 trillion in 2022-23 from ₹ 16.5 trillion for 2021-22
- The year 2022 is expected to have a normal monsoon, which will however be erratic on a month-to-month basis.

Construction Equipment Industry

Global

The worldwide construction equipment market was estimated to be US$ 140.04 billion in 2021. The demand for construction equipment is expected to grow at a CAGR of 5.9% over the next 5 years and cross US$ 185 billion by 2026 (***Source:*** *https://bit.ly/3zyWLq3*). The Asia Pacific region has the largest market share across the world, followed by North America. China, India and Japan dominate the Asia Pacific region due to their large economies and infrastructure push. The U.S. construction equipment market size was projected to be US$ 32.7 billion by 2027 with a CAGR of 6.23% in volume terms from 2021 to 2027 (***Source:*** *https://bit.ly/3Q3IgS7*). The industry is classified into three segments based on the product type, viz. Earth Moving Machinery, Material Handling Machinery, Concrete and Road Construction Machinery.

India

The Indian Construction Equipment industry is the third largest in the world. It holds immense potential due to India's population size and existing infrastructure deficit within the country. The two major sectors which drive demand for the Construction Equipment are the Infrastructure and Real Estate sectors.

Under the National Investment Plan, India has planned to make investments of US$ 1.4 trillion in social and economic infrastructure projects with 24% spent on renewable energy, 19% on roads and highways, 16% on urban infrastructure, and 13% on railways among others. The Government has also announced a "Gati Shakti" initiative to improve multi-modal connectivity and various initiatives to upgrade existing infrastructure through redevelopment which will focus on increasing and enhancing the roads, highways, bridges, ports, airports, and other infrastructure. In 2020, the Indian government announced that it plans to develop the country's road infrastructure with an investment of more than US$ 212.8 billion by 2030. By 2025, mega projects such as six new ports, three mega ports, and 600 railway stations have been identified for redevelopment. The Indian Railway infrastructure will see an investment of US$ 715.4 billion by 2030. The Government of India has proposed to spend ₹ 10 trillion on Capex and Infrastructure in the budget for FY 2022-23.

The Real Estate sector is also on the verge of break-out with housing sales seeing an upswing and the Government's "Housing for All" initiative continuing be a focus area. The "Housing for All" initiative is expected to bring US$ 1.3 trillion investments by 2025. The Real Estate sector, which typically contributes 7% of the Indian GDP at its current size of US$ 200 billion, is expected to touch US$ 1 trillion by 2030 (***Source:*** *https://bit.ly/3SpWxKt*).

Given these tailwinds, the Indian Construction Equipment sector is projected to grow at a CAGR of 8.9% during the period 2022-2028 to reach US$ 8.7 billion by 2028 as per a research report by Arizton Advisory and Intelligence. The unit sales are expected to reach 1,65,097 units in 2028 ***(Source:*** *https://bit.ly/3OUog36*).

According to Indian Construction Equipment Manufacturers Association (ICEMA), the Indian Construction Equipment industry posted a turnover of US$ 6.5 billion, sales volume of 92,470 units and gave direct and indirect employment to 3 million + people

in FY 2020-21 (***Source:*** *https://bit.ly/3QfVoDi*). In FY 2021-22, the industry posted a small decline of ~8% in volumes as compared to the previous year to touch sales of 85,385 units as per ICEMA (***Source:*** *https://bit.ly/3BZ8VLZ*). The key challenges facing the industry are supply chain disruptions and abnormal increases in commodity prices due to COVID-19 and Russia-Ukraine war. Given the existing capabilities and exciting potential of the industry, the Indian Government has proposed an action plan for the country to become a manufacturing and export hub for Construction Equipment as part of its 'Vision Plan 2030'.

Automobile Industry

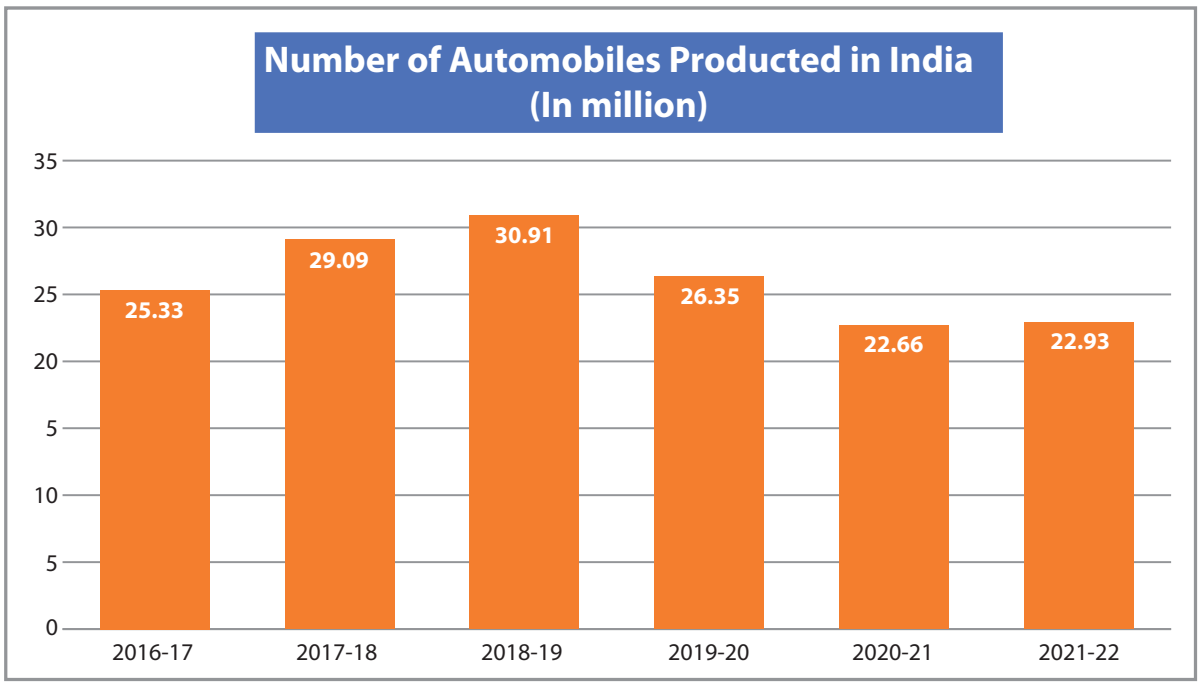
Global

The Motor Vehicles segments within the larger Automotive Industry include the passenger and commercial vehicles segments. In 2021, the motor vehicles production went up by 3% to touch 80.15 million. The share of passenger vehicles was 71% and the rest was contributed by commercial vehicles. Among the top 5 producers, India showed a big spurt in production over 2020. USA and China grew closer to the global average, while Japan and South Korea experienced a decline. South Korea overtook Germany as the fifth largest producer of motor vehicles in the world as the latter saw production decline by a massive 12% (***Source:*** *https://bit.ly/3zAUeeW*). The world-wide sales of two-wheelers was 58.6 million in 2021 out of which electric scooters and motorcycles were 10 million (***Source:*** *https://bit.ly/3d6G1yS*).

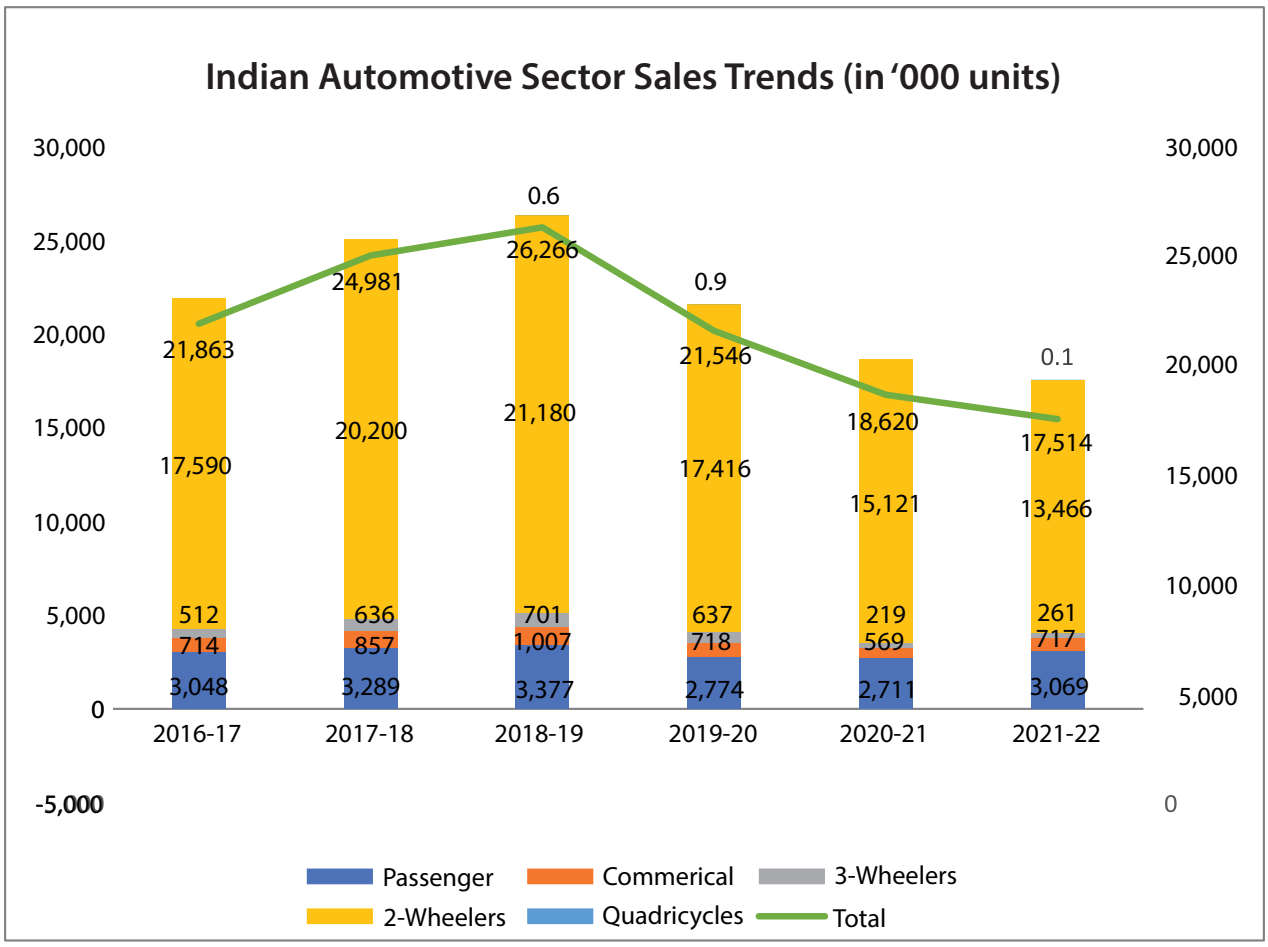
Despite the supply constraints on chips, Russia Ukraine war and overhang of COVID in many key markets, the motor vehicles segment within the Automotive Industry is expected to sell 78 million units in 2022 translating into a growth of 10% over 2021 (Source: https://bit.ly/3SljJtk). The global automotive market was at US$ 2.7 trillion in 2021 and expected to grow to US$ 2.8 trillion in 2022 (Source: https://bit.ly/3JuRkgk). The trend towards electrification is expected to accelerate. Roughly 31% of all new car sales shall be of electric vehicles by 2050 (Source: https://bit.ly/3P1hqIY). The same can be witnessed in the Global Electric Two & Three-Wheeler Market as well, which is projected to touch US$ 153.62 billion by 2030 and grow at a faster CAGR of 14.2% than the broader industry (Source: https://prn.to/3SrGKLh).

India

The Indian automobile industry caters to mobility needs of goods and people by manufacturing Commercial Vehicles, Passenger Cars, Three and Two-wheelers, and Quadricycles. It is the fourth largest in the world in terms of production and is also a prominent exporter. The factors supporting growth of the industry include availability of skilled labour at low cost, robust R&D and domestic steel manufacturing capacity. The industry is a significant employer and contributor to the country's economy. It provides direct and indirect employment to 37 million people and accounts for 7.1% of the country's and 49% of the manufacturing GDP (Source: https://bit.ly/3A8onUJ). The industry also attracts significant investment interest as seen by the Foreign Direct Investment (FDI) equity



(Source: Society of Indian Automobile Manufacturers; https://bit.ly/3buNhEu)



(Source: Society of Indian Automobile Manufacturers; https://bit.ly/3JA48Cs)

inflows of US$ 30.78 billion (share of 5.49% to the total equity FDI) clocked between April 2000-September 2021 (Source: https://bit.ly/3SsUa9N).

The key challenges faced by the sector include chips shortages, high input costs, and slowdown in the overall sales momentum as penetration deficit reduces. However, the Passenger Vehicles and Commercial Vehicles segment have seen a recovery in volumes during FY 2021-22 despite the challenges because of rebounding economy. The Commercial Vehicle segment's growth in recent times has been driven by increased road construction and infrastructure spending, uptick in housing, and higher demand for logistics especially from new age sectors such as e-commerce. Indian automotive industry (including component manufacturing) is expected to become the third largest in the world and will touch ₹ 16.16-18.18 trillion (US$ 251.4 - 282.8 billion) in size by 2026 (Source: https://bit.ly/3Sr1qD6). The outlook for the Passenger Vehicle and Commercial Vehicle segments in FY 2022-23 is positive given the conducive factors such as good macro situation, improved connectivity, and availability of products catering to varied needs including Electric Vehicles for the environmentally conscious. The jump in fuel prices may however act as a dampener on the automobile demand.

Company Review

Bharat Gears Limited (hereinafter referred to as "BGL" or "the Company") is one of the largest Gear manufacturing company of India with a 5-decade long history of manufacturing Engineering Goods for Automotive and Industrial applications. It has a leading presence in India and exports substantial portions of its production to North American, European markets. The Company has a vast product portfolio and is structured into three Business Divisions as follows -

Business Divisions

Gears

The Company manufactures a wide range of gears and transmission technologies such as Ring Gears and Pinions, Transmission Gears and Shafts, Differential Gears, Gear Boxes, Sub-assemblies that primarily find application in the Automotive industry for segments like, Tractors, Heavy, Medium

& Light Trucks, Utility Vehicles, and Off - Highway Vehicles. The Company leads the competition by maintaining a technological edge over them. It has made significant investments in manufacturing technology and developed complex capabilities in Gear manufacturing. Its plants house latest design and manufacturing technology. These capabilities have enabled it to have one of the best speeds to market in the industry for new products.

Auto Components

The Company has expanded its products line beyond Gears to offer a wide array of Automotive Components that include, Automotive Clutch and components, Turbo Chargers and components, Driveline Products, Axle Shafts, Fly Wheel Assemblies & Rings, Propeller Shaft components, Steering Components, Steel Wheel Rims among many others. These products also carry the stamp of Engineering Excellence that BGL is known for in its Gear manufacturing business.

Heat-treating Furnaces

The Heat-treating Furnaces as a product line has emerged from the Company's experience with Heat Treatment technology as part of the Gear Manufacturing process. BGL Furnace Division is known for producing reliable batch and continuous heat-treating furnaces to the designs of AFC-HOLCROFT, USA. It offers end-to-end capabilities in manufacturing, commissioning, operation and process control that are valuable for the customers to achieve easy and economical operations in Indian conditions.

Industry Segments

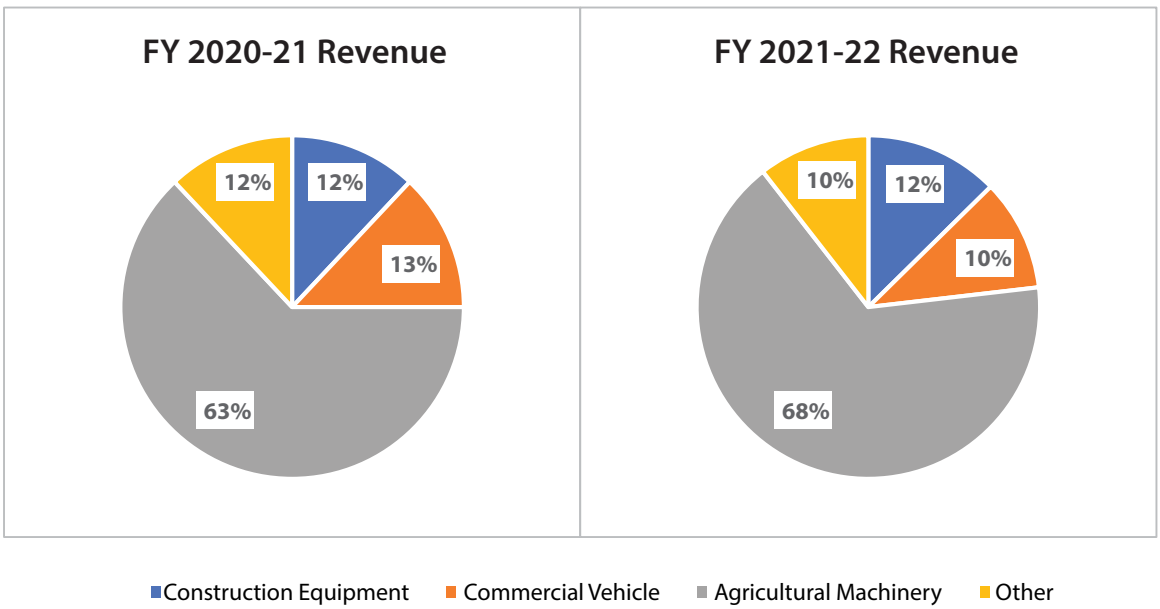
The Company's customer base can be broadly classified into following four Industry segments:

Agricultural Machinery: Tractors is the primary product line within the Agricultural Machinery industry that the Company caters to. It is the largest segment based on the revenue.

Automotive – Commercial: The Company focuses on the Engineering Goods requirements of the Medium and Heavy Commercial Vehicles such as Heavy, Medium & Light Trucks, Utility Vehicles, and Off-Highway Automotive Product Lines.

Construction Equipment: The Company's products serve various segments within the industry with the important ones being the Earth Moving Equipment, Material Handling Equipment, and Road Construction Equipment.

Others: The Company's products also find application in other sectors with engineering goods requirements such as wind mills, oil drilling, hydraulics, cooling towers, material handling systems etc.



Business Operations (Plants)

BGL manufacturing operations are run from three plants, two in Maharashtra at Mumbra and Lonand, and one in Haryana at Faridabad. All three plants possess the IATF certification that is a hallmark of quality and efficiency. The Mumbra plant, the Company's oldest one, has the capacity to produce bevel, transmission, and differential gears. The Faridabad and Lonand plant also have ISO 14001:2015 and ISO 45001:2018 certifications. The Lonand plant was set-up in 2014 to be completed in two

phases to manufacture transmission gears to begin with. BGL has been successful in acquiring an international reputation for its quality processes and technological advancements as it not only invests in upgrading its manufacturing plants with the latest technology but also uses industry best practices such as Kaizen, Total Quality Management (TQM), 5S System, autonomous maintenance, visual management, and many others. BGL is dedicated to maintaining the safest operating conditions in its plants and has an impressive safety record.

Key Focus Areas

- Production and Efficiency Measures:

  The Company has been successful in maintaining its leading position in the sector over the years due to its persistent and continuous efforts to find ways to increase productivity (production/time) and efficiency (production/resources), both, without compromising quality. The focus is on improving cycle times and eliminating waste by cutting down redundancy in labour and material movement, use of improved and faster machines, retrofitting existing machines with new technology or reconditioning them, automation, addition or reassignment of labour, and other measures. The Company's asset management practices have optimized preventive and corrective maintenance processes to achieve top efficiency and productivity from its machines. In the reported financial year as well, the Company successfully improved the production and efficiency across all its plants through measures as summarized below.

  - Retrofitting and reconditioning of gear grinding machine achieved enhancement in capacity.
  - Reduction in hobbing times and improvement in throughput by increasing the speed and feeds, adoption of cluster hobbing, and use of multiple start hobs.
  - Use of pneumatically and hydraulically operated gear deburring systems were introduced to eliminate manual deburring that resulted in the through put going up due to speeds and simultaneous deburring along with rounding/ shaping.
  - Improvement in loading quantities by re-designing HT fixtures.
  - Other productivity and efficiency measures included addition of conveyor and additional operator for output increase, commonizing fixtures resulting in reduced set-up times for VMC machines, in-house manufacturing of oil mist spray unit, use of rack systems in Finish Good Store for effective use of vertical space, and more.

- Quality Enhancement Measures:

  Every employee within the Company has internalized the maxim that Quality is a journey, not a destination. The Company brings out this focus through use of various Quality methodologies. The methodologies that showed impressive results during the reported financial year are shared below.

  - Multi-gauge checking units have been installed to bring a substantial improvement in quality level and rationalize the cost of quality.
  - Lonand Plant continued its track record of "Zero defect" culture & "Zero customer complaints" for a key customer.
  - Eliminated process variations by reconditioning of machines like CNC Grinders and shaving machines to minimize product quality variances.
  - Handling of soft material was improved in critical areas by adding separators to avoid dents and damages.

- Energy Conservation:

  The key element of the sustainable manufacturing mantra adopted by the Company is conservation of energy by reducing energy intensity of the manufacturing process and infrastructure. A variety of initiatives, in addition to energy audits, have been adopted at all the plants of the Company to achieve the goal of Energy Conservation.

  - The Company has achieved substantial progress in its target to shift to LED-based lighting through a gradual replacement of conventional lights including old HPMV lamps across it plants. LED lights not only conserve electricity but also provide better Lux levels.
  - Reduced the power consumption of machines by providing interlock to switch off the power of machines during idle conditions.
  - Installation of additional Automatic Power Factor Control (APFC) panel to maintain power factor near unity.
  - Cleaned all transparent sheets after monsoon to ensure good day light thus resulting in power saving.

- Ducts of HVAC system in shop floor were provided with extension chute to increase fresh air flow towards operating area.

- Safety Measures:

  Safety culture has been incorporated into every aspect and across various levels of plant operations in all the manufacturing facilities of the Company. Its plants are free of materials that cause chronic health hazards and personnel are provided protective equipment and uniforms. A key example of consideration to Safety in systems and processes from the beginning is checking of compatibility with 5' S at the time of machine selection to ensure maintenance of shop cleanliness. A conducive work environment at the shop floor level is ensured through sustained and improved Kaizen and Cleaning, Lubrication, Inspection and Tighten activity.

- Vendor Development:

  In order to ensure fast ramp up of production, the Company has worked not only to strengthen the manufacturing processes and supply chain for in-house production but also developed production partners. These capabilities prove critical in the times of heavy customer demand and beyond-peak loads. The Company's enhanced capabilities helped it manage with optimum manpower and still keep the plants working at peak during the 2nd wave of Covid-19 from April 2021 to June 2021. Some of the vendor and production partner development activities during FY 2021-22 were:

  - Measures were undertaken to strengthen Tier – 2 suppliers
  - Increased demand was fulfilled by doing offloading as existing capacity was fully utilized and additional machine set-up was not feasible.
  - It developed vendors and supported them with required tooling and fixtures and setting operators. This acts as a contingency in case of any breakdown in the Company's machinery.

Support Systems

BGL uses IT systems including a tailor-made Enterprise Resource Planning (ERP) to efficiently manage the core and support business processes. It also extensively uses IT in the Engineering and Manufacturing processes to improve productivity, knowledge management, reporting and problem resolution.

The Company has put in place a solid support team of Human Resources to ensure timely, adequate, and optimal availability of motivated skilled workforce to achieve its business goals of industry leadership, customer satisfaction, best-in-class product quality, and more. The Human Resource team not only runs initiatives to attract and retain the talent pool, but also creates an enabling work environment for the workforce. They also conduct regular training and engagement programs to improve capabilities and raise morale of the employees.

As on 31st March 2022, the Company's permanent workforce was 1281.

Financial Highlights

With the Company in a better position to manage the second and third waves of the pandemic, the operations of the Company were largely unaffected by COVID-19 related impact in FY 2021-22. The external environment was very conducive with a consistent uptick in demand across segments. Hence, the Company achieved its best ever operating revenue of ₹ 729.44 Crores in FY 2021-22 against ₹ 503.03 Crores delivered in FY 2020-21, translating into an impressive YOY growth of 45%. In addition, BGL's strategic initiatives to improve efficiency and refinance debt at better terms yielded results. The Company saw a turnaround performance with the lifetime highest net profit of ₹ 25.84 Crores which includes an exceptional item of ₹ 3.60 Crores vis-à-vis a loss of ₹ 7.70 Crores in the previous year.

- The Company availed Emergency Credit Line Guarantee Scheme 2.0 loan of ₹ 5.19 Crores from banks.
- It successfully completed a rights issue of equity shares of ₹ 9.77 Crores.
- The KKR Facility I was re-financed by way of term loan of ₹ 40 Crores from Aditya Birla Finance Limited.

In ₹ Crores

Particulars	FY2021-22	FY2020-21	Variance (%)
Operating Revenue	729.44	503.03	45%
Other Income	3.53	1.37	157.66%
EBITDA	69.29	37.17	86.41%
Interest	18.43	22.67	-18.70%
Cash Profit	50.86	14.50	250.76%
Depreciation	20.39	24.15	-15.57%
Exceptional Items	3.60	-	-
Profit/(Loss) Before Tax	34.07	(9.65)	453.06%
Tax	(8.23)	1.95	522.05%
Net Profit/(Loss)	25.84	(7.70)	435.58%

Key Financial Ratios

Particulars	FY2021-22	FY2020-21	Variance (%)
Debtors Turnover Ratio	5.06	4.73	6.98%
Inventory Turnover Ratio	8.06	5.57	44.70%
Interest Coverage Ratio	2.65	0.57	364.91%
Current Ratio	1.33	1.09	22.02%
Debt Equity Ratio	0.93	1.51	-38.41%
Operating Margin (%)	6.67%	2.58%	158.53%
Net Profit/(Loss) Margin (%)	3.53%	-1.53%	330.72%
Return on Net Worth (%)	23.88%	-10.43%	328.96%

Key Explanations for the Variance

High revenue growth and efficiency initiatives undertaken in FY 2020-21 and continuing in FY 2021-22 translated into improved profitability margins. With scheduled debt repayments and infusion of equity by way of rights issue, the financing cost has reduced. Combined with the increase in operating profitability, it has positively impacted the Interest Coverage Ratio, Net Margin and Return on Net Worth.

Key Operational Highlights

- The Company continued to operate at efficiency levels achieved during the COVID period.
- The Company entered into the hydraulics segment by successfully adding a global leader in motion and control technologies in its customer base.
- It started supplies for Electric Vehicles through sales to a major drivetrain manufacturing company in India.
- It started supplies for PowerPC assembly for one of its largest customers.
- The Company focused on improving delivery to export customers, which led to lower premium freight.
- During the year, it focused on maximizing capacity utilization to cater to higher volumes and achieved a balance in capacities by outsourcing as well as short-term lease of equipment.

Outlook

The Indian economy is expected to experience a moderate slowdown in growth momentum in FY 2022-23 as compared to FY 2021-22, which is expected to have a downstream impact on the capital goods and cyclical sectors. As the Company's business is concentrated in capital goods sectors, it's performance may be affected by the macro situation, especially through the increase in material and consumables costs because of commodity price inflation. The overall prognosis for BGL's industry segments in FY 2022-23 is mixed. The Tractor segment, which is the largest segment for the Company, is expected to witness a YOY drop in volumes, whereas the Automotive segment (Medium & Heavy Commercial Vehicles - 38%) and the Construction Equipment (13%) are projected to see a handsome growth. With the export of food grains from Russia and Ukraine affected due to the war, prices have been climbing and a food crisis looms for the countries, especially from African region, dependent upon the two countries for their grains. This, however, is likely to spur production in other countries and would potentially result in improved prospects for Tractor exports and upstream demand for export of Gears. Given this scenario, the Company would focus on the Automotive and Industrial segments, especially the new areas such as Electric Vehicles, and to maintain the exports share within the overall pie at a sizeable level.

Risks & Concerns

In addition to being dynamic and consistently excelling at what they do, it is a success imperative for a company to continuously manage the various risks that the internal and external environment bring forth on a regular basis. Risk management is therefore a key process within BGL and the Board of Directors and Executive Management of the Company recognize it as such and perform their role adequately as outlined in its Risk Management process. The key objective of this process is to enable BGL to identify/anticipate risks proactively, analyze them, prioritize based on severity and probability, and preempt them with robust mitigation strategies. Given below are some of the key risks that BGL tackles on an on-going basis and their corresponding mitigation measures:

Technology risks: The OEMs in the industrial segments addressed by BGL must keep adapting their existing products or introduce new products to cater to changing needs of the market. As one of the key suppliers, it is an imperative for BGL to keep pace with the customer's demands. Any failure to keep abreast with the latest technology with the best quality may result in the Company's products losing market share.

Mitigation: The Company invests in maintaining its product and process related edge over the competition. For selection of the technological areas that the Company should invest in, it thoroughly studies the market needs, emerging technologies, and applications. It, however, avoids excessive focus on a single technology to ensure concentration risks are mitigated.

Market risks: The macro-economic factors play a major role in driving the end-user demand for the industry segments serviced by the Company. Any slowdown in demand for the OEM's products due to adverse turn in the economic cycles will in turn affect the Company's business.

Mitigation: Diversification of markets – geographical, industrial and product – helps to address the impact from market slowdowns in one or a few client segments. Also, it pursues deeper engagement with clients, product excellence, and competitive value proposition to help it be the vendor of choice.

Raw material risks: The primary cost determinant of the Company's profitability is the input cost for the raw materials such as alloy steel, etc. Any unforeseen or sudden fluctuations in supply and pricing of these raw materials can have a big impact on the Company's financial performance and ability to service the clients within time, cost, and quality parameters.

Mitigation: Vendor relationship management, inventory management and responsive procurement policy are the key to BGL maintaining its raw materials availability and cost within set parameters. It also enters client contracts that allow the Company to pass-on any escalation in raw material costs and safeguard its interest in the event of delays in goods delivery due to unavailability of raw material.

Financial risks: Because of its international operations, the Company is exposed to financial risks such as forex volatility, interest rate spikes, credit availability and liquidity.

Mitigation: In addition to hedging products available in the market, the Company also endeavors to cultivate natural hedges to mitigate the financial risks. The Company's credit policies and collection mechanisms are robust enough and it has multiple matured banking relationships to manage liquidity and credit availability concerns.

Regulatory risks: Any changes in the policies or regulations of technical standards pertaining to BGL's products or processes or Client's product or processes are likely to affect the demand for the Company's products or its cost of operations. In addition, regulatory and trade actions by Governments in the Company's export markets can impact its export volumes. A key example of regulatory risk is related to more stringent vehicle safety and environmental norms in the automobile sector.

Mitigation: The Company's compliance team actively tracks and studies any regulatory or policy changes on the anvil and recommend the necessary modifications needed to comply with the updated rules. After a careful evaluation of such recommendations, BGL course corrects and makes necessary changes in its operations.

Product quality risks: The Company's products are used in many critical industrial and commercial applications where breakdown can cause an immense loss. These products must meet stringent compliances norms and quality and technical standards set by the OEMs or regulatory bodies. Any lapses on the part of the Company in maintaining these standards, i.e., high precision and quality, can not only result in a loss of business but also damage its reputation built painstakingly over the long-term.

Mitigation: Continuous improvement in manufacturing facilities and ongoing development of employee skills is done by the Company to maintain the standards of precision and quality without losing out on productivity. Apart from the tests done by the Inspection and Quality Assurance team to check quality, the Company also believes in seeking regular feedback from its clients on product quality. It has also put in place adequate product liability insurance to safeguard the Company from financial losses due to claims.

Natural calamity/crisis risks: Natural calamities or any global/national crises such as a pandemic, cyclones, major earthquakes, political upheavals, wars, etc. would not only disrupt the Company's operations, resulting in a shutdown or production cuts, but its supply chain as well.

Mitigation: The Company's focus in such scenarios is to do everything to first ensure business survival and protection of life and limbs of its stakeholder community. It would then focus on adopting strategies to revive business fortunes under the new circumstances. Some of the survival strategies that BGL has adopted in the past during such a crisis include deferring capex, liquidity management, setting up alternate supply and manufacturing options, and cutting costs.

Human Resource risks: Availability of skilled human resources is the key to a stable production line and quality products at BGL. Any shortfalls due to nonavailability of fresh talent, high attrition rates or lack of right skills may impact the Company's output and productivity.

Mitigation: The Company's Human Resource Management systems have been evolved over its five decade long existence. The HR function competently manages the industrial relations and ensures availability of right skills in the right quantity through capability development and capacity augmentation activities.

Internal Control Systems & Their Adequacy

At BGL, all the key elements of an Internal Control Framework such as Audit, Corporate Governance, MIS & IT Systems, and Management & Budgetary Reviews are given due importance and are well documented with clearly defined roles, responsibilities,

procedures, and resource allocation. The focus of the framework is to achieve strong control to safeguard assets, maintain vigilance to prevent frauds/financial losses, ensure precision in reporting and compliance, sustain productivity, and identify issues and course correct in a timely manner. The internal control systems are periodically reviewed to ensure any shortcomings are corrected immediately and they are aligned to the industry best practices.

The Audit Committee of the Board oversees the periodic audits of business functions, which are prioritized based on a risk evaluation exercise. The key non-compliances, observations and recommendations are presented by the internal auditors to the Audit Committee, which studies them in conjunction with responses from the business function to finalize suitable actions. The Company adheres to the strictest governance standards and complies with the directives in the Company Law and as mandated by various regulators. This includes a meticulous and accurate application of the Accounting Standards and use of robust IT systems to ensure thorough and precise reporting of financial statements.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the gears industry globally or domestic or both due to significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest, and other costs.



BOARD'S REPORT

(SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

The Directors are pleased to present the 50th Annual Report and the Audited Financial Statements for the year ended 31 March, 2022.

(₹/Crores)

	Financial year ended	
Financial Results	**31.03.2022**	**31.03.2021**
Revenue from operations and other income	**732.97**	504.40
Profit before finance costs and depreciation and amortisation expense	**69.29**	37.17
Finance costs	**18.43**	22.67
Depreciation and amortisation expense	**20.39**	24.15
Profit/(Loss) before exceptional items and tax	**30.47**	(9.65)
Exceptional iterms	**3.60**	-
Profit/(Loss) before tax	**34.07**	(9.65)
Less: Tax expense/(benefit)	**8.23**	(1.95)
Profit/(Loss) after tax	**25.84**	(7.70)
Other comprehensive income	**0.23**	0.95
Total comprehensive income	**26.07**	(6.75)
Statement of other equity		
Opening balance	**64.50**	70.27
Add: Profit/(Loss) for the year	**26.07**	(6.75)
Add: Equity component of Liability	**(0.98)**	0.98
Add: Premium on rights issue of equity shares	**8.37**	-
Less: Dividend	**-**	-
Closing balance	**97.96**	64.50

DIVIDEND

With a view to conserve the resources for future growth, the directors of the Company have decided not to recommend any dividend on equity shares of the Company for the year ended 31 March, 2022.

FINANCIAL PERFORMANCE

With the Company in a better position to manage the second and third wave of the pandemic, the operations of the Company were largely unaffected by COVID-19 related impact in FY 2021-22. The external environment was very conducive with a consistent uptick in demand across segments. As a result, the Company achieved revenue from operations of ₹ 729.44 Crores in FY 2021-22 against ₹ 503.03 Crores in FY 2020-21 (first quarter of which was a washout because of nationwide lockdown to curb the spread of COVID-19.), translating into a y-o-y growth of 45%.

Operations for FY22 resulted in EBITDA of ₹ 69.29 crores vis-à-vis an EBIDTA of ₹ 37.17 crores for FY21. The improvement is largely on account of increase in contribution due to higher volumes & containment of premium freight cost.

In FY22, the Company has incurred expense of ₹ 0.42 crores on account Voluntary Retirement Scheme.

The KKR Facility I was re-financed by way of term loan of ₹ 40 Crores from Aditya Birla Finance Limited.

The Company on 15 December 2021 allotted 9,30,610 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 ₹ 8.37 crores net of share issue expenses of ₹ 0.47 crores. The issue was subscribed to the tune of 151.54%. The proceeds from Rights Issue have been utilized for the working capital requirement.

INDIAN ACCOUNTING STANDARDS ("IND AS")

The financial statements for the year ended 31 March, 2022 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under the provisions of Section 133 of the Companies Act, 2013 read with rules made there under, as amended.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's operations in terms of performance in markets, manufacturing activities, business outlook, risks and concerns forms part of the Management Discussion and Analysis, a separate section of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with 134(5) of the Companies Act, 2013, your Directors confirm that:-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2022 and of the Profit and Loss of the Company for the period ended on that date;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY CONTRACTS AND ARRANGEMENTS

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into the contract/arrangement/ transaction with related parties which could be considered material in accordance with the related party transaction policy of the Company. Thus, there are no transactions which are required to be reported in the prescribed Form AOC-2 of the Companies (Accounts) Rules, 2014.

Further, during the Financial Year 2021-22, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

As all the related party transactions are at arm's length price and in the ordinary course of business, the same are placed before the Audit Committee for its approval. There was no related party transaction which requires approval of the Board. During the Financial Year under review, the Audit Committee has approved the related party transactions through the omnibus mode in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in the Notes forming part of the Financial Statements.

The policy on Related Party transactions as approved by the Board in terms of the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") is available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/related_party_transaction_policy.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

During the period under review, the Company has not made any loan, guarantee or investment in terms of the provisions of Section 186 of the Companies Act, 2013.

DIRECTORS

During the Financial Year 2021-22, the members of the Company vide their special resolution(s) passed at the Annual General Meeting held on 22 September, 2021 approved the:

- Re-appointment of Mr. Wolfgang Rudolf Schilha as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto the conclusion of the 54th Annual General Meeting (AGM) of the Company in the Calendar Year 2026 in terms of the provisions of Section 149 of the Companies Act, 2013;

- Re-appointment of Mr. Sameer Kanwar as Joint Managing Director of the Company for a further period of 3 (Three) years with effect from 01 June, 2021;

- Re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director on the Board of the Company liable to retire by rotation upto the conclusion of the 50th AGM of the Company in the Calendar year 2022 in terms of the provisions of Section 152 of the Companies Act, 2013.

in terms of the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Mr. Nagar Venkatraman Srinivasan being more than seventy five years at the commencement of his tenure and the age of Mr. Wolfgang Rudolf Schilha will be more than seventy five years during his tenure.

The Board of Directors of the Company appointed Mr. Raman Nanda as an Additional Director in the capacity of Non-Executive Independent Director on 29 December, 2021 till the conclusion of forthcoming Annual General Meeting.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to appoint Mr. Raman Nanda as a Non-Executive Independent Director for a period of 5 (Five) Years upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar year 2027 at the ensuing AGM of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 from the member of the Company proposing the candidature of Mr. Raman Nanda for the office of Non-Executive Independent Director.

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to re-appoint Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company upto the conclusion of the next Annual General Meeting (AGM) of the Company in the Calendar Year 2023 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Mr. Nagar Venkatraman Srinivasan being more than seventy five years at the commencement of his proposed tenure.

BOARD'S OPINION REGARDING INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED/ RE-APPOINTED DURING THE YEAR

The Board is of the opinion that the Independent Directors appointed/re-appointed during the year under review are person(s) of integrity and possess core skills/expertise/ competencies (including the proficiency) as identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for the Company to function effectively.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2021-22, 6 (Six) Board Meetings were held on the following dates:-

- 11 June, 2021;
- 12 August, 2021;
- 20 October 2021;
- 02 November, 2021;
- 09 February, 2022; and
- 24 March, 2022.

The gap between any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Regulations.

INDEPENDENT DIRECTORS

In terms of the provisions of Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the Regulations, all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors held on 27 May, 2022 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Regulations, and are not being disqualified to act as an Independent Director. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act, 2013 read with the Rules made thereunder and the Regulations, and are independent of the management.

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Independent Directors to familiarize them with working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities

and other relevant details. The details of familiarization programme during the Financial Year 2021-22 are available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/details-of-familiarization-programme-for-Independent-directors-fy21-22.pdf

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Regulations, Nomination and Remuneration Committee ('NRC') has formulated a policy relating to appointment and determination of the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel which has been adopted by the Board of Directors of the Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to the Executive and Non-Executive Directors of the Company.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees is as per the Nomination and Remuneration Policy of your Company.

The salient features of the Nomination and Remuneration Policy are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
    - ➢ For every appointment of an Independent Director, the Nomination and Remuneration Committee evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
        a. use the services of an external agencies, if required;
        b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
        c. consider the time commitments of the candidates.
- Identification of persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in the Nomination and Remuneration policy.
- Recommendation to the Board for appointment and removal of Director, KMP and Senior Management Personnel.
- Formulation of the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Formulation of the criteria for devising a policy on diversity of Board of Directors.
- Deciding that whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommendation to the Board, all remuneration, in whatever form, payable to senior management.

The said policy is available on the official website of the Company i.e. www.bharatgears.com under the link: https://www.bharatgears.com/documents/nomination_and_remuneration_policy_BGL.pdf

EVALUATION PROCESS

The Nomination and Remuneration Committee has established a framework for the evaluation process of performance of the Board, its Committees and Individual Directors and the same was adopted by the Board.

During the period under review, the Board of Directors at its meeting held on 24 March, 2022 have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on even date have evaluated the performance of the Chairman and Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of flow of information between the Board and Company management.

KEY MANAGERIAL PERSONNEL

The following Directors/Officials of the Company have been designated as Key Managerial Personnel (KMP) of the Company by the Board of Directors in terms of the provisions of Section 203 of the Companies Act, 2013 and the Regulations:

1. Mr. Surinder Paul Kanwar, Chairman and Managing Director
2. Mr. Sameer Kanwar, Joint Managing Director
3. Mr. Milind Pujari, Chief Financial Officer

4. Mr. Prashant Khattry, Head (Legal) and Company Secretary

No Key Managerial Personnel (KMP) of the Company has resigned during the financial year ended 31 March, 2022.

DISCLOSURES UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment) and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure -"A"** to this report.

PARTICULARS OF EMPLOYEES

Information regarding employees in accordance with the provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure- "B"** to this Report.

RISK MANAGEMENT

A robust and integrated enterprise risk management framework is in existence under which the common prevailing risks in the Company are identified, the risks so identified are reviewed on periodic basis by the Audit Committee and the management's actions to mitigate the risk exposure in a timely manner are assessed.

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") is in existence to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/CSR_Policy_BGL.pdf

The CSR Committee comprises of Mr. Surinder Paul Kanwar, Mr. Sameer Kanwar and Mr. Rakesh Chopra.

The role of the Corporate Social Responsibility Committee includes:

(a) Formulation and recommendation to the Board, a Corporate Social Responsibility (CSR Policy) and annual action plan in pursuance of CSR Policy consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken.

(b) Monitoring the Corporate Social Responsibility Policy and annual action plan of the Company from time to time.

(c) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a) above.

(d) Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

During the Financial Year 2021-22, the provisions of Section 135 of the Companies Act, 2013 were not applicable on the Company since the Company does not fall under the conditions necessary for complying with CSR provisions. Hence, no amount was required to be spent during the year.

Further, the Board of Directors of the Company in its meeting held on 24 March, 2022 considered and approved the Annual Action Plan for spending on Corporate Social Responsibility (CSR) activities during the Financial Year 2022-23, amount aggregating upto ₹ 25,00,000/- (Rupees Twenty Five Lakhs Only), as recommended by the CSR Committee in its meeting held on even date.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Rakesh Chopra, Mr. Virendra Kumar Pargal and Ms. Hiroo Suresh Advani.

Further, the details on the Audit Committee and its terms of reference etc. have been furnished in the Corporate Governance Report forming part of this Report. During the year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company unanimously.

INTERNAL COMPLAINTS COMMITTEE FOR PREVENTION OF SEXUAL HARASSMENT

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted Internal Complaints Committee (ICC) at all its Units (i.e. Faridabad, Mumbra and Lonand) where any grievance of sexual harassment at workplace can be reported.

The Company has also adopted a policy on Prevention of Sexual Harassment at workplace. The objective of the policy is to provide its women employees, a workplace free from

harassment/discrimination and every employee is treated with dignity and respect. The said policy is available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/policy-for-prevention-of-sexual-harassment.pdf

During the year under review, ICC of all units of the Company has not received any complaint pertaining to sexual harassment of women at workplace.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

During the year under review, no Company has become or ceased to be subsidiary, joint venture or associate of the Company.

DEPOSITS

During the year under review, the Company did not accept any deposits.

Investor Education and Protection Fund (IEPF)

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and further amendments thereto, the Unclaimed Final Dividend pertaining to the Financial Year 2013-14 amount aggregating to ₹ 2,22,032.00 (Rupees Two Lakhs Twenty Two Thousand Thirty Two Only) and 12,207 (Twelve Thousand Two Hundred Seven) Equity Shares had been transferred to the "Investor Education and Protection Fund" established by the Central Government. For detailed information, please refer the Corporate Governance Report forming part of this report.

RIGHTS ISSUE OF EQUITY SHARES

In terms of Letter of Offer dated 09 November, 2021, the Company has issued and allotted 9,30,610 (Nine Lakhs Thirty Thousand Six Hundred Ten) Equity Shares of face value of ₹ 10/- (Rupees Ten) each at a price of ₹ 105/- (Rupees One Hundred Five) each to the existing equity shareholders of the Company the ratio of 1:10 i.e. 1 (One) Rights Equity Share for every 10 (Ten) fully paid up Equity Shares held as on record date i.e. 29 October, 2021. The proceeds of the said Issue have been used for part funding of working capital requirements.

BHARAT GEARS LIMITED – EMPLOYEE STOCK OPTION SCHEME 2021

During the year under review, the members of the Company in their Annual General Meeting held on 22 September, 2021 considered and approved the "Bharat Gears Limited – Employee Stock Option Scheme 2021" to create, grant, offer, issue and allot under the Scheme, in one or more tranches, 9,30,610 (Nine Lakhs Thirty Thousand Six Hundred Ten) Employee Stock Options ("Options") exercisable into 9,30,610 (Nine Lakhs Thirty Thousand Six Hundred Ten) Equity Shares of face value ₹ 10/- each on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.

AUDITORS

The Statutory Auditors, M/s S R B C & CO LLP (SRBC), Chartered Accountants (ICAI Registration No. 324982E/E300003) had been appointed as Statutory Auditors of the Company in the 45th Annual General Meeting held on 09 August, 2017 for a period of 5 (Five) years in terms of the provisions of Section 139 of the Companies Act, 2013 to hold office from the 45th AGM till 50th AGM in the calendar year 2022. Accordingly, the tenure of M/s S R B C & CO LLP, Chartered Accountants (ICAI Registration No. 324982E/E300003) as Statutory Auditors of the Company shall conclude in the ensuing Annual General Meeting.

The Board of Directors place on record their appreciation for the services rendered by M/s S R B C & CO LLP, Chartered Accountants (ICAI Registration No. 324982E/E300003) during their tenure as Statutory Auditors of the Company.

Further, the Board recommends the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) as the Statutory Auditors of the Company in terms of the provisions of Section 139 of the Companies Act, 2013 for the approval of members in the ensuing Annual General Meeting, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the fifth consecutive Annual General Meeting in the calendar year 2027. Certificate from the proposed auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013.

REPORT ON FINANCIAL STATEMENTS

The report of M/s S R B C & CO LLP (SRBC), Chartered Accountants (ICAI Registration No. 324982E/E300003), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2022 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the

Notes forming part of the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

SECRETARIAL AUDIT

The Board has appointed M/s TVA & Co. LLP, Practicing Company Secretaries as Secretarial Auditor for the Financial Year 2021-22 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report of the Company for the Financial Year ended 31 March, 2022 in the prescribed form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure -"C"** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal financial controls which includes the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year, such controls were tested and no material weakness in the design or operations were observed.

COST RECORDS AND AUDIT

During the year under review, the Company had been mandatorily required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records have been made and maintained.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended, M/s M.K. Kulshrestha & Associates, Cost Accountants, Ghaziabad has conducted the audit of the cost records of all the 3 (Three) plants of the Company viz. Mumbra (Maharashtra), Lonand (Maharashtra) and Faridabad (Haryana) for the year ended 31 March, 2021 and submitted their report thereon within the prescribed time limits. Subsequently, M/s M.K. Kulshrestha & Associates, Cost Accountants, Ghaziabad shall conduct the audit of the cost records of all the 3 (Three) plants of the Company viz. Mumbra (Maharashtra), Lonand (Maharashtra) and Faridabad (Haryana) for the year ended 31 March, 2022 and shall submit their report thereon within the prescribed time limits during the Financial Year 2022-23.

Further, on recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on 27 May, 2022 has approved the appointment of M/s M.K. Kulshrestha & Associates, Cost Accountants, Ghaziabad as Cost Auditors of the Company to conduct the audit of the cost records of all the 3 (Three) plants of the Company viz. Mumbra (Maharashtra), Lonand (Maharashtra) and Faridabad (Haryana) for the year ending 31 March, 2023.

CORPORATE GOVERNANCE

The Company is committed to maintain the quality standards of Corporate Governance. The Report on Corporate Governance as stipulated under Schedule V(C) of the Regulations forms part of this Report.

The requisite Certificate of Compliance from Statutory Auditors, M/s S R B C & CO LLP (SRBC), confirming compliance with the conditions of Corporate Governance is attached to this Report.

VIGIL MECHANISM/WHISTLE BLOWER MECHANISM

In terms of the provisions of Section 177 of the Companies Act, 2013 and the Regulations, the Company has established an effective mechanism called Vigil Mechanism (Whistle Blower Mechanism). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees or by any other person who avails such mechanism. It protects employees or any other person who avails such mechanism wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company by reporting the same to the Audit Committee.

Protected disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year under review, no compliant has been received and no employee was denied access to the Audit Committee.

The functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company is reviewed by the Audit Committee on Annual basis.

The policy on vigil mechanism is available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/policy_on_vigil_mechanism.pdf

RECONCILIATION OF SHARE CAPITAL AUDIT

In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Reconciliation of Share Capital Audit is undertaken by a firm of Practicing Company Secretaries on quarterly basis. The audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company.

The Reconciliation of Share Capital Audit Report(s) as submitted by the Auditor on quarterly basis were filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre, where the original shares of the Company are listed.

LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.

DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19

The Company has been in a better position to manage the second and third wave of the pandemic, the operations of the Company were not affected much by Covid-19 related impact in FY 2021-22. The external environment was very conducive with a consistent upstick in demand across segments.

The Company has considered the possible impact of COVID-19 pandemic on its operations, liquidity position and recoverability of its asset balances at 31 March, 2022 based on the internal and external information up to the date of approval of the financial results. The impact of COVID-19 may be different from that estimated as at the date of approval of the financial results and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure-"D"** to this Report.

ANNUAL RETURN

In terms of the provisions of Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013 and the relevant rules made thereunder, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013, as amended shall be made available on the official website of the Company www.bharatgears.com under the link: https://www.bharatgears.com/documents/annual-return-for-2021-22.pdf.

COMPLIANCE OF SECRETARIAL STANDARDS

During the period under review, the Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

COURT/TRIBUNAL ORDERS

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DETAILS OF APPLICATION/PROCEEDING UNDER THE INSOLVENCY AND BANCRUPTCY CODE, 2016

Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

INSTANCES OF DIFFERENCE IN VALUATION

There is no such instance where there is difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

INDUSTRIAL RELATIONS

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

ACKNOWLEDGEMENTS

The Board of Directors thank the shareholders for their continued support and they would like to place on record their appreciation for the dedicated services rendered by the Employees at all levels.

The Directors wish to convey their gratitude to the Financial Institutions, Banks, Customers, Suppliers and Collaborators for the assistance and confidence reposed by them in the Company.

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 27 May, 2022

Annexure-"A"

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22:

S.No.	Name of the Director	Ratio of Remuneration of each Director/to median remuneration of employees
1.	Mr. Surinder Paul Kanwar Chairman and Managing Director	29.83
2.	Mr. Sameer Kanwar Joint Managing Director	29.50

Other directors have been paid sitting fees, fees for technical advisory services (wherever applicable) only, details of which are mentioned in the Corporate Governance Report.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S.No.	Name of the Director/KMP	% increase in Remuneration in the Financial Year 2021-22
1.	Mr. Surinder Paul Kanwar Chairman and Managing Director	4%
2.	Mr. Sameer Kanwar Joint Managing Director	2%
3.	Mr. Milind Pujari Chief Financial Officer	53%
4.	Mr. Prashant Khattry Head (Legal) and Company Secretary	29%

3. Percentage increase in the remuneration of the median employee is 34% in the Financial Year 2021-22.

4. There were 1278 permanent employees on the rolls of the Company as on 31 March, 2022.

5. The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2021-22 was 35% whereas percentage increase in the managerial remuneration was 12% for the same financial year.

6. It is affirmed that the remuneration paid is as per the Remuneration policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 27 May, 2022

Annexure-"B"

Information Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
Forming Part of the Board's Report for the year ended 31 March, 2022

S.No.	Name	Age in Years	Qualification	Designation	Date of Commencement of Employment	Years of Exp.	Remuneration (₹ in Lakhs)	Particulars of Last Employment	Percentage of Shareholding in the Company
A.	**Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2022.**								
1.	Mr. Surinder Paul Kanwar	69	B.Com.	Chairman and Managing Director	01.10.1990	47	128.26	BST Mfg. Ltd.	37.00
2.	Mr. Sameer Kanwar	44	B.A. (Eco.)	Joint Managing Director	01.02.2002	22	126.84	ZF (AG) Germany	Nil
3.	Mr. Jagdeep Singh	65	B.A.	Business Head - After Market	09.12.1991	45	91.76	Escorts Limited	Nil
4.	Mr. Naresh Verma	61	B.Com, M.Com, PG-PM&IR, DIP-HR	Corporate Business Head	04.02.2004	40	74.64	Daikin Shriram Airconditioning India Private Limited	Nil
5.	Mr. Milind Pujari	52	B.Com, FCA	Chief Financial Officer	01.06.1995	28	72.86	Caprihans India Limited	Nil
6.	Mr. Shivaji Patil	61	DME	Head - Operations, Mumbra Plant	03.06.2002	40	42.72	M G Auto Profile Private Limited, Zahirabad	Nil
7.	Mr. Vivek Pai	64	B.TECH., DMS	Head - Furnace Division	11.06.1984	39	39.48	Blue Star Limited	Nil
8.	Mr. Sandeep Gandre	62	DEE, DBM, IMME	Head - Operations, Lonand Plant	10.04.1981	43	35.52	Mukund Iron and Steel Works Limited	Nil
9.	Mr. Kamal Kishore Miglani	49	CFA, CTM and PLAM	Senior Process Head - Finance and Accounts	01.04.2011	24	29.72	Raunaq EPC International Limited	Nil
10.	Mr. Prashant Khattry	44	FCS, LLB, MBA (Finance)	Head - Legal and Company Secretary	07.06.2010	21	28.19	Fortis Healthcare Limited	Nil
B.	**Employed throughout the year ended 31 March, 2022 & were in receipt of Remuneration aggregating not less than ₹ 1,02,00,000/- per annum.**								
1.	Mr. Surinder Paul Kanwar	69	B.Com.	Chairman and Managing Director	01.10.1990	47	128.26	BST Mfg. Ltd.	37.00
2.	Mr. Sameer Kanwar	44	B.A. (Eco.)	Joint Managing Director	01.02.2002	22	126.84	ZF (AG) Germany	Nil
C.	**Employed for the part of the year ended 31 March, 2022 & were in receipt of Remuneration aggregating not less than ₹ 8,50,000/- per month.**								
	NIL								
D.	if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.								
	NIL								

NOTES :

01. Remuneration includes Salary, Allowances, Co's Contribution to Provident Fund & Superannuation Fund and Value of other perquisites.

02. Except Mr. Sameer Kanwar, Joint Managing Director, who is a relative of Mr. Surinder Paul Kanwar, Chairman & Managing Director of the Company, none of the employee is related to any of the Director of the Company.

03. All the appointments except that of Mr. Surinder Paul Kanwar & Mr. Sameer Kanwar are Non-Contractual.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 27 May, 2022

Annexure-"C"

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
Bharat Gears Limited
CIN: L29130HR1971PLC034365
20 K.M. Mathura Road
P.O. Amar Nagar
Faridabad - 121003
Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Gears Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the financial year ended on 31 March, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

(iii) Codes and Policies adopted by the Company.

We report that during the period under review, the following Regulations and Guidelines were not applicable to the Company:

(i) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to the Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(iv) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

We further report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the change in the composition of the Board of Directors and the re-appointment of Directors were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through by the Board do not have any dissenting views and hence no relevant recordings were made in the minutes book maintained for the purpose.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, there were following events/actions in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc, having a major bearing on the Company's affairs.

(i) Appointment/Re-appointment of Directors

The Board had appointed Mr. Raman Nanda as an Additional Director of the Company to hold office from 29 December, 2021 till the ensuing Annual General Meeting of the Company through resolution by circulation dated 29 December, 2021, as recommended by the Nomination and Remuneration Committee through Resolution by Circulation dated 29 December, 2021. The Company has duly filed necessary intimations in this regard with the Stock Exchanges and the Registrar of Companies.

Mr. Sameer Kanwar was re-appointed as Joint Managing Director of the Company, w.e.f. 01 June, 2021 for a period of three(3) years in the Board Meeting held on 11 June, 2021 as recommended by Nomination and Remuneration Committee in its meeting held on 11 June, 2021 subject to approval of shareholders. In the Annual General Meeting held on 22 September, 2021, Mr. Sameer Kanwar was re-appointed for a further period of three(3) years w.e.f 01 June, 2021. The Company has duly filed necessary intimations in this regard with the Stock Exchanges and the Registrar of Companies.

Mr. Wolfgang Rudolf Schilha was re-appointed as a Non-Executive Independent Director of the Company in the Board Meeting held on 11 June, 2021 as recommended by Nomination and Remuneration Committee in its meeting held on 11 June, 2021 subject to the approval of the shareholders. In the Annual General Meeting held on 22 September, 2021, Mr. Wolfgang Rudolf Schilha was re-appointed as a Non-Executive Independent Director of the Company to hold the office for a period of 5 (Five) consecutive years upto the 54th Annual General Meeting of the Company in the calendar year 2026. The Company has duly filed necessary intimations in this regard with the Stock Exchanges and the Registrar of Companies.

(ii) Re-appointment of Cost Auditors

The Board had re-appointed M/s M.K. Kulshrestha & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the Financial Year 2021-22. The said re-appointment of Cost Auditors was made in its Board Meeting held on 11 June, 2021 as recommended by the Audit Committee in its meeting held on 10 June, 2021 and the remuneration payable was ratified and confirmed by the shareholders of the Company in the Annual General Meeting held on 22 September, 2021.

For and on behalf of
TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M.No.: F5621, C.P. No.: 5253
UDIN: F005621D000409717
RP L2015UP000900

Dated: 27 May, 2022
Place: Delhi

Note: This report is to be read with our letter of even date which is annexed as **'Annexure A'** and forms an integral part of our report.

Annexure-A

To,
The Members
Bharat Gears Limited
CIN: L29130HR1971PLC034365
20 K.M. Mathura Road
P.O. Amar Nagar
Faridabad- 121003, Haryana

1. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances but the maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion and the compliance of the provisions of Corporate and other applicable Laws, Rules and Regulations is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.

3. We have not verified the correctness and appropriateness of the financial records and Books of accounts of the Company.

4. We have obtained necessary management representation about the compliance of various laws, correctness of information shared and happening of events, wherever required.

5. Compliance with respect to the filings of various Reports, Returns, Forms, Certificates and Documents under the various statutes as mentioned in our report is the responsibility of the management of the Company. Our examination was limited to checking the execution and timeliness of filing and we have not verified the contents of such Reports, Returns, Forms, Certificates etc.

6. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure-"D"

Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and forming part of Board's Report for the year ended 31 March, 2022

(A) Conservation of energy:

(i) the steps taken or impact on conservation of energy:

- Replacement of Old Lightings with LED has been continuing in all the Plants.
- Auto switch off system in machines are being implemented in all the plants.
- Management of power factor has been a focus area with optimum controls.
- APFC panels were organized with in-house manufacturing.
- Old conventional machines have been converted into CNC Machines which consumed more power.
- Motor optimization.

(ii) the steps taken by the company for utilizing alternate sources of energy:

- Installation and ongoing cleaning of transparent sheets on the plant roofing to use natural day light.

(iii) the capital investment on energy conservation equipment's:

NIL

Impact of the measures of above for reduction of energy consumption and consequent impact on the cost of production of goods

- The result of above initiatives is reduction in the energy costs.

(B) Technology Absorption:

1.	The efforts made towards technology absorption	1.	New Software for Machine Monitoring System has been installed in Mumbra and Faridabad Plant as a pilot project - Leanworx.		
		2.	Pneumatically operated gear deburring mechanism introduced on rounding machine which do deburring of gear while rounding operation is in process. Through put has increase & we could eliminate one manual deburring station.		
		3.	Cluster type hob are successfully introduced on Eifco Hobber.		
		4.	Retrofitting/reconditioning of hobbers/conventional machines to CNC.		
2.	The benefits derived like product improvement, cost reduction, product development or import substitution	1.	Increase in production, improved quality and machine utilization.		
		2.	Reduction in PPM levels and reduction in manufacturing costs and release of capacity for addition of new business.		
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):				
	a)	The details of technology imported	**Robotic Automation in press quenching operations on CGCF4 is completed and implemented for various crown wheels**	-	-
	b)	the year of import	**2019-20**	**2020-21**	**2021-22**
	c)	whether the technology been fully absorbed	YES	NO	NO
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.	N.A.	N.A.
4.	The expenditure incurred on Research and Development		The Company is in the business of manufacturing and supplying automotive gears to OEMs and for aftermarket sales both for domestic and overseas markets. The nature of business activity carried on by the Company at present does not entail any Research and Development as such.		

(C) Foreign Exchange Earnings and Outgo:

(₹ In lakhs)

	2021-2022	2020-2021
Foreign Exchange earned	29166.47	15511.43
Foreign Exchange used	366.37	195.48
Net Foreign Exchange earnings	28800.10	15315.95

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 27 May, 2022

CORPORATE GOVERNANCE REPORT

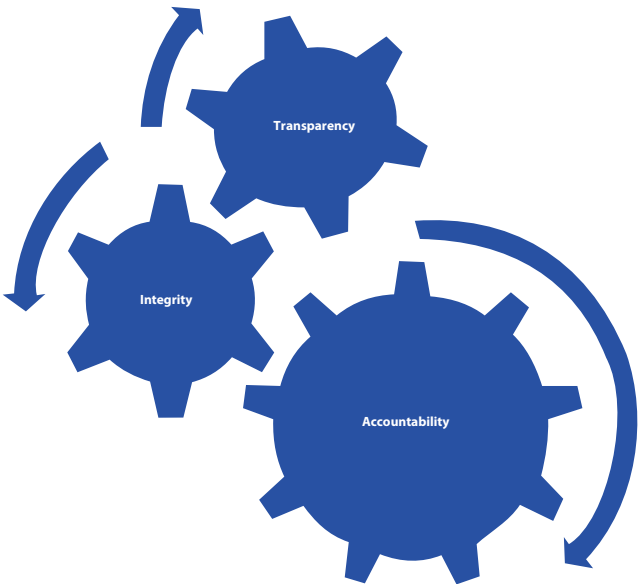
For the Year ended 31 March, 2022

[Pursuant to Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Regulations")]

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance at Bharat Gears Limited takes care of overall well-being, sustainability and transparency of the system and takes into account the stakeholders' interest in every business decision. Corporate Governance is a combination of voluntary practices and compliances of laws and regulations leading to effective control and management of the Organization and its valuable resources through effective and transparent business conduct, integrating communication, integrity and accountability towards its stakeholders.

The following three pillars of Corporate Governance are followed by the Company, that are critical in successful running of a Company and forming solid professional relationships among its stakeholders' viz. the Board of Directors, employees, suppliers, creditors, and most importantly, shareholders:



The Company is committed to pursue growth by adhering to the highest national standards of Corporate Governance. Company's philosophy on Corporate Governance is based on the following principles:

- Lay solid foundations for management.
- Promote ethical and responsible decision-making.
- Structure the Board to add value.
- Encourage enhanced performance.
- Safeguard integrity in financial reporting.
- Respect the rights of the shareholders.
- Recognise the legitimate interest of shareholders.
- Remunerate fairly and responsibly.
- Recognise and manage business risks.
- Make timely and balanced disclosures.
- Legal and statutory compliances in its true spirit.

The Board of Directors ("the Board") is committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our corporate governance practices, under which we strive to maintain an effective, informed and Independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best practices.

Your Company is following transparent and fair practices of good Corporate Governance and its constant endeavor is to continually improve upon those practices. The Company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. www.bharatgears.com.

2. GOVERNANCE STRUCTURE

The Company's Governance comprises a twofold layer, the Board of Directors and the Committees of the Board at the apex level and the Management of the Company at an operational level. This brings about a homogenous blend in governance as the Board lays down the overall corporate objectives and provides

direction and independence to the Management to achieve these objectives within a given framework. This professionally managed process results in building a conducive environment for sustainable business operations and value creation for all stakeholders.

3. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board which includes one Woman Director in compliance of Regulation 17(1) of the Regulations. As on 31 March, 2022, the Board consists of 8 (Eight) members, the Chairman of the Board is an Executive Director and more than half of the strength of the Board consists of Non-Executive Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge, expertise and experience that enables the Board to discharge its responsibilities efficiently and provide effective leadership to the business in line with the Company's present requirements.

There is no Nominee Director in the Company.

A brief profile of the members of the Board is also available on the Company's website i.e. www.bharatgears.com.

A. Board's definition of Independent Director

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the Company;

(ii) who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;

c. who, apart from receiving Director's remuneration:

- has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the three immediately preceding financial years or during the current financial year or
- having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives—

(i) is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two per cent of the paid-up capital of the Company, its holding, subsidiary or associate Company or such higher sum as may be prescribed;

(ii) is indebted to the Company, its holding, subsidiary or associate Company or their promoters or directors, in excess of such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters or directors of such holding Company, for such amount as may be prescribed during the three immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the Company, or holding, subsidiary or associate Company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii) provided that the pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or their promoters or directors in relation to points (i) to (iii) above shall not exceed two percent of its gross turnover or total income or fifty lakhs rupees or such higher amount as may be specified from time to time, whichever is lower;

e. who, neither himself/herself nor whose relatives —

(i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company or any Company belonging to the promoter group of the Company in any of the three financial years immediately preceding the current financial year;

Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his/her employment.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

(A) a firm of Auditors or Company Secretaries in Practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

f. who is not less than 21 years of age.

g. who is not a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Company is an Independent Director.

It has been confirmed by all the Independent Directors of the Company that as on 31 March, 2022, they fulfill the criteria of being "Independent Director" as stipulated under Regulation 16 of the Regulations and are independent of the management. Further, the Independent Director(s) have declared that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. During the Financial Year ended 31 March, 2022, no Independent Director has resigned from the directorship of the Company.

The **Table-1** gives the Composition of the Board, the Attendance record of the Directors at the Board Meetings and the last Annual General Meeting (AGM); Number of their outside Directorships and their Memberships/Chairmanships in Board Committees.

Table-1

S.No.	Name of Director(s)	Category	No. of Board Meetings held/ attended	Attendance at last AGM	No. of outside Directorships held[A]	No. of Memberships/ Chairmanships in Board Committees[B]	
						Member	Chairman
1.	[C]Mr. Surinder Paul Kanwar	Chairman and Managing Director - Promoter	6/6	Present	1	2	-
2.	[C]Mr. Sameer Kanwar	Joint Managing Director - Promoter	6/6	Present	-	1	-
3.	Mr. W.R. Schilha	Non-Executive Independent Director	6/6	Present	-	-	-
4.	[D]Mr. V.K. Pargal	Non-Executive Independent Director	6/6	Present	-	1	-
5.	[E]Mr. N.V. Srinivasan	Non-Executive Non-Independent Director	6/6	Present	-	1	-
6.	Mr. Rakesh Chopra	Non-Executive Independent Director	6/6	Present	1	-	3
7.	Ms. Hiroo Suresh Advani	Non-Executive Independent Director	6/6	Present	-	1	-
8.	[F]Mr. Raman Nanda	Non-Executive Independent Director	6/2	N.A.	-	-	-

The **Table-2** gives the details of Directorships of the aforesaid Directors in other listed Companies and the category of directorship.

Table-2

S.No.	Name of Director(s)	Category	Name of other Listed Company	Category of directorship in other Listed Company
1.	Mr. Surinder Paul Kanwar	Chairman and Managing Director	Raunaq EPC International Limited	Chairman and Managing Director
2.	Mr. Sameer Kanwar	Joint Managing Director	NIL	N.A.
3.	Mr. W.R. Schilha	Non-Executive Independent Director	NIL	N.A.
4.	Mr. V.K. Pargal	Non-Executive Independent Director	NIL	N.A.
5.	Mr. N.V. Srinivasan	Non-Executive Non-Independent Director	NIL	N.A.
6.	Mr. Rakesh Chopra	Non-Executive Independent Director	Minda Corporation Limited	Non-Executive Independent Director
7.	Ms. Hiroo Suresh Advani	Non-Executive Independent Director	NIL	N.A.
8.	Mr. Raman Nanda	Non-Executive Independent Director	NIL	N.A.

[A]excluding directorship in Private Limited Companies, alternate directorship, Companies registered under Section 8 of the Companies Act, 2013 and Foreign Companies and high value debt listed Companies.

[B]For the purpose of considering the limit of the Committees on which a Director can serve, all Public Limited Companies, whether listed or not, are included and all other Companies including Private Limited Companies, Foreign Companies, high value debt listed Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded and further, it includes Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee only in terms of Regulation 26(1) of the Regulations. None of the Directors of your Company is a Member of more than 10 (Ten) Committees or is the Chairman of more than 5 (Five) Committees across all Public Limited Companies in which he/she is a Director. The Membership/Chairmanship also includes Membership/ Chairmanship in Bharat Gears Limited.

[C]Mr. Surinder Paul Kanwar is the father of Mr. Sameer Kanwar.

[D]Mr. V.K. Pargal holds 100 Equity Shares of the Company. No other Non-Executive Independent Director holds any shares and convertible instruments.

[E]Mr. N.V. Srinivasan was also providing technical advisory services to the Company in his individual capacity upto 28 February, 2022. Professional fees paid to him for the Financial Year 2021-22 is ₹ 15,48,000/- (Rupees Fifteen Lakhs Forty Eight Thousand Only). The Board is of the opinion that such payments in the context of overall expenditure by the Company is not significant.

Apart from this, no other Non-Executive Director is related to any other Director inter-se and has any material pecuniary relationships/transactions via-a-vis the Company (other than the sitting fees for attending the Board/Committee meetings).

As on 31 March, 2022, None of the Directors of the Company is a Director in more than 7 (seven) listed Companies. Further, None of the Whole time Director(s) of the Company is serving as an Independent Director in more than 3 (three) listed Companies.

The terms of appointment of the Directors appointed at the Annual General Meeting of the Company held on 22 September, 2021 are available on the official website of the Company i.e. www.bharatgears.com.

In terms of Regulation 17(1A) of the Regulations, the consent of the members has been obtained vide special resolution(s) for the appointment and continuation of Non-Executive Directors who have attained the age of Seventy Five Years, upto their respective present tenure.

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Directors that covers familiarizing the Directors about the nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities, and other relevant details by way of:

- *Convening of meetings of the Board of Directors of the Company during each financial year at different manufacturing plants of the Company including visit of the respective plant, direct interaction with the heads of production processes to provide a brief idea to the Directors of the production processes and operations of the Company.*
- *Circulation of an elaborated note on business operations with regard to the operations and financial position of the Company as at the end of each quarter with the Agenda of each Board Meeting.*
- *Updating the Directors of any amendments in laws, rules and regulations as applicable on the Company through various presentations at the Board Meeting(s) in consultation with the Statutory Auditors, Internal Auditors and the Secretarial Auditors of the Company likewise the Companies Act, SEBI Laws, Listing Regulations and such other laws and regulations as may be applicable.*
- *Various presentations are conducted at meetings of the Board/Committees of the Board periodically to familiarize the Directors with the business performance, business strategy, operations and functions of the Company. Such presentations help Directors to understand the Company's Strategy, Operations, Market Competition, Organization Structure, Risk Analysis and such other areas.*

The details of familiarization programme during the Financial Year 2021-22 are available on the official website of the Company i.e. www.bharatgears.com under the link i.e. http://bharatgears.com/documents/details-of-familiarization-programme-for-Independent-directors-fy21-22.pdf

The **Table-3** gives the details of core skills/expertise/ competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for Company to function effectively and those actually available with the Board.

Table-3

S.No.	Core skills/ expertise/ competencies	Available with the Board (YES/NO)	Name of Directors who have such Core skills/ expertise/competencies
1.	Knowledge of Core Business i.e. Automotive Gears	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. N.V. Srinivasan Mr. Raman Nanda
2.	Plant Management	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Mr. Raman Nanda
3.	Strategic Planning	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Mr. Raman Nanda
4.	Product Development and Marketing	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. N.V. Srinivasan Mr. Rakesh Chopra Mr. Raman Nanda
5.	Knowledge of Macro Environment vis-à-vis Industry	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Ms. Hiroo Suresh Advani Mr. Raman Nanda
6.	Financial Literacy	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Ms. Hiroo Suresh Advani Mr. Raman Nanda
7.	Ability to read Financial Statements	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Ms. Hiroo Suresh Advani Mr. Raman Nanda

B. Board Meetings

During the Financial Year 2021-22, 6 (Six) Board Meetings were held on the following dates. The gap between any two meetings was not more than 120 (one hundred and twenty) days as mandated in Regulation 17(2) of the Regulations:-

- 11 June, 2021;
- 12 August, 2021;
- 20 October 2021;
- 02 November, 2021;
- 09 February, 2022; and
- 24 March, 2022.

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director, Joint Managing Director and Chief Financial Officer and circulates the same in advance to the Directors. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Wherever it is not possible to convene a Board Meeting, resolutions are passed by circulation in order to meet the business exigencies. Presentations are made to the Board on the business operations and performance of the Company. The minutes of the proceedings of the meetings of the Board of Directors are noted and the draft minutes are circulated amongst the members of the Board for their perusal. Comments, if any received from the Directors are also incorporated in the minutes, in consultation with the Chairman and Managing Director. The Minutes are signed by Chairman of the Board at the next meeting and signed minutes are circulated amongst the members of the Board for their perusal. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when considered necessary.

Post Meeting Follow Up System: The Company has an effective post Board Meeting follow up procedure. Action Taken Report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

C. Information supplied to the Board

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes the following, extent to the applicability during the year as per Regulation 17(7) read with Schedule II of the Regulations.

- Annual Operating Plans and Budgets and any updates.
- Capital budgets and any updates.
- Quarterly, Half Yearly and Yearly Results of the Company.
- Minutes of the Meetings of Audit Committee and other Committees of the Board.

The Board periodically reviews the compliance reports of all laws applicable to the Company prepared by the Company along with the declaration made by all the respective departmental heads and by the Chairman and Managing Director regarding compliance with all applicable laws.

4. BOARD COMMITTEES

A. Audit Committee

I. Constitution and Composition

In terms of the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Regulations, the "Audit Committee" comprises of the following Independent Directors, who have financial/accounting acumen to specifically look into internal controls and audit procedures. All the members are financially literate and have accounting and financial management expertise. The **Table-4** gives the composition of the Audit Committee and attendance record of members of the Committee:

Table-4

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Rakesh Chopra	Chairman	4/4
2.	Mr. V.K. Pargal	Member	4/4
3.	Ms. Hiroo Suresh Advani	Member	4/4

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors and the Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with the Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half-yearly and year to date un-audited and annual audited financials of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed and evaluated the internal control

systems, Enterprise Risk Management system, internal audit reports, internal controls for prevention of insider trading and functioning of whistle blower mechanism.

Mr. Prashant Khattry, Head (Legal) and Company Secretary of the Company acted as Secretary to the Audit Committee Meetings as aforesaid.

The Chairman of the Audit Committee was present at the last Annual General Meeting to answer the queries of the shareholders to their satisfaction.

II. Audit Committee Meetings

During the Financial Year 2021-22, 4 (Four) meetings of the Audit Committee were held on the following dates. The gap between any two meetings was not more than 120 (one hundred and twenty) days as mandated in Regulation 18(2) of the Regulations:-

- 10 June, 2021;
- 12 August, 2021;
- 02 November, 2021; and
- 09 February, 2022

III. Powers of Audit Committee

The Audit Committee has been empowered with the adequate powers as mandated in Regulation 18 of the Regulations which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

IV. Role of Audit Committee

The role of the Audit Committee in terms of Regulation 18 of the Regulations includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b. changes, if any, in accounting policies and practices and reasons for the same.
   c. major accounting entries involving estimates based on the exercise of judgment by management.
   d. significant adjustments made in the financial statements arising out of audit findings.
   e. compliance with listing and other legal requirements relating to financial statements.
   f. disclosure of any related party transactions.
   g. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee may also review such matters as may be referred to it by the Board or which may be specified as role of the Audit Committee under amendments, if any, from time to time, to the Regulations, the Companies Act, 2013 and other Statutes.

V. Review of Information by Audit Committee

The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;

2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;

3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;

4. Internal Audit Reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and

6. Statement of deviations, if required.

B. Nomination and Remuneration Committee

I. Constitution and Composition

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Regulations, the Nomination and Remuneration Committee constitutes of following 4 (Four) Directors as members. **Table-5** gives the composition of the Nomination and Remuneration Committee and the attendance record of the members of the Committee.

Table-5

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. V.K. Pargal	Chairman	1/1
2.	Mr. Rakesh Chopra	Member	1/1
3.	@Mr. N.V. Srinivasan	Member	1/1
4.	*Mr. W.R. Schilha	Member	0/1
5.	Mr. Surinder Paul Kanwar	Member	1/1

*Mr. W.R. Schilha had been inducted as member of the Committee on 25 August, 2021.

@Mr. N.V. Srinivasan ceased to be a member on 12 May, 2022.

Mr. V.K. Pargal, Mr. Rakesh Chopra and Mr. W.R. Schilha are Non-Executive Independent Directors and Mr. Surinder Paul Kanwar is Chairman and Managing Director of the Company.

II. Nomination and Remuneration Committee Meetings

In terms of Regulation 19 of the Regulations, at least 1 (One) meeting of the Nomination and Remuneration Committee is held in each Financial Year.

During the Financial Year 2021-22, 1(One) meeting of the Nomination and Remuneration Committee was held. **Table-6** gives the details of the date and purpose of the meeting of Nomination and Remuneration Committee:-

Table-6

S.No.	Date of Meeting	Purpose
1.	11 June, 2021	Consideration and recommendation of the re-appointment of Mr. Wolfgang Rudolf Schilha as a Non-Executive Independent Director of the Company in terms of the provisions of Section 149 of the Companies Act, 2013.
		Consideration and recommendation of the re-appointment of Mr. Sameer Kanwar as Joint Managing Director of the Company for a further period of 3 (Three) Years w.e.f. 01 June, 2021 along with the proposed remuneration.
		Consideration and recommendation of the re-appointment of Mr. Nagar Venkataraman Srinivasan as a Non-Executive Director of the Company liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013.
		Consideration and recommendation of the remuneration of Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

Mr. Prashant Khattry, Head (Legal) and Company Secretary of the Company acted as Secretary to the Nomination and Remuneration Committee meeting as aforesaid.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

III. Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee in terms of the Regulations includes the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

   For every appointment of an Independent Director, the Nomination and Remuneration Committee evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director and ensures that the person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee, if required:

   a. uses the services of an external agency;

   b. considers candidates from a wide range of backgrounds, having due regard to diversity; and

   c. considers the time commitments of the candidates.

2. formulation of criteria for evaluation of performance of Independent Directors and the Board;

3. devising a policy on Board diversity;

4. identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

5. deciding whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

6. recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Pursuant to Schedule V of the Companies Act, 2013, in case of no profits or inadequate profits, the Nomination and Remuneration Committee has been empowered to consider, approve and recommend the remuneration of Whole Time Director/ Managing Director.

IV. Nomination and Remuneration Policy

Pursuant to the provisions of the Companies Act, 2013 read with Regulation 19 of the Regulations, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management as approved by the Board is available on the official website of the Company i.e. www.bharatgears.com.

The objectives and purpose of the said policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Auto Component industry.
- To carry out evaluation of the performance of Independent Directors and the Board, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

While deciding the remuneration for Directors, Key Managerial Personnel and other employees, the Board and the Nomination and Remuneration Committee takes into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), positive attributes, their independence, expertise, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review the Company's remuneration policy from time to time.

V. Policy on Board Diversity

In terms of Regulation 19 of the Regulations, the Nomination and Remuneration Committee has formed the policy on Board Diversity to provide for having a broad experience and diversity on the Board. The said policy is a part of Nomination and Remuneration Policy.

VI. Succession Plans for Board, KMPs and Senior Management

The Nomination and Remuneration Committee has a diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as a Director, KMP or Senior Management Personnel of the Company as the case may be based on his/her educational qualifications, experience and track record.

The Committee has formed a Nomination and Remuneration Policy in accordance with the applicable provisions of the Companies Act, the Regulations and other laws as applicable to the Company to guide the Board in relation to the appointment, re-appointment or removal of the person at the Board, KMP and Senior Management level.

The Committee carries out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

Further, the Audit Committee under the Risk Management frame work evaluates and reviews the succession planning, skill development process and training requirements for the Senior Management Personnel and KMPs on quarterly basis.

VII. Performance Evaluation

In terms of Regulation 17 of the Regulations, the Board of Directors in its meeting held on 24 March, 2022 evaluated the performance of Independent Directors in terms of criteria of performance evaluation as laid down by Nomination and Remuneration Committee which covers the area relevant to their role as Independent Director in the Company, including but not limited to:

(a) Performance of the Directors; and

(b) Fulfillment of the independence criteria as specified in the Regulations and their independence from the management.

In the above evaluation, the Director(s) who were subject to evaluation did not participated respectively.

During the Financial Year 2021-22, a separate meeting of the Independent Directors of the Company was held on 24 March, 2022 in terms of Regulation 25 of the Regulations.

The Independent Directors in their separate meeting:

i. reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Remuneration of Directors for 2021-22

Table-7

(₹ In lakhs)

NON-EXECUTIVE DIRECTORS					
Name of Director	**Sitting Fees#**		**Salaries and Perquisites**		**Total**
	Board Meetings	**Committee Meetings**			
Mr. V.K. Pargal	1.50	1.10	Nil		2.60
Mr. W.R. Schilha	1.50	-	Nil		1.50
Mr. Rakesh Chopra	1.50	1.60	Nil		3.10
Mr. N.V. Srinivasan	1.50	0.20	Nil		1.70
Ms. Hiroo Suresh Advani	1.50	1.00	Nil		2.50
Mr. Raman Nanda	0.50	-	Nil		0.50
				Sub-Total (A)	**11.90**
EXECUTIVE DIRECTORS					
Mr. Surinder Paul Kanwar ($)		•	Salary	100.00	
		•	Contribution to provident and other funds (*)	13.50	
		•	Monetary value of perquisites (**)	14.76	128.26
Mr. Sameer Kanwar ($)		•	Salary	95.00	
		•	Contribution to provident and other funds (*)	12.90	
		•	Monetary value of perquisites (**)	18.94	126.84
				Sub-Total (B)	**255.10**
				Grand Total	**267.00**

#GST as applicable paid directly by the Company.

*Excludes provision for gratuity which is determined on the basis of actuarial valuation done on an overall basis for the Company.

**Excludes provision for compensated absences which is made based on the actuarial valuation done on an overall basis for the Company.

There is no notice period or severance fee in respect of appointment of any of the above Managerial Personnel. Neither Mr. Surinder Paul Kanwar nor Mr. Sameer Kanwar is entitled for any performance linked incentives and the "Bharat Gears Limited - Employee Stock Option Scheme – 2021".

The Company has paid remuneration to the Non-Executive Directors by way of sitting fees at the rate of ₹ 25,000/- (Rupees Twenty Five Thousand Only) for attending each meeting of the Board and Audit Committee and ₹ 10,000/- (Rupees Ten Thousand Only) for other Committees of the Board of Directors of the Company.

$The remuneration payable to Mr. Surinder Paul Kanwar, Chairman and Managing Director and Mr. Sameer Kanwar, Joint Managing Director is subject to the approval of the shareholders by special resolution in general meeting, if the aggregate remuneration payable to them exceeds 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and fresh approval of the shareholders is sought at the beginning of each tenure of their appointment.

C. Stakeholders' Relationship Committee

I. Constitution and Composition

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Regulations, the "Stakeholders' Relationship Committee" constitutes of following 4 (Four)

Directors as members. The **Table-8** gives the composition of the Stakeholders' Relationship Committee and the attendance record of Members of the Stakeholders' Relationship Committee:

Table-8

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Rakesh Chopra	Chairman	1/1
2.	Mr. Surinder Paul Kanwar	Member	1/1
3.	Mr. Sameer Kanwar	Member	1/1
4.	Mr. N.V. Srinivasan	Member	1/1

Mr. Rakesh Chopra is a Non-Executive Independent Director, Mr. N.V. Srinivasan is a Non-Executive Director, Mr. Surinder Paul Kanwar is Chairman and Managing Director and Mr. Sameer Kanwar is Joint Managing Director of the Company.

II. *Role of Stakeholders' Relationship Committee*

The role of the Stakeholders' Relationship Committee in terms of the Regulations includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

III. *Stakeholders' Relationship Committee Meetings*

In terms of Regulation 20 of the Regulations, at least 1 (One) meeting of the Stakeholders' Relationship Committee is held in each Financial Year.

During the Financial Year 2021-2022, 1 (One) meeting of the Stakeholders' Relationship Committee was held.

Table-9 gives the details of the date and purpose of the meeting of Stakeholders' Relationship Committee:-

Table-9

S.No.	Date of Meeting	Purpose
1.	10 June, 2021	Noting of status of grievances of the Shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. during the Financial Year 2020-21.
		Review of measures taken for effective exercise of voting rights by shareholders.
		Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent i.e. Link Intime India Private Limited.
		Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

Mr. Prashant Khattry, Head (Legal) and Company Secretary of the Company acted as Secretary to the Stakeholders' Relationship Committee Meeting as aforesaid.

The Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

IV. *Sub-Committee*

In order to have speedy disposal of the Shareholders'/Investors' requests for transfers and transmissions, a Sub-Committee consisting of the following Directors/Officers of the Company is in place for effecting transfer/transmission/split/consolidation of shares:

a. Mr. Surinder Paul Kanwar, Chairman and Managing Director

b. Mr. Sameer Kanwar, Joint Managing Director

c. Mr. Prashant Khattry, Head (Legal) and Company Secretary

Any two of the above are authorised to consider and approve the transfer/transmission/split/consolidation of shares. The Sub-Committe is attending to Share Transfer formalities at least once in a fortnight.

However, the Securities and Exchange Board of India (SEBI) has prohibited the transfer of shares in physical form w.e.f. 01 April, 2019 except in case of transmission or transposition of securities. Therefore, the Sub-Committee addresses and disposes the aforesaid requests other than those prohibited by SEBI.

V. Status of Investor Complaints/Requests

No. of Complaints received during the Financial Year 2021-22	2 Credit of Equity Shares under Rights Issue, application not made after purchase of Rights Entitlements
No. of Complaints resolved to the satisfaction of stakeholders during the Financial Year 2021-22	2

No. of pending requests for share transfers, transmissions (under permissible mode(s)), dematerialisations and rematerialisations as on 31 March, 2022.

Particulars	No. of Requests	No. of Securities
Transfers and Transmissions(Under Permissible Mode(s))	NIL	NIL
Dematerialisations and Rematerialisations	NIL	NIL

In terms of Regulation 13 of the Regulations, the Company has filed the status of investor complaints at the end of each quarter with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the BSE Limited (BSE) through BSE Listing Centre duly signed by Mr. Prashant Khattry, Compliance Officer of the Company.

D. Corporate Social Responsibility Committee ("CSR Committee")

I. Constitution and Composition

In terms of the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") constitutes of following 3 (Three) Directors as members to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on the official website of the Company i.e. www.bharatgears.com.

The **Table-10** gives the composition and the attendance record of Members of the CSR Committee:

Table-10

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Surinder Paul Kanwar	Chairman	1/1
2.	Mr. Sameer Kanwar	Member	1/1
3.	Mr. Rakesh Chopra	Member	1/1

Mr. Surinder Paul Kanwar is Chairman and Managing Director, Mr. Sameer Kanwar is Joint Managing Director and Mr. Rakesh Chopra is a Non-Executive Independent Director of the Company.

II. Role of Corporate Social Responsibility Committee

The role of the Corporate Social Responsibility Committee in terms of the Companies Act, 2013 includes the following:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 ("the Act").

(b) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.

(d) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

III. CSR Committee Meetings

During the Financial Year 2021-22, 1 (One) meeting of CSR Committee was held. **Table-11** gives the details of the date and purpose of the meeting of CSR Committee:-

Table-11

S.No.	Date of Meeting	Purpose
1.	24 March, 2022	Consideration and recommendation of the Annual Action Plan for spending on Corporate Social Responsibility (CSR) activities for the financial year 2022-23 to the Board of Directors.

E. Finance Committee

The "Finance Committee" of the Board of Directors of the Company is in existence which has been empowered to take care of the financing and other day to day requirements of the Company. The said Committee is authorised to borrow monies, make loans, issue shares, etc. and matters related or incidental thereto.

The **Table-12** gives the composition and the attendance record of Members of the Finance Committee:

Table-12

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Rakesh Chopra	Chairman	3/3
2.	Mr. Surinder Paul Kanwar	Member	3/3
3.	Mr. Sameer Kanwar	Member	3/3
4.	Mr. V.K. Pargal	Member	3/0

Mr. Rakesh Chopra and Mr. V.K. Pargal are the Non-Executive Independent Directors, Mr. Surinder Paul Kanwar is Chairman and Managing Director and Mr. Sameer Kanwar is Joint Managing Director of the Company.

During the Financial Year 2021-22, 3 (Three) meetings of Finance Committee were held on 06 July, 2021, 15 December, 2021 and 07 March, 2022 respectively to discharge the functions delegated to the Committee.

Each of these Committees of the Board have requisite expertise to handle the issues relevant to their field and spend considerable time and give focused attention to the various issues placed before it and guidance by these Committees lend immense values and enhances the decision making process of the Board. The Board reviews the functioning of these Committees from time to time. The Meetings of each of the Committee are convened by the respective Chairman, who also informs the Board about the summary of discussion held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all the Directors individually and tabled at the respective Board/Committee Meeting.

5. COMPLIANCE OFFICER

Mr. Prashant Khattry, Head (Legal) and Company Secretary is the Compliance Officer of the Company.

6. DIRECTORS

Appointment/Re-appointment of existing Executive Director/Non-Executive Director

During the Financial Year 2021-22, the members of the Company vide their special resolution(s) passed at the Annual General Meeting held on 22 September, 2021 approved the:

- Re-appointment of Mr. Wolfgang Rudolf Schilha as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto the conclusion of the 54th Annual General Meeting (AGM) of the Company in the Calendar Year 2026 in terms of the provisions of Section 149 of the Companies Act, 2013;
- Re-appointment of Mr. Sameer Kanwar as Joint Managing Director of the Company for a further period of 3 (Three) years with effect from 01 June, 2021;
- Re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director on the Board of the Company liable to retire by rotation upto the conclusion of the 50th AGM of the Company in the Calendar year 2022 in terms of the provisions of Section 152 of the Companies Act, 2013.

in terms of the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Mr. N.V. Srinivasan being more than seventy five years at the commencement of his tenure and the age of Mr. Wolfgang Rudolf Schilha will be more than seventy five years during his tenure.

The Board of Directors of the Company appointed Mr. Raman Nanda as an Additional Director in the capacity of Non-Executive Independent Director on 29 December, 2021 till the conclusion of forthcoming Annual General Meeting.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to appoint Mr. Raman Nanda as a Non-Executive Independent Director for a period of 5 (Five) Years upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar year 2027 at the ensuing AGM of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 from the member of the Company proposing the candidature of Mr. Raman Nanda for the office of Non-Executive Independent Director

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to re-appoint Mr. N.V. Srinivasan as a Non-Executive Director liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company upto the conclusion of the next Annual General Meeting (AGM) of the Company in the Calender Year 2023 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Mr. N.V. Srinivasan being more than seventy five years at the commencement of his proposed tenure.

As required under Regulation 36 of the Regulations, the information or details pertaining to the Directors seeking appointment/re-appointment in the ensuing Annual General Meeting has been furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

7. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as detailed below:

Annual General Meetings

Table-13

Financial Year	Venue	Date & Time		Special Resolution(s) Passed
2020-21	Video Conference (VC)/ Other Audio Visual Means (OAVM) ("Instameet" platform of Link Intime India Private Limited)	22 September, 2021 11:30 A.M.		Yes
			1.	Consideration and approval of the re-appointment of Mr. Wolfgang Rudolf Schilha as a Non-Executive Independent Director on the Board of the Company.
			2.	Consideration and approval of the re-appointment of Mr. Sameer Kanwar as Joint Managing Director of the Company.
			3.	Consideration and approval of the re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director on the Board of the Company.
			4.	Consideration and approval of the "Bharat Gears Limited – Employee Stock Option Scheme 2021".
2019-20	Video Conference (VC)/ Other Audio Visual Means (OAVM) ("Instameet" platform of Link Intime India Private Limited)	16 September, 2020 11:30 A.M.		Yes
			1.	Consideration and approval of the re-appointment of Mr. Rakesh Chopra as a Non-Executive Independent Director on the Board of the Company.
			2.	Consideration and approval of the re-appointment of Mr. Virendra Kumar Pargal as a Non-Executive Independent Director on the Board of the Company.
			3.	Consideration and approval of the re-appointment of Mr. Surinder Paul Kanwar as Chairman and Managing Director of the Company.
			4.	Consideration and approval of the re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director on the Board of the Company.
2018-19	ARK Hall, Hotel Saffron Kiran, Further to Sarai Metro Station, Near to Badarpur Toll Plaza, Sarai Khwaja, Faridabad-121003, Haryana	06 August, 2019 11:30 A.M.		Yes
			1.	Consideration and approval of the appointment of Ms. Hiroo Suresh Advani as a Non-Executive Independent Director on the Board of the Company.
			2.	Consideration and approval of the appointment of Mr. N.V. Srinivasan as a Non-Executive Director on the Board of the Company.
			3.	Consideration and approval of the increase in the Authorised Share Capital of the Company.

Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2022.

Postal Ballot

There are no special resolutions passed during 2021-22 through postal ballot and no special resolution is proposed to be conducted through postal ballot.

8. MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Financial Results during the year were duly furnished to both the stock exchanges i.e. the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) and the same were published by the Company as under:

Table-14

Financial Results	Name(s) of Newspapers	Date(s) of Publication
Quarter/Year ended 31 March, 2021	Financial Express# Jansatta(Hindi)##	12 June, 2021
Quarter ended 30 June, 2021	Financial Express# Jansatta(Hindi)##	13 August, 2021
Quarter/Half Year ended 30 September, 2021	Financial Express# Jansatta(Hindi)##	03 November, 2021
Quarter/Nine Months ended 31 December, 2021	Financial Express# Jansatta(Hindi)##	10 February, 2022

#Financial Express - Delhi, Mumbai, Ahmedabad, Bengaluru, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Lucknow, Pune Editions.

Jansatta (Hindi)-Delhi Edition.

COMPANY'S WEBSITE

Pursuant to Regulation 46 of the Regulations, the Company's official website i.e. www.bharatgears.com contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed dividends and various policies of the Company.

NSE ELECTRONIC APPLICATION PROCESSING SYSTEM ('NEAPS')

NEAPS is a web-based application designed by the National Stock Exchange of India Limited (NSE) for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases and corporate actions are filed electronically on NEAPS.

BSE CORPORATE COMPLIANCE AND LISTING CENTRE ('LISTING CENTRE')

The Listing Centre of BSE Limited is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

Further, any interviews given by Company Executives/ Management during the year are also displayed on the Company's official website i.e. www.bharatgears.com.

ANNUAL REPORT

The Annual Report containing, inter-alia, the Audited Financial Statements, Board's Report, Auditors' Report, the Management Discussion and Analysis (MDA) Report and other important information is circulated to the shareholders and other stakeholders and is also available on the Company's official website i.e. www.bharatgears.com.

REMINDER TO INVESTORS

Periodical reminders for unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. These details are also uploaded on the official website of the Company at www.bharatgears.com.

Green Initiative:

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), the Company had sent soft copies of the Annual Report for the Financial Year 2020-21 to all those shareholders whose e-mail addresses were made available to the depositories or the Registrar and Transfer Agent (RTA). Further, physical copies were not sent to any shareholder in view of the relaxations provided by the Securities and Exchange Board of India (SEBI) due to the outbreak of Covid-19 pandemic in the Country.

Besides the above, no other presentations were made to any institutional investor or to the analysts.

9. GENERAL SHAREHOLDERS' INFORMATION

A. Company Registration Details:

The Company is registered under the Registrar of Companies, NCT of Delhi and Haryana.

The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29130HR1971PLC034365.

B. Annual General Meeting Details:

The forthcoming AGM of the Company shall be held at 11:30 A.M. on Tuesday, the 20 September, 2022 at Faridabad.

C. Financial Year:

Financial year of the Company commences on 01 April and ends on 31 March. The four Quarters of the Company ends on 30 June, 30 September, 31 December and 31 March respectively.

D. Listing on Stock Exchanges and Stock Code:

The Shares of the Company are listed on the following Stock Exchanges:

1. BSE Limited [BSE]
   [Stock Code: 505688]
   Phiroze Jeejeebhoy Towers
   Dalal Street
   Mumbai- 400 001

2. National Stock Exchange of India Limited [NSE]
   [Symbol: BHARATGEAR]
   Exchange Plaza, C-1, Block G
   Bandra Kurla Complex
   Bandra (E)
   Mumbai – 400 051

The Annual Listing Fees for the year 2021-22 has been paid in advance to the aforesaid Stock Exchanges.

E. Market Price Data:

High and Low prices during each month of Financial Year 2021-22 on National Stock Exchange of India Limited and BSE Limited are as under:

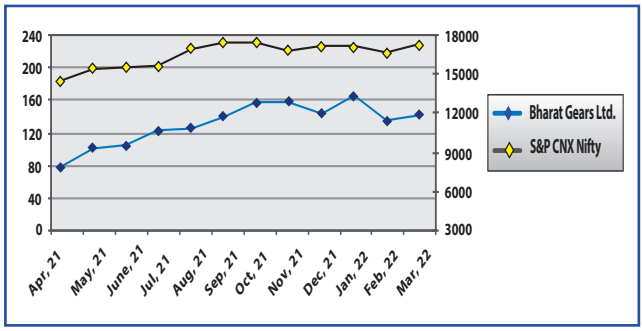
The Closing Price represents the price on the last trading day of each month of Financial Year 2021-22.

Table-15

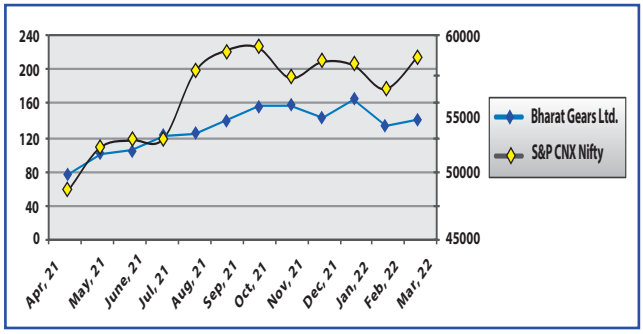
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April	87.50	87.40	70.20	68.25	79.05	79.00
May	114.35	118.45	76.80	76.00	102.75	102.90
June	115.30	115.05	85.65	89.00	106.10	106.50
July	131.95	133.00	99.10	100.00	124.75	124.85
August	139.00	138.60	105.95	106.05	127.65	127.50
September	155.55	160.00	125.50	125.85	141.45	142.05
October	182.35	188.00	137.85	138.00	159.60	159.30
November	190.20	190.20	130.10	130.20	160.45	160.55
December	164.95	165.75	135.00	134.00	146.35	145.75
January	188.50	188.70	144.45	142.75	167.60	167.85
February	178.50	180.50	120.20	120.65	137.30	137.15
March	154.85	152.50	128.10	128.45	143.70	143.70

The graphical presentations of movement of closing share prices of the Company on NSE and BSE during the year are as under:

a. BHARAT GEARS' PRICES VERSUS S & P CNX NIFTY



b. BHARAT GEARS' PRICES VERSUS SENSITIVITY AT BSE



F. Registrar and Transfer Agent:

Link Intime India Private Limited is the Registrar and Transfer agent for handling both the share registry work relating to shares held in physical and electronic form at single point. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

The Shareholders are therefore advised to send all their correspondences directly to the Registrar and Transfer Agent of the Company at the below mentioned address:

Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot No NH-2, LSC, C-1 Block,
Near Savitri Market,
Janakpuri,
New Delhi – 110 058
Tel Nos.: 011-49411000
Fax No.: 011-41410591
Email: delhi@linkintime.co.in

However, for the convenience of Shareholders, correspondence relating to Shares received by the Company are forwarded to the Registrar and Transfer Agent for action thereon.

In terms of Regulation 7 of the Regulations, the Company has filed a compliance certificate with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the BSE Limited (BSE) through BSE Listing Centre duly signed by Mr. Prashant Khattry, Compliance Officer of the Company and the authorized representative of Registrar & Transfer Agent of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by the Registrar and Transfer Agent of the Company.

G. Share Transfer System:

The Securities and Exchange Board of India (SEBI) has prohibited the transfer of shares in physical form w.e.f. 01 April, 2019 except in case of transmission or transposition of securities.

The requests for the transfers of Shares under the aforesaid permissible mode(s) are accepted for registration at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal of Shareholders grievances.

In order to have speedy disposal of the shareholders'/investors' requests for transfers and transmissions, a sub-committee consisting of the following directors/officers of the Company is in place for effecting Transfer/Transmission/Split/Consolidation of Shares.

a. Mr. Surinder Paul Kanwar, Chairman and Managing Director

b. Mr. Sameer Kanwar, Joint Managing Director

c. Mr. Prashant Khattry, Head (Legal) and Company Secretary

Any two of the above are authorized to consider and approve the Transfer/ Transmission/Split/Consolidation of Shares. The Sub-Committee is attending to Share Transfer formalities at least once in a fortnight.

After approved by the Sub-Committee, the Share Transfers are affected by the Registrar and Transfer Agent of the Company.

The Sub-Committee addresses and disposes the aforesaid requests other than those prohibited by SEBI.

As per the requirements of Regulation 40(9) of the Regulations, the Company has obtained the Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and the same has been filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the BSE Limited (BSE) through BSE Listing Centre accordingly.

H. Shareholding pattern of the Company as per category of shareholders as on 31 March, 2022:

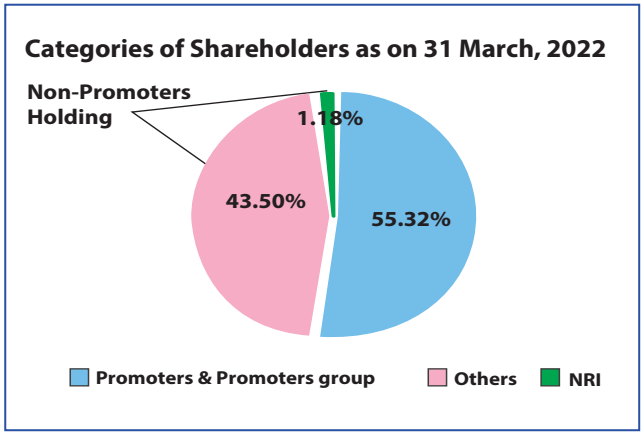


Table-16

Category			No. of Shares Held	% age of Share Holding
A.	**Promoters' holding**			
1.	Promoters			
	-	Indian Promoters	3787931	37.00
	-	Foreign Promoters	0	0.00
2.	Promoter Group		1875010	18.32
B.	**Non-Promoters' Holding**			
3.	Institutional Investors			
	a.	Mutual Funds and Unit Trust of India	1700	0.01
	b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	1418	0.01
	c.	Foreign Institutional Investor	154511	1.51
4.	Others			
	a.	Private Corporate Bodies	196297	1.92
	b.	Indian Public	3945757	38.55
	c.	Non Resident Indians/Overseas	120883	1.18
	d.	NBFCs registered with RBI	0	0.00
	e.	Any Other		
		(Investor Education and Protection Fund)	114429	1.12
		(Clearing Members)	38769	0.38
		Total	**10236705**	**100.00**

I. Distribution of Shareholding as on 31 March, 2022:

Table-17

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 500	17422	1345245	13.14
501 to 1000	692	537072	5.25
1001 to 2000	313	458753	4.48
2001 to 3000	119	301236	2.94
3001 to 4000	46	163545	1.60
4001 to 5000	23	107445	1.05
5001 to 10000	60	429352	4.19
10001 and above	48	6894057	67.35
Total	**18723**	**10236705**	**100.00**

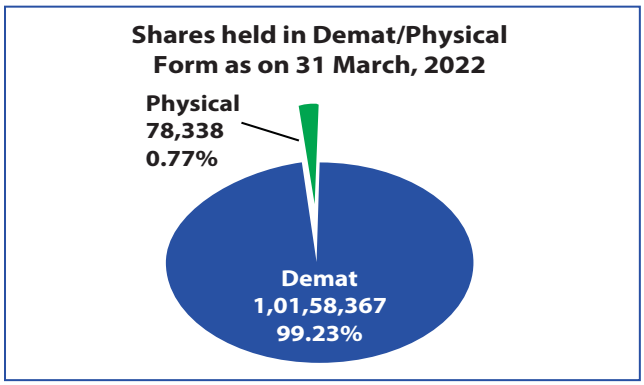
J. Share Dematerialisation System:

The requests for dematerialisation of shares are processed by the Registrar and Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialisation of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

In terms of Regulation 74(5) of the SEBI (Depositories and Participants) Regulations 2018, the Company has filed a compliance certificate with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS), with the BSE Limited (BSE) through BSE Listing Centre and the Depositories concerned duly signed by the authorized representative of the Registrar and Transfer Agent of the Company confirming that the securities received from the depository participants for dematerialization were confirmed (accepted/rejected) to the depositories by them and that securities comprised in the said certificates have been listed on the stock exchanges where the earlier issued securities are listed and further confirming that the securities certificates received for dematerialization have been mutilated and cancelled after due verification by the depository participant and the name of the depositories have been substituted in register of members as the registered owner within 15 days.

K. Dematerialization of Shares and Liquidity:

The Company's Equity Shares are compulsorily traded in the Stock Exchanges in the dematerialized mode and are available for trading under both the Depository Systems in India i.e. National Securities Depository Limited and Central Depository Services (India) Limited.



As on 31 March, 2022, a total of 1,01,58,367 equity shares of the Company of ₹ 10/- each, which form 99.23% of the paid up Equity Share Capital, stand dematerialized.

Table-18

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
81,14,439	79.27	20,43,928	19.96	78,338	0.77

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

L. Transfer of Unclaimed Shares to Investor Education and Protection Fund:

In terms of the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") and further amendments thereto, the Company is required to transfer the equity shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government and a statement containing such details are required to be filed with the Ministry of Corporate Affairs (MCA).

In terms of above, pursuant to the transfer of the unclaimed dividend for the Financial Year 2013-14 to the IEPF on 30 August, 2021 i.e. upon completion of seven years from transfer of dividend into unclaimed dividend account, 12,207 (Twelve Thousand Two Hundred Seven) Equity Shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2013-14 have been transferred into demat account of IEPF Authority.

During the Financial Year 2021-22, 1 (One) valid request covering 200 (Two Hundred) Equity Shares has been received by the Company from Shareholder whose Equity Shares are held in the demat account of IEPF Authority. The verification report clear in all aspects for the release of said Shares has been forwarded by the Nodal Officer of the Company to the IEPF Authority pursuant to the due verification of the claims so received. The said claim is pending for approval by the IEPF Authority. Also, 1 (One) invalid request covering 250 (Two Hundred Fifty) Equity Shares has been received for which the verification report stating the reasons for rejection has been forwarded by the Nodal Officer of the Company to the IEPF Authority.

As on 31 March, 2022, 1,14,429 (One Lakh Fourteen Thousand Four Hundred Twenty Nine) Equity Shares of the Company in aggregate are held in demat account of IEPF Authority.

Since no unclaimed dividend is required to be transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2022-23, there are no equity shares liable to be transferred into IEPF during the Financial Year 2022-23.

Investor Education and Protection Fund claim Guidelines

With reference to Rule 7 of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Investors/Depositors whose unpaid dividends and shares have been transferred to IEPF under the Companies Act, 2013 can claim the amounts and shares from the IEPF authority as per the procedures/guidelines stated below:

a. Download the Form IEPF-5 from the website of the IEPF Authority (http://www.iepf.gov.in) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit alongwith the e-form carefully before filling the form.

b. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the IEPF website. On successful uploading, an acknowledgement challan will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

c. Take a print out of the duly filled Form IEPF-5 and the acknowledgement challan issued after uploading the form.

d. Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form IEPF-5 alongwith other necessary documents as mentioned in the Form IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority"/"Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

e. Claim form completed in all respects will be verified and submitted online by the Company along with the Verification Report and other necessary documents to the IEPF Authority. Subsequently, on the basis of Company's Verification Report and other documents submitted by the Company with the IEPF Authority, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

In terms of the Rule 2 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of Nodal Officer and Deputy Nodal Officer appointed by the Company for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority (IEPF Authority) as communicated to the IEPF Authority are as follows:

Nodal Officer:

Mr. Prashant Khattry, Head (Legal) and Company Secretary
Bharat Gears Limited
20 K.M. Mathura Road
Faridabad – 121 003
Phone: 0129-4288888
Fax: 0129-4288822
Email: prashant.khattry@bglindia.com

Deputy Nodal Officer:

Mr. Kaushal Narula, Manager (Secretarial)
Bharat Gears Limited
20 K.M. Mathura Road
Faridabad – 121 003
Phone: 0129-4288888
Fax: 0129-4288822
Email: kaushal.narula@bglindia.com

Further, the necessary details of Nodal Officer and Deputy Nodal Officer are available on the official website of the Company i.e. www.bharatgears.com.

As per Part F of Schedule V of the Regulations, there are no unclaimed shares in the Company. However, Regulation 39(4) of the Regulations provides that any Equity Shares of the Company lying unclaimed (including shares represented by the undelivered share certificates) shall be transferred into the "Unclaimed Suspense Account" after due compliance as prescribed under the said Regulation read with Schedule VI of the Regulations which provides for sending of 3 (Three) reminders to the respective shareholders advising them to claim their shares.

During the Financial Year 2021-22, 3 (Three) reminders to the respective shareholders advising them to claim their shares had been sent and subsequently, it has been proposed to transfer the Equity Shares attached to undelivered Share Certificates in possession of the Company still remaining unclaimed into the "Unclaimed Suspense Account".

For the purpose, the "Unclaimed Suspense Account" shall be opened with National Securities Depository Limited (NSDL) and the Equity Shares attached to undelivered Share Certificates in possession of the Company shall be transferred into the said account.

M. Corporate Benefits:

Dividend History:

Table-19

Financial Year	Rate (%)	Amount (₹ in Lakhs)
2021-22	**NIL**	**NIL**
2020-21	NIL	NIL
2019-20	NIL	NIL
2018-19	10	93.06
2017-18	NIL	NIL

N. Plant locations:

The Company's Plants are located at the below mentioned addresses:

- 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad, Haryana, Pin - 121 003
- Kausa Shil, Mumbra, District Thane, Maharashtra, Pin - 400 612
- Lonand, Taluka Khandala, District Satara, Maharashtra, Pin - 415 521

O. Addresses for Correspondence:

For Share transfer/demat/remat of shares or any other query relating to shares:-

Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No NH-2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi – 110058, Tel Nos.: 011-49411000, Email: delhi@linkintime.co.in.

For Investor Assistance:-

Mr. Prashant Khattry, Head (Legal) and Company Secretary, Bharat Gears Limited, 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad–121 003, Phone:0129-4288888, Fax No. 0129 - 4288822-23, Email: prashant.khattry@bglindia.com

P. Credit Ratings:

The details of the Credit Ratings assigned to the Company for its Banking Facilities by various rating agency(ies) as on 31 March, 2022 and changes thereof during the Financial Year 2021-22 are as per following details:

Table-20

Instrument Description	Rating Agency(ies)	Rating Assigned as on 31 March, 2021	Rating Assigned as on 31 March, 2022	Changes in Rating during the Financial Year 2021-22
Banking Facilities-Long-Term	CRISIL	BB+/Stable	BB+/Positive	Outlook revised from 'Stable' to 'Positive'; rating reaffirmed
Banking Facilities-Short-Term	CRISIL	A4+	A4+	Reaffirmed

10. OTHER DISCLOSURES

A. Related Party Transactions:

During the year 2021-22, there were no material individual transactions with related parties, which are not in the normal course of business or are not on an Arm's Length basis in terms of Regulation 23 of the Regulations. The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and approval. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of the financial statements.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the official website of the Company i.e. www.bharatgears.com under the link http://bharatgears.com/documents/related_party_transaction_policy.pdf

In terms of Regulation 23(9) of the Regulations, the Company has filed the disclosures of related party transactions on a consolidated basis with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the BSE Limited (BSE) through BSE Listing Centre on a half yearly basis.

B. Disclosure of Accounting Treatment in preparation of Financial Statements:

Bharat Gears Limited has followed the guidelines of Accounting Standards as mandated by the Central Government in preparation of its financial statements.

C. Risk Management Framework:

In pursuance to the Companies Act, 2013 and Regulation 17(9) of the Regulations, the Board of Directors of the Company has adopted a comprehensive Enterprise Risk Management Framework wherein the risks faced by the Company have been identified and assessed and on the basis of the same, the various risks have been prioritized and further the procedures have been devised upon to mitigate such risks. The progress checks on all the risks are done at the Senior Management level and the summary of the same is placed before the Board on a quarterly basis.

The process of risk identification, assessment, prioritization and the devising of the procedures for mitigation of risks is repeated on an annual basis to make the risk management framework in line with the changing requirements of the Industry vis-à-vis the operations of the Company.

A detailed note on Risk Management is given in the Management Discussion and Analysis section forming part of the Board's Report.

D. Management:

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2021-22.

E. Compliance by the Company:

There were no instances of any non–compliance by the Company or any penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to the Capital Markets, during the last three years.

F. Whistle Blower Policy/Vigil Mechanism:

The Whistle Blower Policy/Vigil Mechanism of the Company has been formulated as per Regulation 22 of the Regulations and Section 177 of the Companies Act, 2013. The policy provides a channel to the employees, Directors and any other person who avails such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The mechanism of policy provides for adequate safeguards against victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The said policy has been communicated to all the personnel of the Company and is available on the official website of the Company i.e.www.bharatgears.com. Protected disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year under review, no complaint has been received and no unethical behavior has been reported. Further, the Company has not denied any personnel access to the Audit Committee and it will provide protection to Whistle Blower, if any, from adverse personnel action.

Further, the Audit Committee, in its meeting held on 09 February, 2022 reviewed the functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company and found the same satisfactory.

G. Policy on Preservation of Documents/Archival Policy on Website Disclosure:

The Policy on Preservation of Documents/Archival Policy on Website Disclosure in accordance with Regulation 9 and Regulation 30(8) of the Regulations is in existence which provides the framework for preservation of documents and records of the Company for a specified period and the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy aids the employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable statutory and regulatory requirements. The said policy is available on the official website of the Company i.e. www.bharatgears.com.

H. Policy on criteria for Determining Materiality of Events:

The Policy on criteria for determining Materiality of Events has been framed in accordance with Regulation 30 of the Regulations which defines the criteria for determining the materiality of events or information related to the Company, provides that such information should be adequately disseminated in pursuance with the Regulations and further provides for the overall governance framework for such determination of materiality. The said policy is available on the official website of the Company i.e. www.bharatgears.com.

I. CEO/CFO certification:

Certificate from Mr. Surinder Paul Kanwar, Chairman and Managing Director and Mr. Milind Pujari, Chief Financial Officer in terms of Regulation 17(8) of the Regulations for the Financial Year ended 31 March, 2022 was placed before the Board of Directors of the Company in its meeting held on 27 May, 2022.

J. Code of Conduct and Corporate Ethics:

Code of Business Conduct and Ethics

Bharat Gears Limited believes that Good Corporate Governance is the key to the Conduct of the Company's Business in a transparent, reliable and vibrant manner. It is of paramount importance for any Company to create an atmosphere of faith, integrity, accountability, responsibility and financial stability by adhering to commitment, ethical business conduct, a high degree of transparency thereby unlocking the individual intellectual capabilities and enabling its Board of Directors to conduct its duties under a moral authority, which ultimately leads to enhance legitimate needs and value of the stakeholders. A copy of this code formulated in terms of Regulation 17 of the Regulations has been posted on the official website of the Company i.e. www.bharatgears.com.

Code of Conduct for Prevention of Insider Trading

The Company has a comprehensive Code of Conduct for its Management, Staff and Directors for prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down the guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company and cautioning them on the consequences of non–compliances. The pieces of the price sensitive information are disseminated to the Stock Exchanges timely, adequately and promptly on a continuous

basis for prevention of Insider Trading. The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to Code for prevention of Insider Trading.

A copy of same has been posted on the official website of the Company i.e. www.bharatgears.com.

Further, in terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements as stipulated in the said regulations. During the year under review, the Audit Committee, in its meeting held on 09 February, 2022 reviewed the same and verified that the systems for internal control for prevention of Insider Trading are adequate and are operating effectively.

K. Legal Compliance Reporting:

The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations in terms of Regulation 17 of the Regulations. The Company has developed a very comprehensive Legal compliance manual, which drills down from the Senior Management Personnel to the executive-level person (who is primarily responsible for compliance) within the Company. The process of compliance reporting is fully automated, using the legal compliance software. System based alerts are generated till the user submits the compliance report, with provision for escalation to the higher-ups in the hierarchy. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

L. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted Internal Complaints Committee (ICC) at all its Units (i.e. Faridabad, Mumbra and Lonand) where any grievance of sexual harassment at workplace can be reported.

The Company has also adopted a policy on Prevention of Sexual Harassment at workplace. The objective of the policy is to provide its women employees, a workplace free from harassment/discrimination and every employee is treated with dignity and respect. The said policy is available on the official website of the Company i.e. www.bharatgears.com under the link http://bharatgears.com/documents/policy-for-prevention-of-sexual-harassment.pdf

During the Financial Year 2021-22, ICC of all units of the Company has not received any complaint pertaining to sexual harassment of women at workplace.

Status of Complaints as on 31 March, 2022:

Table-21

No. of Complaints filed during Financial Year 2021-22	NIL
No. of Complaints disposed of during Financial Year 2021-22	NOT APPLICABLE
No. of Complaints pending as on 31 March, 2022	NOT APPLICABLE

M. Certificate on Non-disqualification of Directors:

Certificate from a Company Secretary in practice to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

N. Fees paid to Statutory Auditors:

The details of fees paid by the Company to the Statutory Auditors of the Company and all entities in the network firm/ network entity of which the statutory auditors are a part for the Financial Year 2021-22 are as follows:

Table-22

(₹ lakhs)

Particulars	**For the year ended 31 March, 2022**
Fees for audit and related services paid to S R B C & CO LLP	38.82
Other fees paid to the network firm of which the statutory auditor is a part	-
Total	**38.82**

O. Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations. Details of compliances are given below:

Table-23

I.	Disclosure on website in terms of Listing Regulations	Compliance status (Yes/No/NA)
	Item	
Details of business		Yes
Terms and conditions of appointment of independent directors		Yes
Composition of various committees of board of directors		Yes
Code of conduct of board of directors and senior management personnel		Yes
Details of establishment of vigil mechanism/Whistle Blower policy		Yes
Criteria of making payments to non-executive directors		Yes
Policy on dealing with related party transactions		Yes
Policy for determining 'material' subsidiaries		NA
Details of familiarization programmes imparted to independent directors		Yes
Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances		Yes
Email address for grievance redressal and other relevant details		Yes
Financial results		Yes
Shareholding pattern		Yes
Details of agreements entered into with the media companies and/or their associates		NA
Schedule of analyst or institutional investor meet and presentations made by the Company to analysts or institutional investors simultaneously with submission to stock exchange		NA
New name and the old name of the Company		NA
Advertisements as per regulation 47 (1)		Yes
Credit rating or revision in credit rating obtained		Yes
Separate audited financial statements of each subsidiary of the Company in respect of a relevant financial year		NA
Whether Company has provided information under separate section on its website as per Regulation 46(2)		Yes
Materiality Policy as per Regulation 30		Yes
Dividend Distribution policy as per Regulation 43A (as applicable)		NA
It is certified that these contents on the website of the Company are correct		Yes

II.	Annual Affirmations		
	Particulars	**Regulation Number**	**Compliance status (Yes/No/NA)**
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'		16(1)(b) & 25(6)	Yes
Board composition		17(1), 17(1A) & 17(1B)	Yes
Meeting of Board of directors		17(2)	Yes
Quorum of Board meeting		17(2A)	Yes
Review of Compliance Reports		17(3)	Yes
Plans for orderly succession for appointments		17(4)	Yes
Code of Conduct		17(5)	Yes
Fees/compensation		17(6)	Yes
Minimum Information		17(7)	Yes
Compliance Certificate		17(8)	Yes
Risk Assessment & Management		17(9)	Yes

II.	Annual Affirmations		
	Particulars	Regulation Number	Compliance status (Yes/No/NA)
Performance Evaluation of Independent Directors		17(10)	Yes
Recommendation of Board		17(11)	Yes
Maximum number of Directorships		17A	Yes
Composition of Audit Committee		18(1)	Yes
Meeting of Audit Committee		18(2)	Yes
Composition of Nomination and Remuneration Committee		19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting		19(2A)	Yes
Meeting of Nomination and Remuneration Committee		19(3A)	Yes
Composition of Stakeholders' Relationship Committee		20(1),20(2) & 20(2A)	Yes
Meeting of Stakeholders' Relationship Committee		20(3A)	Yes
Composition and role of Risk Management Committee		21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee		21(3A)	NA
Vigil Mechanism		22	Yes
Policy for Related Party Transaction		23(1),(1A),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all Related Party Transactions		23(2),(3)	Yes
Approval for material Related Party transactions		23(4)	NA
Disclosure of related party transactions on consolidated basis		23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary		24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of Company		24(2),(3),(4),(5) & (6)	NA
Annual Secretarial Compliance Report		24(A)	Yes
Alternate Director to Independent Director		25(1)	NA
Maximum Tenure		25(2)	Yes
Meeting of Independent Directors		25(3) & (4)	Yes
Familiarization of Independent Directors		25(7)	Yes
Declaration from Independent Director		25(8) & (9)	Yes
D & O Insurance for Independent Directors		25(10)	NA
Memberships in Committees		26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel		26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors		26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management		26(2) & 26(5)	Yes

P. Non-Mandatory Requirements:

The Company has set up a Finance Committee, details whereof are given in the Board Committee section of this report.

Q. Investor Relations:

The growing requirements of disclosure, transparency and corporate governance have made it imperative for companies to manage information flow and communicate more effectively with shareholders. Investor Relations at Bharat Gears Limited aims at seamless two way communication with the Investor Community. It is based on the tenets of transparency, accuracy and timeliness of disclosures. There is a conscious effort towards the effective dissemination of information to the shareholders to communicate the Company's long term vision and goals.

R. E-mail for investors:

The Company has designated investor@bglindia.com as e-mail address especially for investors' grievances. Alternatively, the investors can send their complaints/requests at info@bglindia.com.

SEBI has commenced processing of investor complaints in a centralised web based complaints redressal system i.e. SCORES. The Company has supported SCORES by using it as a platform for communication between SEBI and the Company.

S. KYC Updation of investors:

SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 mandates the Company to record the PAN, Address with PIN code, E-mail address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Wherein any ONE of the cited detalls/documents, (i.e PAN, Address with PIN code, E-mail address, Mobile Number Bank Account details, Specimen Signature and Nomination) are not available on or after 01 April, 2023, the respective folios shall be frozen as per SEBI circular. Thereafter, the securities in the frozen folios shall be:

- Eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents/ details as aforesaid.
- Eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.

Therefore, the Shareholders holding Shares in physical form are requested to update their KYC with the Company so as to avoid freezing of their respective folios.

The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 have been sent to the respective shareholders and are also available on the Company's official Website i.e. www.bharatgears.com.

Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility or further change in nominations.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 27 May, 2022

COMPLIANCE CERTIFICATE AS PER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have reviewed financial statements and the cash flow statement for the year 2021-22 and that to the best of our knowledge and belief:

1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

3) No transaction has been entered into by the Company during the above said period, which is fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever applicable:

1) Deficiencies in the design or operation of internal controls, if any, which came to our notice and the steps we have taken or propose to take to rectify these deficiencies;

2) Significant changes in internal control over financial reporting during the year 2021-22;

3) Significant changes in accounting policies during the year 2021-22 and that the same have been disclosed in the notes to the financial statements;

4) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Bharat Gears Limited

	Milind Pujari	**Surinder Paul Kanwar**
Dated: 27 May, 2022	Chief Financial Officer	Chairman and Managing Director

COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted "Code of Business Conduct and Ethics" pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"). This code deals with the Good Governance and ethical Practices, which the Company, the Board members and the Senior Management of the Company are expected to follow.

In terms of the Regulations, it is hereby affirmed that during the year 2021-22, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For Bharat Gears Limited

	Prashant Khattry	**Surinder Paul Kanwar**
Dated: 27 May, 2022	Head (Legal) and Company Secretary	Chairman and Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V, Para C, clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Bharat Gears Limited
CIN: L29130HR1971PLC034365
20 K.M. Mathura Road, P.O. Amar Nagar
Faridabad, Haryana - 121003

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of Bharat Gears Limited having CIN L29130HR1971PLC034365 and having registered office at 20 K.M. Mathura Road P.O. Amar Nagar Faridabad - 121003 Haryana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and the representation given by the Management, we hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ended on 31 March, 2022, have been debarred or disqualified from being appointed or continuing as Director of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Surinder Paul Kanwar	00033524	29/09/1982
2.	Mr. Sameer Kanwar	00033622	01/02/2002
3.	Mr. Virendra Kumar Pargal	00076639	24/01/2002
4.	Mr. Rakesh Chopra	00032818	25/01/2007
5.	Mr. Wolfgang Rudolf Schilha	00374415	26/07/2007
6.	Mr. Nagar Venkatraman Srinivasan	00879414	03/11/2017
7.	Ms. Hiroo Suresh Advani	00265233	30/01/2014
8.	Mr. Raman Nanda	00078198	29/12/2021

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company and our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN: F005621D000338681
RP L2015UP000900

Place: Delhi
Dated: 18 May, 2022

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Bharat Gears Limited
20, K.M. Mathura Road,
P.O. Amar Nagar,
Faridabad – 121003

1. The Corporate Governance Report prepared by Bharat Gears Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31 March, 2022 as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on 31 March, 2022 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings 01 April, 2021 to 31 March, 2022:

(a) Board of Directors;

(b) Audit Committee;

(c) Annual General Meeting (AGM);

(d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee;

(f) Corporate Social Responsibility Committee;

(g) Independent Directors; and

(h) Finance Committee

v. Obtained necessary declarations from the directors of the Company including the independent directors;

vi. Obtained and read the policy adopted by the Company for related party transactions;

vii. Obtained the schedule of related party transactions during the year and balances at the year - end. Obtained and read the minutes of the Audit Committee meeting where in such related party transactions have been pre-approved prior by the Audit Committee;

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31 March, 2022, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 22219350AJSEMJ1914

Place: Mumbai
Dated: 27 May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Bharat Gears Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Bharat Gears Limited ("the Company"), which comprise the Balance sheet as at 31 March, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended 31 March, 2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
A. Assessment of recoverability of deferred tax asset (as described in note 2.17 and 32C to the financial statements)	
As at 31 March, 2022, the Company has recognized deferred tax asset (net) of Rs. 583.30 lakhs, on deductible temporary differences. The deferred tax asset is recognized to the extent it is reasonably certain that sufficient taxable profits will be available in the future against which deductible temporary differences can be utilized. This involves significant management judgment and estimation given that recognition is based on assumptions such as likely timing and level of future taxable profits based on management projections which are further affected by expected future market and economic conditions. Accordingly, the same has been considered as a key audit matter.	Our audit procedures, amongst others, included the following: - We obtained management's assessment of recognition of deferred tax asset and the assumptions made in determining the likelihood of recoverability of deferred tax asset through generation of sufficient future taxable profits; - We verified the computation of the amounts recognized as deferred tax asset; - We verified management's assumptions used in determining the cashflow forecasts and the timing of the realisability of deferred tax asset based on Company's tax position and forecast of taxable profits; - We have verified the movement of deferred tax balance from previous year to current year; - We assessed the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are 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 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 these Ind AS financial statements.

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 Ind AS financial statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Company's ability 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 financial statements 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended 31 March, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended 31 March, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31.1(i) to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the Ind AS financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 22219350AJSLHZ3433

Place: Mumbai
Date: 27 May, 2022

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

RE: Bharat Gears Limited ("the Company")

(i) (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 44 to the financial statements are held in the name of the Company except for one immovable property as indicated in the below mentioned case as at 31 March, 2022.

Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land at Mumbra	127.13	Bharat Gears Limited (refer note below)	Not Applicable	28 September, 1972	Not applicable (refer note below)
Land at Mumbra	12.30	Bharat Gears Limited (refer note below)	Not Applicable	28 September, 1972	Not applicable (refer note below)

Note - The name mentioned in the records of the Government (i.e. 7/12 extract in respect of certain part of Company's Land at Mumbra, on account of certain mutation entries) do not match with the indenture of the conveyance available with the Company. The Company has initiated necessary legal action which is pending at Bombay High Court.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at 31 March, 2022 and discrepancies of 10% or more in aggregate for each class of inventories were not noticed in respect of such confirmations.

(b) As disclosed in note 21 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/ statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loan and advances in the nature of loans to Companies, firms, Limited Liabilities Partnership or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of certain products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has utilized the monies raised during the year by way of further public offer in the nature of equity shares for the purposes for which they were raised.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b)(c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provisions of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 22219350AJSLHZ3433

Place: Mumbai
Date: 27 May, 2022

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF BHARAT GEARS LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Bharat Gears Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 22219350AJSLHZ3433

Place: Mumbai
Date: 27 May, 2022

BALANCE SHEET
AS AT 31 MARCH, 2022

₹ lakhs

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	5(A)	11208.39	12632.05
(b) Capital work-in-progress	5(D)	114.12	132.28
(c) Intangible assets	5(B)	81.67	106.64
(d) Right-of-use assets	5(C)	496.35	619.54
(e) Financial assets			
(i) Loans	6(A)	178.39	191.37
(ii) Others	7(A)	222.48	215.16
(f) Deferred tax assets (net)		583.30	1013.50
(g) Other non-current assets	8	498.08	358.30
Total non-current assets		**13382.78**	**15268.84**
2. Current assets			
(a) Inventories	9	9045.97	9038.74
(b) Financial assets			
(i) Trade receivables	10	14427.91	10627.43
(ii) Cash and cash equivalents	11(A)	303.69	9.82
(iii) Bank balances other than (ii) above	11(B)	632.38	557.46
(iv) Loans	6(B)	60.80	56.00
(v) Others	7(B)	310.39	544.46
(c) Current tax assets (net)	12	102.94	91.90
(d) Other current assets	13	2076.19	2156.24
Total current assets		**26960.27**	**23082.05**
3. Non-current asset held for sale	14	**12.30**	**12.30**
		26972.57	**23094.35**
Total assets		**40355.35**	**38363.19**
B. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	15(A)	1023.67	930.61
(b) Other equity	15(B)	9795.55	6450.67
Total equity		**10819.22**	**7381.28**
LIABILITIES			
2. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	6125.60	6662.39
(ia) Lease liabilities	18(A)	416.37	501.03
(ii) Other financial liabilities	17(A)	196.78	303.61
(b) Provisions	19(A)	2081.97	2072.95
(c) Other non-current liabilities	20	377.40	321.65
Total non-current liabilities		**9198.12**	**9861.63**
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	3957.68	4473.17
(ia) Lease liabilities	18(B)	160.41	173.10
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	22	324.63	496.85
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	22	14748.53	15154.18
(iii) Other financial liabilities	17(B)	340.59	181.94
(b) Provisions	19(B)	360.13	376.50
(c) Current tax liabilities (net)	19(C)	5.28	41.39
(d) Other current liabilities	23	440.76	223.15
Total current liabilities		**20338.01**	**21120.28**
Total equity and liabilities		**40355.35**	**38363.19**

See accompanying notes to the Financial Statements

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Aruna Kumaraswamy
Partner
Membership No: 219350

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
W.R. Schilha (DIN : 00374415)
Rakesh Chopra (DIN : 00032818)
N.V. Srinivasan (DIN : 00879414)
Hiroo Suresh Advani (DIN : 00265233)
Raman Nanda (DIN : 00078198)
Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 27 May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

₹ lakhs

	Particulars	Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
1.	Revenue from operations	24	72944.16	50302.79
2.	Other income	25	353.02	136.81
3.	**Total income (1+2)**		**73297.18**	**50439.60**
4.	**Expenses**			
	(a) Cost of materials and components consumed	26(A)	37530.29	25598.69
	(b) Changes in inventories of finished goods and work-in-progress	26(B)	(440.60)	(702.89)
	(c) Employee benefits expense	27	10713.57	8247.45
	(d) Finance costs	28	1842.48	2266.58
	(e) Depreciation and amortisation expense	29	2039.44	2414.70
	(f) Other expenses	30	18565.06	13579.90
	Total expenses		**70250.24**	**51404.43**
5.	**Profit/(Loss) before exceptional items and tax (3-4)**		3046.94	(964.83)
6.	**Exceptional items**	42	359.61	-
7.	**Profit/(Loss) before tax (5+6)**		3406.55	(964.83)
8.	**Tax expense/(credit) (net)**			
	(a) Current tax		441.45	-
	(b) Deferred tax (credit)/charge	32(C)	422.54	(226.70)
	(c) (Excess)/Short provision for tax relating to prior years	32(C)	(41.39)	31.93
9.	**Profit/(Loss) for the year (7-8)**		**2583.95**	**(770.06)**
10.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gain/(loss) on defined benefits obligations		30.45	127.34
	- Income tax effect	32(C)	(7.66)	(32.08)
	Other comprehensive income/(loss) for the year (net of tax)		22.79	95.26
11.	**Total comprehensive income/(loss) for the year (9+10)**		**2606.74**	**(674.80)**
12.	**Earnings per share (Face value of ₹ 10/- each):**			
	Basic and Diluted - in ₹	36	**26.43**	**(8.03)**
See accompanying notes to the Financial Statements				

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Aruna Kumaraswamy
Partner
Membership No: 219350

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
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Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 27 May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(A) Equity share capital

Particulars	₹ lakhs
Balance as at 01 April, 2020	930.61
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	930.61
Change in equity during the year:	-
Balance as at 31 March, 2021	930.61
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	930.61
Change in equity during the year: Rights issue of equity shares (Refer Footnote (iii) of Note 15(A))	93.06
Balance as at 31 March, 2022	**1023.67**

(B) Other equity

₹ lakhs

Particulars	Reserve and Surplus					Other comprehensive income	Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Equity component of liability	Remeasurements of the defined benefit obligations	
Balance as at 01 April, 2020	588.50	2447.88	1756.45	2466.86	-	(232.89)	7026.80
Profit/(Loss) for the year	-	-	-	(770.06)	-	-	(770.06)
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	95.26	95.26
Addition in equity component of liability	-	-	-	-	98.67	-	98.67
Balance as at 31 March, 2021	**588.50**	**2447.88**	**1756.45**	**1696.80**	**98.67**	**(137.63)**	**6450.67**
Profit/(Loss) for the year	-	-	-	2583.95	-	-	2583.95
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	22.79	22.79
Reduction in equity component of liability (Refer footnote (d) of Note 15(B))	-	-	-	-	(98.67)	-	(98.67)
Change in equity during the year: Rights issue of equity shares (net of share issue expenses of ₹ 47.27 lakhs) (Refer Footnote (iii) of Note 15(A))	-	836.81	-	-	-	-	836.81
Balance as at 31 March, 2022	**588.50**	**3284.69**	**1756.45**	**4280.75**	**-**	**(114.84)**	**9795.55**
See accompanying notes to the Financial Statements							

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Aruna Kumaraswamy
Partner
Membership No: 219350

For and on behalf of the Board of Directors of Bharat Gears Limited

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Chief Financial Officer
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Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 27 May, 2022

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2022

₹ lakhs

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A.	**Cash flows from operating activities:**		
	Net profit/(loss) before tax	3406.55	(964.83)
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	2039.44	2414.70
	(Gain)/Loss on disposal of property, plant and equipment (net)	(7.98)	(14.64)
	Finance costs	1842.48	2048.21
	Interest income (notional)	(54.57)	(52.30)
	Rent expenses (notional)	6.65	6.45
	Employee benefits	9.46	7.02
	Liabilities/provisions no longer required written back	(70.42)	(19.25)
	Allowance for doubtful debts	5.09	11.37
	Bad debts written off	-	3.36
	Other amounts written off	82.84	49.11
	Unrealised exchange gain (net)	(110.98)	(44.98)
	Operating profit before working capital changes	**7148.56**	**3444.22**
	Changes in working capital		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(90.07)	(1273.09)
	Trade receivables	(3690.14)	(365.71)
	Financial assets - loans	1.32	(39.60)
	Financial assets - others	232.93	(278.41)
	Other Assets	106.53	(658.69)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	(545.38)	4751.62
	Other financial liabilities	14.86	168.69
	Other current and non-current liabilities	273.36	230.25
	Provisions	23.10	(41.25)
	Cash generated from operations	**3475.07**	**5938.03**
	Income tax paid (net)	(447.21)	(35.19)
	Net cash flows from operating activities (A)	**3027.86**	**5902.84**
B.	**Cash flows from investing activities:**		
	Purchase of property, plant and equipments and intangible assets (including capital work-in-progress, capital advances)	(475.71)	(413.70)
	Proceeds from sale of property, plant and equipments	19.02	58.70
	Bank balances not considered as cash and cash equivalents (net)	(74.92)	93.65
	Interest received	35.91	36.67
	Net cash flows used in investing activities (B)	**(495.70)**	**(224.68)**

Statement of Cash Flows for the year ended 31 March, 2022 .... Contd.

₹ lakhs

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
C.	**Cash flows from financing activities:**		
	Proceeds from rights issue of equity shares (net of share issue expenses of ₹ 47.27 lakhs)	929.87	-
	Proceeds from long-term borrowings	4519.00	-
	Repayment of unsecured loan from Director	(200.00)	-
	Unsecured loan from Director	-	200.00
	Repayment of long-term borrowings	(6384.17)	(1782.56)
	Net increase/(decrease) in short-term borrowings	-	(1920.25)
	Interest paid	(1797.58)	(1904.19)
	Dividends paid	(2.24)	(3.07)
	Payment of lease liabilities	(286.98)	(260.48)
	Net cash flows from/(used in) financing activities (C)	**(3222.10)**	**(5670.55)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(689.94)**	**7.61**
	Cash and cash equivalents at the beginning of the year	(2227.32)	(2234.93)
	Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(4.62)	-
	Cash and cash equivalents at the end of the year (Refer Note 11(C))	**(2921.88)**	**(2227.32)**
	The above Statement of Cash Flows has been prepard under the 'indirect method' as set out in Indian Accounting Standard 7 'Statement of Cash Flows'		
	See accompanying notes to the Financial Statements		

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Aruna Kumaraswamy
Partner
Membership No: 219350

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
W.R. Schilha (DIN : 00374415)
Rakesh Chopra (DIN : 00032818)
N.V. Srinivasan (DIN : 00879414)
Hiroo Suresh Advani (DIN : 00265233)
Raman Nanda (DIN : 00078198)
Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 27 May, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note 1 : Corporate information

Bharat Gears Limited is a public limited company domiciled in India and is incorporated under the provisions of Companies Act, 1956 on 23 December, 1971. The registered office of the Company is located at 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad, Haryana-121003. The Company has three manufacturing locations; two in the state Maharashtra at Mumbra, Thane and Lonand, Satara and one in the state of Haryana at Faridabad. Its shares are listed on two recognised stock exchanges in India. The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same.

The financial statements were approved by the Board of Directors and authorised for issue on 27 May, 2022.

Note 2 : Significant accounting policies

2.1 Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time by the Companies (Indian Accounting Standards) Rules, 2016 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis. Certain financial assets and liabilities are measured at fair value as explained in accounting policy of fair value measurement and financial instruments below.

The accounting policies adopted for preparation and presentation of financial statement have been consistently applied.

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All values are rounded to nearest lakhs with two decimal except when otherwise indicated.

2.2 Current versus non-current classification:

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.3 Foreign currencies:

Transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

Note 2 : Significant accounting policies .... contd.

2.4 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure in these financial statements is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows:

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Property, plant and equipment:

Capital work in progress, Property, plant and equipment is stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

For Property, plant and equipment and Intangible assets existing as at 01 April, 2016 i.e. date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost as permitted by Ind AS 101- First time adoption. Accordingly, the net written down value as per previous GAAP as at 01 April, 2016 has been considered as deemed cost under Ind AS.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Note 2 : Significant accounting policies .... contd.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Buildings	:	3 - 60 years
Plant and equipments (owned/on lease)	:	15 years
Office equipments	:	3 - 6 years
Furniture and fixtures	:	8 -10 years
Vehicles	:	8 years

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.6 Intangible assets:

Intangible assets (i.e. computer software) are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Computer software are amortised on straight line basis over the estimated useful life of 6 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.7 Inventories:

Inventories are valued at the lower of cost and net realisable value, except for scrap which is valued at net realisable value.

Cost comprises of material cost and expenditure incurred in normal course of business in bringing inventories to its location and includes, where applicable, appropriate overheads.

Material cost is arrived at on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Impairment of non-financial assets:

At the end of each reporting period, the Company assesses whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.9 Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded met only when the

Note 2 : Significant accounting policies .... contd.

asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for such sale and its sale is highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.10 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.11 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

(ii) Subsequent measurement of financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(iii) Derecognition of financial assets:

The Company derecognises a financial asset when and only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

(iv) Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Note 2 : Significant accounting policies .... contd.

(v) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

(vi) Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.12 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.13 Revenue recognition:

Revenue from contracts with customers:

The Company derives revenues primarily from sale of automotive gears, automotive components, construction of industrial furnaces and tooling development.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

(a) Sale of goods and rendering of services:

Revenue from sale of goods and rendering of services are recognised at the point in time when control of the goods or services are transferred to the customer, generally on delivery of goods or rendering of services.

(b) Construction contracts:

Revenue from contracts for construction of furnaces, where performance obligation is satisfied over a period of time, is recognised on the percentage of completion method based on the stage of completion determined with reference to the contract costs incurred up to the year end and the estimated total costs of the contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Note 2 : Significant accounting policies .... contd.

(c) Tooling development income:

Net income, if any, from development of tools is recognised at the point of time when performance obligation i.e. development of tool, is complete.

(d) Export incentives:

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentive.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any.

The Company disaggregates revenues from contracts with customers based on the type of goods or services provided to customers , the geographical region and the timing of transfer of goods and services.

Contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenue are classified as contract liabilities. A receivable is a right to consideration that is unconditional upon passage of time.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised.

Trade receivables and contract assets are presented net of impairment.

Interest income

Interest income is recorded on time proportion basis using the effective interest rate (EIR).

2.14 Retirement and other employee benefits:

(i) Retirement benefit costs and long term compensated absences:

Payment to defined contribution retirement benefit plans i.e. recognised provident fund and superannuation fund are recognised as an expense when employees have rendered service entitling them to the contributions.

Company's liability towards gratuity, compensated absences and terminal ex-gratia is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any

Note 2 : Significant accounting policies .... contd.

surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Provision for compensated expenses which are expected to be utilised within the next twelve months are treated as current compensated absences and beyond next twelve months as non-current compensated absences. For the purpose of presentation, the allocation between current & non-current provision has been disclosed as determined in actuary report.

(ii) Other employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Voluntary retirement scheme payouts are recognised as an expense in the period in which they are incurred.

2.15 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.16 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use Assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.8 Impairment of non-financial assets.

ii) Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company

Note 2 : Significant accounting policies .... contd.

exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of property, plant & equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Taxes on income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current income tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Current income tax relating to items recognised outside the Statement of Profit or Loss are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying units intend to settle the asset and liability on a net basis.

(b) Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Note 2 : Significant accounting policies .... contd.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit and loss (either in other comprehensive income or in equity).

2.18 Earnings per share:

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Note 3 : Use of estimates and judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known/materialised.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

(i) Property, plant and equipment - Refer Notes 2.5 & 5(A)

(ii) Intangible assets - Refer Notes 2.6 & 5(B)

(iii) Other Equity - Refer Note 15(B)

(iv) Non current borrowings - Refer Note 16

(v) Revenue from Contracts with customers - Refer Notes 2.13 & 24

(vi) Retirement and other employee benefits - Refer Notes 2.14 & 34

(vii) Taxes on income - Refer Notes 2.17 & 32

(viii) Leases - Refer Note 33

(ix) Estimation of uncertainties relating to the global health pandemic from COVID-19 - Refer Note 43

Note 4 : Changes in accounting policies and disclosure

Recent Pronouncements issued but not yet effective:

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

Note 5(A) : Property, plant and equipment

₹ lakhs

Description of assets	Land - freehold @	Buildings **	Plant and equipment - owned	Plant and equipment - on lease $	Office equipment $$	Furniture and fixtures	Vehicles	Leasehold improvement	Total
I. At Cost or deemed cost:									
Balance as at 01 April, 2020	659.81	3848.74	16803.12	176.18	427.24	461.11	18.81	0.09	22395.10
Additions	-	33.20	355.65	-	11.72	1.01	-	-	401.58
Disposals	-	-	(136.23)	-	(2.35)	(2.55)	-	-	(141.13)
Balance as at 31 March, 2021	**659.81**	**3881.94**	**17022.54**	**176.18**	**436.61**	**459.57**	**18.81**	**0.09**	**22655.55**
Additions	-	-	335.58	-	30.35	4.67	-	-	370.60
Disposals	-	-	(14.45)	-	(4.03)	-	(12.24)	(0.09)	(30.81)
Balance as at 31 March, 2022	**659.81**	**3881.94**	**17343.67**	**176.18**	**462.93**	**464.24**	**6.57**	**-**	**22995.34**
II. Depreciation/impairment									
Balance as at 01 April, 2020	-	496.78	6830.33	158.70	240.49	214.75	3.63	-	7944.68
Depreciation charge for the year	-	158.72	1893.13	9.27	62.71	49.93	2.13	-	2175.89
Eliminated on disposal of assets	-	-	(92.96)	-	(1.99)	(2.12)	-	-	(97.07)
Balance as at 31 March, 2021	**-**	**655.50**	**8630.50**	**167.97**	**301.21**	**262.56**	**5.76**	**-**	**10023.50**
Depreciation charge for the year	-	156.12	1533.33	-	48.26	43.56	1.95	-	1783.22
Eliminated on disposal of assets	-	-	(10.79)	-	(3.71)	-	(5.27)	-	(19.77)
Balance as at 31 March, 2022	**-**	**811.62**	**10153.04**	**167.97**	**345.76**	**306.12**	**2.44**	**-**	**11786.95**
Net book value (I-II)									
Balance as at 31 March, 2022	**659.81**	**3070.32**	**7190.63**	**8.21**	**117.17**	**158.12**	**4.13**	**-**	**11208.39**
Balance as at 31 March, 2021	659.81	3226.44	8392.04	8.21	135.40	197.01	13.05	0.09	12632.05

(@) For information regarding title deeds of immovable property Refer Note 44.

** Buildings include 10 shares of ₹ 50/- each in Venkatesh Premises Co-operative Society Ltd. - Total ₹ 500/- (As at 31 March, 2021: ₹ 500/-).

($) Includes items of Plant and equipment having Net book value of ₹ 8.21 lakhs (As at 31 March, 2021: ₹ 8.21 lakhs) in respect of which lease periods have expired, the transfer in the name of Company is under process.

($$) Includes Computers and miscellaneous equipment.

Note 5(B) : Intangible assets

₹ lakhs

Description of assets	Computer software acquired
I. At Cost or deemed cost:	
Balance as on 01 April, 2020	295.50
Additions	7.72
Disposals	-
Balance as at 31 March, 2021	**303.22**
Additions	0.69
Disposals	-
Balance as at 31 March, 2022	**303.91**
II. Amortisation	
Balance as on 01 April, 2020	168.23
Amortisation expense for the year	28.35
Eliminated on disposal of assets	-
Balance as at 31 March, 2021	**196.58**
Amortisation expense for the year	25.66
Eliminated on disposal of assets	-
Balance as at 31 March, 2022	**222.24**
Net book value (I-II)	
Balance as at 31 March, 2022	**81.67**
Balance as at 31 March, 2021	106.64

Note 5(C) : Right-of-use assets

₹ lakhs

Description of assets	Land	Buildings	Vehicles	Office equipment	Total
I. At present value of lease liability					
Balance as at 01 April, 2020	2.91	427.41	88.30	55.74	574.36
Additions	-	377.72	76.14	-	453.86
Termination	-	-	-	-	-
Balance as at 31 March, 2021	**2.91**	**805.13**	**164.44**	**55.74**	**1028.22**
Additions	-	49.79	57.58	-	107.37
Termination	-	-	-	-	-
Balance as at 31 March, 2022	**2.91**	**854.92**	**222.02**	**55.74**	**1135.59**
II. Depreciation/impairment					
Balance as at 01 April, 2020	0.06	135.79	50.85	11.52	198.22
Depreciation charge for the period	0.06	151.44	48.37	10.59	210.46
Eliminated on termination	-	-	-	-	-
Balance as at 31 March, 2021	**0.12**	**287.23**	**99.22**	**22.11**	**408.68**
Depreciation charge for the period	0.06	152.88	67.06	10.56	230.56
Eliminated on termination	-	-	-	-	-
Balance as at 31 March, 2022	**0.18**	**440.11**	**166.28**	**32.67**	**639.24**
Net book value (I-II)					
Balance as at 31 March, 2022	**2.73**	**414.81**	**55.74**	**23.07**	**496.35**
Balance as at 31 March, 2021	2.79	517.90	65.22	33.63	619.54

Footnote:

(i) For details of Property, plant and equipment & Intangible Assets charged as security for borrowings Refer Note 16 & Note 21.

(ii) For details of Right-of-use assets Refer Note 33.

(iii) None of the Company's Property, plant and equipment, Intangible Assets & Right-of-use assets were revalued during the year.

Note 5(D) Capital work-in-progress

(i) Ageing:

As at 31 March, 2021:

₹ lakhs

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	80.98	10.56	40.74	-	132.28
Projects temporarily suspended	-	-	-	-	-

As at 31 March, 2022:

₹ lakhs

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	74.61	28.95	10.56		114.12
Projects temporarily suspended	-	-	-	-	-

(ii) Completion schedule in respect of projects where completion is overdue or has exceeded its cost compared to its original plan:

(a) Projects where completion is overdue:

As at 31 March, 2021:

₹ lakhs

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and equipment	10.56	-	-	-	10.56

As at 31 March, 2022:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and equipment	10.56	28.95	-	-	39.51

(b) Projects where cost has exceeded as compared to its original plan: Nil

Note 6 : Financial assets - Loans

(A) Non-current

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans and advances to employees		
Unsecured, considered good	178.39	191.37
Total	**178.39**	**191.37**

Footnote:

Loans and advances to Key Managerial Personnel have specific terms and period of repayment.

(B) Current

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans and advances to employees		
Unsecured, considered good	60.80	56.00
Total	**60.80**	**56.00**

Footnote:

Loans and advances to Key Managerial Personnel have specific terms and period of repayment.

Note 7 : Financial assets - Others

(A) Non-current

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits (Refer Footnote below)		
Unsecured, considered good	222.48	215.16
Total	**222.48**	**215.16**

Footnote:

Security deposits include ₹ 43.87 lakhs (As at 31 March, 2021: ₹ 48.11 lakhs) due from directors and ₹ 2.02 lakhs (As at 31 March, 2021: ₹ 2.14 lakhs) due from a private limited company, in which directors of the Company are directors.

(B) Current

₹ lakhs

Particulars		As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good			
(a)	Security deposit (Refer Footnote (i) below)	39.51	39.65
(b)	Interest accrued on deposits	4.42	4.03
(c)	Contract assets (Refer Note 37(A)) (Includes amount due from a related party ₹ Nil (As at 31 March, 2021 : ₹ 27.76 lakhs) - Services rendered to Xlerate Driveline India Limited (XDIL))	157.13	325.04
(d)	Others (Refer Footnote (ii) below)	109.33	175.74
	Total	**310.39**	**544.46**

Footnotes:

(i) Security deposits include ₹ 9.52 lakhs (As at 31 March, 2021: ₹ Nil) due from directors and ₹ 2.38 lakhs (As at 31 March, 2021: ₹ 2.50 lakhs) due from a private limited company, in which directors of the Company are directors.

(ii) Others include ₹ 1.55 lakhs (As at 31 March, 2021: ₹ 24.24 lakhs) due from a related party.

Note 8 : Other non-current assets

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
(a) Capital advances	175.78	12.76
(b) Prepaid expenses	72.28	68.07
(c) Contract Assets - Prepaid tooling expenses (Refer Note 37(A))	208.23	237.21
(d) Others	41.79	40.26
Total	**498.08**	**358.30**

Note 9 : Inventories

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Raw materials and components:		
- Automotive gears	1001.60	1613.06
- Automotive components	83.93	50.19
	1085.53	**1663.25**
(b) Work-in-progress:		
- Automotive gears	2662.07	3659.59
(c) Finished goods:		
- Automotive gears	2942.23	1510.61
- Automotive components	197.70	191.20
	3139.93	**1701.81**
(d) Stores and spares	651.74	641.25
(e) Loose tools	1488.65	1361.49
(f) Scrap	18.05	11.35
Total	**9045.97**	**9038.74**

Footnotes:

(i) The cost of inventories recognized as an expense includes ₹ 445.10 lakhs (Year ended 31 March, 2021: ₹ 259.58 lakhs) in respect of write-down (net) of inventory to net realisable value and provision for slow and non moving inventory.

(ii) The mode of valuation of inventories has been stated in Note 2.7.

(iii) For details of inventories provided as security for borrowings Refer Note 21 and Footnote (ii) of Note 16.

Note 10 : Trade receivables

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good	14441.25	10647.07
Less: Provision for expected credit loss	13.34	19.64
Total	**14427.91**	**10627.43**

Footnotes:

(i) Trade receivables include ₹ Nil (As at 31 March, 2021: ₹ 2.77 lakhs) due from a related party.

(ii) The Company is primarily engaged in manufacturing and selling of Automotive Gears and Components. Credit period varies from customer to customer. Average credit period is 30 - 90 days in respect of export customers and 30 - 60 days from the date of receipt of goods in respect of domestic customers. No interest is recovered on trade receivables for payments received after due date.

(iii) As at 31 March, 2022, the Company had 9 customers (As at 31 March, 2021: 5 customers) that owed the Company more than ₹ 500 lakhs each and accounted for approximately 68.86% of all the receivables outstanding (As at 31 March, 2021: 48.64%).

(iv) The Company maintains an allowance for impairment of receivables accounts based on ageing of customer receivables, overdues and historical experience of collections from customer(s).

Movement of impairment of trade receivable (including allowance for doubtful debts):

Particulars	₹ lakhs
Balance as at 31 March, 2020	**20.35**
Add: Created during the year	11.39
Less: Released during the year	12.10
Balance as at 31 March, 2021	**19.64**
Add: Created during the year	5.09
Less: Released during the year	11.39
Balance as at 31 March, 2022	**13.34**

(v) Trade receivables ageing:

As at 31 March, 2021:

₹ lakhs

Particulars		Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	8766.40	1814.94	31.48	18.59	4.27	-	10635.68
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	11.39	-	-	-	11.39
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**8766.40**	**1814.94**	**42.87**	**18.59**	**4.27**	**-**	**10647.07**

Note 10 : Trade receivables .... Contd.

As at 31 March, 2022:

₹ lakhs

Particulars		Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	11952.70	2429.79	57.71	1.07	(0.02)	-	14441.25
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**11952.70**	**2429.79**	**57.71**	**1.07**	**(0.02)**	**-**	**14441.25**

Note 11 : Cash and cash equivalents and other bank balances

(A) Cash and cash equivalents

₹ lakhs

Particulars		As at 31 March, 2022	As at 31 March, 2021
(a)	Cash on hand	3.43	5.48
(b)	Balances with banks:		
	- In current accounts	0.26	4.34
	- Deposit with original maturity of less than three months	300.00	-
	Total	**303.69**	**9.82**

(B) Other bank balances

₹ lakhs

Particulars		As at 31 March, 2022	As at 31 March, 2021
(a)	In earmarked accounts (Refer Footnote (i) below)		
	- Unpaid dividend accounts	0.85	3.09
(b)	Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Footnote (ii) below)	631.53	554.37
	Total	**632.38**	**557.46**

Footnotes:

(i) Balances with banks which have restrictions on utilisation.

(ii) Includes deposits of ₹ 55.10 lakhs (As at 31 March, 2021: ₹ Nil), on which lien has been marked by IDBI Bank Limited, towards Debt Service Reserve Account (DSRA) for availing term loan facility from Aditya Birla Finance Limited.

(C) For the purpose of Statement of Cash flows, cash and cash equivalents comprise of the following:

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents as above	303.69	9.82
Loans repayable on demand - from banks (Refer Note 21(a))	(3225.57)	(2237.14)
Total	**(2921.88)**	**(2227.32)**

Note 11 : Cash and cash equivalents and other bank balances .... Contd.

(D) Changes in liabilities arising from financing activities: ₹ lakhs

Particulars	Lease liabilities (Refer Note 18)	Borrowing - Non current (Refer Note 16)
Balance as at 01 April, 2020	**394.69**	**10542.20**
Acquisition (net)	453.86	-
Cash Flow (net)	(260.48)	(1582.56)
Others	86.06	(61.22)
Balance as at 31 March, 2021	**674.13**	**8898.42**
Acquisition	107.37	4519.00
Cash Flow (net)	(286.98)	(6584.17)
Others	82.26	24.46
Balance as at 31 March, 2022	**576.78**	**6857.71**

Note 12 : Current tax assets

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax		
Unsecured, considered good	102.94	91.90
Total	**102.94**	**91.90**

Note 13 : Other current assets

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
(a) Prepaid expenses	135.00	134.78
(b) Advances to suppliers	91.50	156.80
(c) Balances with government authorities		
(i) VAT credit receivable	-	24.19
(ii) Goods and Services Tax receivable	1232.91	1169.16
(d) Export incentives receivable	477.01	473.71
(e) Others	139.77	197.60
Total	**2076.19**	**2156.24**

Note 14 : Non-current asset held for sale

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Freehold Land (Refer Note 42)	12.30	12.30
Total	**12.30**	**12.30**

Note 15 (A) : Equity share capital

Particulars		As at 31 March, 2022		As at 31 March, 2021	
		Number of shares	₹ lakhs	Number of shares	₹ lakhs
(a)	**Authorised**				
	Equity shares of ₹ 10 each	20000000	2000.00	20000000	2000.00
	Cumulative redeemable convertible or non convertible preference shares of ₹ 100 each	1500000	1500.00	1500000	1500.00
	Total	**21500000**	**3500.00**	**21500000**	**3500.00**
(b)	**Issued, Subscribed and paid up**				
	Equity shares of ₹ 10 each, fully paid up, outstanding at the end of the year	10236705	1023.67	9306095	930.61
	Total	**10236705**	**1023.67**	**9306095**	**930.61**
(c)	**Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:**				
	Opening balance	9306095	930.61	9306095	930.61
	Add: Rights issue of equity shares (Refer Footnote (iii) below)	930610	93.06	-	-
	Closing balance	**10236705**	**1023.67**	**9306095**	**930.61**

Footnotes:

(i) The Company has only one class of Equity shares having a face value of ₹ 10/- each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members according to their respective rights. While no dividends shall exceed the amount recommended by the Board, the Company in General Meeting may declare a smaller dividend.

(ii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(iii) In accordance with terms of approval of Board of Directors at their meeting held on 20 October, 2021, the Company on 15 December, 2021 allotted 9,30,610 equity shares at a Price of ₹ 105 per share (including premium of ₹ 95 per share) to existing shareholders on rights issue basis. Pursuant to this allotment, the securities premium stands increased by ₹ 836.81 lakhs net of share issue expenses of ₹ 47.27 lakhs. The proceeds from Rights issue have been utilised for the intended purposes.

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Surinder Paul Kanwar	3787326	37.00	3367570	36.19
Ultra Consultants Private Limited	1411109	13.78	1411109	15.16

(v) Details of shares held by Promoters:

Shares held by promoters as at 31 March, 2021:

Promoter name	Number of shares held at the beginning of the year	Change during the year	Number of shares held at the end of the year	Percentage of shares held	% Change during the year
Surinder Paul Kanwar	3367570	-	3367570	36.19	-
Raunaq Singh	605	-	605	0.01	-
Ultra Consultants Private Limited	1411109	-	1411109	15.16	-
Raunaq EPC International Limited	236097	-	236097	2.54	-
Vibrant Reality Infra Private Limited	132804	-	132804	1.43	-
Total	**5148185**	**-**	**5148185**	**55.33**	**-**

Shares held by promoters as at 31 March, 2022:

Promoter name	Number of shares held at the beginning of the year	Change during the year	Number of shares held at the end of the year	Percentage of shares held	% Change during the year
Surinder Paul Kanwar	3367570	419756	3787326	37.00	0.81
Raunaq Singh	605	-	605	0.01	-
Ultra Consultants Private Limited	1411109	-	1411109	13.78	(1.38)
Raunaq EPC International Limited	236097	-	236097	2.31	(0.23)
Vibrant Reality Infra Private Limited	132804	-	132804	1.30	(0.13)
Clip-Lok Simpak (India) Private Limited	-	95000	95000	0.93	0.93
Total	**5148185**	**514756**	**5662941**	**55.33**	

Note 15 (B) : Other equity

₹ lakhs

Particulars		As at 31 March, 2022	As at 31 March, 2021
(a)	Capital redemption reserve	588.50	588.50
(b)	Securities premium (Refer Footnote (iii) of Note 15(A))	3284.69	2447.88
(c)	General reserve	1756.45	1756.45
(d)	Retained earnings	4280.75	1696.80
(e)	Equity component of liability (Refer Footnote (d))	-	98.67
(f)	Other comprehensive income	(114.84)	(137.63)
	Total	**9795.55**	**6450.67**

Footnotes:

(i) Description of nature and purpose of reserve

(a) Capital redemption reserve:

Capital redemption reserve was created pursuant to the redemption of preference shares issued in earlier years.

The capital redemption reserve may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

(b) Securities premium:

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities premium". The Company may issue fully paid-up bonus shares to its members out of balance lying in securities premium and the Company can also use this reserve for buy-back of shares.

(c) General reserve:

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares.

(d) Equity component of liability:

The Company had obtained an interest free unsecured loan of ₹ 200 lakhs from a promoter director in accordance with the terms and conditions as stated in the agreement dated 15 February, 2021 signed with the lender. The liability was accounted at amortised cost and the difference between the liability and the amortised cost amounting to ₹ 98.67 lakhs was included as additional capital contribution and disclosed under "Other Equity". The said loan has been fully repaid during the year and accordingly the equity component of liability has been extinguished.

(ii) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

Note 16 : Non current borrowings

₹ lakhs

	Particulars	As at 31 March, 2022	As at 31 March, 2021
(a)	Term loans - Secured		
	From banks (Refer Footnote (i))	519.00	-
	Less: Current maturities of long-term debts (Refer Note 21(b))	85.44	-
		433.56	**-**
	From others (Refer Footnote (ii) and (iii))	6338.71	8797.09
	Less: Current maturities of long-term debts (Refer Note 21(b))	646.67	2236.03
		5692.04	**6561.06**
(b)	Loan from Director - Unsecured (Refer Footnote (i)(d) of Note 15(B))	-	101.33
	Total	**6125.60**	**6662.39**

Footnotes:

(i) Term loans from banks:

A. Rupee loan from State Bank of India:

₹ 363.00 lakhs (As at 31 March, 2021: ₹ Nil): ECLGS 2.0 - Secured by second pari passu charge created on Fixed Assets of the Company located at Mumbra plant, Faridabad plant and Satara plant (ranking pari passu with charges created in respect of loans referred in Footnote (i)(B) and Note 21(a)), which shall rank second subject and subservient to charges created/to be created in favour of loans referred to in Footnote (ii), and by second pari passu charge over the current assets of the Company (ranking pari passu with charges created/to be created with Footnote (i)(B) and (ii)), which shall rank second subject & subservient to charges created in favour of borrowings referred to in Note 21(a). Repayable in monthly installments commencing from 30 September, 2022 and carries an interest rate of 7.95% p.a.

B. Rupee loan from IDBI Bank Limited:

₹ 156.00 lakhs (As at 31 March, 2021: ₹ Nil): ECLGS 2.0 - Secured by second pari passu charge created on Fixed Assets of the Company located at Mumbra plant, Faridabad plant and Satara plant (ranking pari passu with charges created in respect of loans referred in Footnote (i)(A) and Note 21(a)), which shall rank second subject and subservient to charges created/to be created in favour of loans referred to in Footnote (ii), and by second pari passu charge over the current assets of the Company (ranking pari passu with charges created/to be created with Footnote (i)(A) and (ii)), which shall rank second subject & subservient to charges created in favour of borrowings referred to in Note 21(a). Repayable in monthly installments commencing from 30 June, 2022 and carries an interest rate of 8.65% p.a.

(ii) Term loans from others:

A. Rupee loan from KKR India Financial Services Limited:

₹ Nil (As at 31 March, 2021: ₹ 6329.62 lakhs): Facility I - Secured by first pari passu charge created on Fixed Assets of the Company located at Mumbra plant, Faridabad plant and Satara plant (ranking pari passu with charges created in respect of Facility II).

₹ 2475.38 lakhs (As at 31 March, 2021: ₹ 2467.47 lakhs): Facility II - Secured by first pari passu charge over movable and immovable fixed assets of the Company located at Mumbra plant, Faridabad plant and Satara plant (ranking pari passu with charges created/to be created in respect of Facility I and Footnote (ii)(B)), and by second pari passu charge over the current assets of the Company (ranking pari passu with charges created/to be created in respect of loans referred in Footnote (i) and (ii)(B)), which shall rank second subject & subservient to charges created in favour of borrowings referred to in Footnote of Note 21(a). Repayable in quarterly installments will commence from 30 June, 2022 and carries an interest rate of 10.35% p.a.p.m.

B. Rupee loan from Aditya Birla Finance Limited:

₹ 3863.33 lakhs (As at 31 March, 2021: ₹ Nil): Charge creation and perfection is pending, statutory period for which is not lapsed as on the date of the Financial Statements. After security perfection the rupee loan shall be secured by first pari passu charge over movable and immovable fixed assets of the Company located at Mumbra plant, Faridabad plant and Satara plant (ranking pari passu with charge created in respect of Facility II referred in Footnote (ii)(A)), and by second pari passu charge over current assets of the Company (ranking pari passu with charges created in respect of Facility II referred in Footnote (ii)(A) and loans referred to in Footnote (i)), which shall rank second subject & subservient to charges created in favour of borrowings referred to in Note 21(a). Repayable in monthly installments will commence from 01 April, 2022 and carries an interest rate of 10.65% p.a.

(iii) Facility II rupee loan from KKR India Financial Services Limited, referred in footnote (ii)(A) above, is also guaranteed by a Director of the Company.

(iv) ECLGS 2.0 rupee loan(s) referred in footnote (i) above, are also guaranteed by National Credit Guarantee Trustee Company as per guidelines issued by Ministry of Finance for ECLGS 2.0 scheme.

Note 17 : Other financial liabilities

(A) Non-current

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Voluntary retirement scheme	196.78	303.61
Total	**196.78**	**303.61**

(B) Current

₹ lakhs

	Particulars	As at 31 March, 2022	As at 31 March, 2021
(a)	Interest accrued but not due on borrowings	9.34	10.58
(b)	Unpaid dividends (Refer Footnote below)	0.85	3.09
(c)	Voluntary retirement scheme	129.77	-
(d)	Other payables:		
	(i) Payables on purchase of property, plant and equipment	96.22	55.78
	(ii) Others	104.41	112.49
	Total	**340.59**	**181.94**

Footnote:

The figures reflect the position as at the year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date.

Note 18 : Lease liabilities

(A) Non-current

₹ lakhs

	Particulars	As at 31 March, 2022	As at 31 March, 2021
(a)	Land	2.91	2.91
(b)	Buildings	379.12	453.72
(c)	Vehicles	21.52	19.56
(d)	Office equipment	12.82	24.84
	Total	**416.37**	**501.03**

(B) Current

₹ lakhs

	Particulars	As at 31 March, 2022	As at 31 March, 2021
(a)	Land	-	-
(b)	Buildings	109.73	111.85
(c)	Vehicles	38.66	50.12
(d)	Office equipment	12.02	11.13
	Total	**160.41**	**173.10**

Footnote:

For details on lease agreements Refer Note 33.

Note 19 : Provisions

(A) Non-current

₹ lakhs

	Particulars	As at 31 March, 2022	As at 31 March, 2021
Employee benefits:			
(i)	Gratuity (net) (Refer Note 34(B))	1646.29	1637.32
(ii)	Compensated absences	413.96	410.84
(iii)	Other employee benefits (Terminal Ex-gratia) (Refer Note 34(B))	21.72	24.79
	Total	**2081.97**	**2072.95**

Note 19 : Provisions .... Contd.

(B) Current

₹ lakhs

Particulars			As at 31 March, 2022	As at 31 March, 2021
(a)	Employee benefits:			
	(i)	Gratuity (net) (Refer Note 34(B))	267.69	277.80
	(ii)	Compensated absences	81.26	79.35
	(iii)	Other employee benefits (Terminal Ex-gratia) (Refer Note 34(B))	5.57	5.44
			354.52	**362.59**
(b)	Provision for warranty (Refer Note 37(B))		5.61	13.91
			5.61	**13.91**
		Total	**360.13**	**376.50**

(C) Current tax liabilities (net)

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for tax (net of advance tax ₹ 436.17 lakhs (As at 31 March, 2021: ₹ 658.11 lakhs))	5.28	41.39
Total	**5.28**	**41.39**

Note 20 : Other non-current liabilities

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract liabilities (Refer Note 37(A))	377.40	321.65
Total	**377.40**	**321.65**

Note 21 : Current borrowings

₹ lakhs

Particulars			As at 31 March, 2022	As at 31 March, 2021
(a)	Loans repayable on demand			
	From banks - Secured (Refer Footnote below)		3225.57	2237.14
(b)	Current maturities of long-term debts (Refer Note 16):			
	From banks		85.44	-
	From others		646.67	2236.03
		Total	**3957.68**	**4473.17**

Footnotes:

(i) Loans repayable on demand from banks are secured by hypothecation of stocks of raw materials, stock in process, semi finished and finished goods, loose tools, general stores and book debts and all other moveables, both present and future, and by joint mortgage created for all immoveable properties of the Company located at Mumbra, Faridabad and Satara plants together with all buildings, plant and machinery thereon which shall rank second subject and subservient to charges created/to be created in favour of loans referred to in footnote (ii) of Note 16 and shall rank pari passu with loans referred to in Footnote (i) of Note 16.

(ii) Quarterly statements filed by the Company with banks are in agreement with the books of accounts.

(iii) Part of rupee loan repayable on demand, is also guaranteed by a Director of the Company.

Note 22 : Trade payables

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises (including acceptances) (Refer Note 31.2)	324.63	496.85
Total outstanding dues of trade payables other than micro enterprises and small enterprises (including acceptances):		
Others	14748.52	15151.18
Related parties	0.01	3.00
Total	**15073.16**	**15651.03**

Footnotes:

(i) Trade payables are non-interest bearing and generally have a payment terms of 30 to 120 days.

(ii) Trade payables ageing:

As at 31 March, 2021:

₹ lakhs

Particulars		Not due	Unbilled (accrued expenses)	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	294.39	-	195.22	5.95	0.39	0.90	496.85
(ii)	Others	9699.99	2044.36	3371.34	24.92	3.14	10.43	15154.18
(iii)	Disputed dues – MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
	Total	**9994.38**	**2044.36**	**3566.56**	**30.87**	**3.53**	**11.33**	**15651.03**

As at 31 March, 2022:

₹ lakhs

Particulars		Not due	Unbilled (accrued expenses)	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	164.98	-	159.66	-	-	-	324.64
(ii)	Others	9560.20	2039.98	3137.30	0.28	2.18	8.58	14748.52
(iii)	Disputed dues – MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
	Total	**9725.18**	**2039.98**	**3296.96**	**0.28**	**2.18**	**8.58**	**15073.16**

Note 23 : Other current liabilities

₹ lakhs

Particulars		As at 31 March, 2022	As at 31 March, 2021
(a)	Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Goods and Services Tax etc.)	212.04	181.02
(b)	Contract liabilities (Refer Note 37(A))	219.20	37.27
(c)	Trade/security deposits	8.25	3.75
(d)	Others	1.27	1.11
	Total	**440.76**	**223.15**

Note 24 : Revenue from operations

₹ lakhs

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
I.	**Revenue from contracts with customers:**		
(a)	Sale of products (Refer Footnotes (i)(a), (ii)(a) & (v) below)	70917.25	48981.43
(b)	Services rendered (Refer Footnotes (i)(b) & (ii)(b) & (v) below)	233.23	122.43
	Total - Revenue from contracts with customers	**71150.48**	**49103.86**
II.	**Other operating revenues (Refer Footnote (iii) below)**	**1793.68**	**1198.93**
	Revenue from operations (I+II)	**72944.16**	**50302.79**

Footnotes:

₹ lakhs

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i)	**Goods and services transferred at a point in time**		
(a)	Sale of products comprises:		
	Manufactured goods:		
	- Automotive gears (Includes processing charges ₹ 875.13 lakhs (Year ended 31 March, 2021: ₹ 458.41 lakhs))	67630.47	46003.70
	- Automotive components	2600.97	2144.37
	- Tooling development	442.07	407.88
(b)	Services rendered	146.34	92.87
(ii)	**Goods and services transferred over time (Refer Footnote (iv) below)**		
(a)	Sale of products comprises:		
	- Industrial furnaces	243.74	425.48
(b)	Services rendered	86.89	29.56
	Total - Revenue from contracts with customers	**71150.48**	**49103.86**
(iii)	**Other operating revenues comprises:**		
-	Sale of scrap	652.03	346.58
-	Export incentives (Refer Footnote (vi) below)	832.70	595.95
-	Liabilities/provisions no longer required written back	70.42	19.25
-	Miscellaneous income	238.53	237.15
	Total - Other operating revenues	**1793.68**	**1198.93**

(iv) Revenue from contracts is recognized as stated in Note 2.13(b)

(v) For disaggregation of revenue by geography Refer Note 38(b) - Segment information

(vi) Merchandise Exports from India Scheme (MEIS) has been replaced by Remission of Duties and Taxes on Exported Products scheme (RoDTEP) w.e.f. 01 January, 2021. The Company was eligible for claim under the new scheme, however pending Government notification on rates, Company had not accrued income in respect of new scheme for the period 01 January, 2021 to 31 March, 2021. Ministry of Commerce & Industry on 17 August, 2021 notified rates on Remission of Duties and Taxes on Exported Products scheme (RoDTEP). Pursuant to this, the Company has recognised income from RoDTEP scheme of ₹ 48.73 lakhs during the year for the period 01 January, 2021 to 31 March, 2021.

(vii) Reconciliation of revenue recognised with contracted price:

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue as per contracted price	71093.51	49681.47
Adjustments for:		
Sales return, volume discount, price incentive, price variation, others	(56.97)	577.61
Revenue from contracts with customers	71150.48	49103.86

Note 25 : Other income

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Interest income (Refer Footnote (i) below)	54.57	52.30
(b) Net gain on foreign currency transactions and translation	281.77	56.64
(c) Other non-operating income (Refer Footnote (ii) below)	16.68	27.87
Total	**353.02**	**136.81**

Footnotes:

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i) Interest income comprises:		
Interest on financial assets at amortised cost:		
- On bank deposits	0.10	0.06
- On margin money with banks	28.02	36.44
- On security deposits and loans to employees	18.25	15.65
Others	3.08	0.15
Interest on income tax refund	5.12	-
Total - Interest income	**54.57**	**52.30**
(ii) Other non-operating income comprises:		
Rent	8.33	8.58
Profit on sale of property, plant and equipment	8.35	19.29
Total - Other non-operating income	**16.68**	**27.87**

Note 26 (A) : Cost of material and components consumed

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock	1663.25	1320.23
Add: Purchases	36952.57	25941.71
	38615.82	**27261.94**
Less: Closing stock	1085.53	1663.25
Cost of materials and components consumed	**37530.29**	**25598.69**
Material and components consumed comprises:		
Forgings	35497.16	23873.62
Automotive components	1866.61	1498.66
Others	166.52	226.41
Total	**37530.29**	**25598.69**

Note 26 (B) : Changes in inventories of finished goods and work-in-progress

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Inventories at the end of the year:		
Finished goods	3139.93	1701.81
Work-in-progress	2662.07	3659.59
	5802.00	**5361.40**
Inventories at the beginning of the year:		
Finished goods	1701.81	1865.61
Work-in-progress	3659.59	2792.90
	5361.40	**4658.51**
Net (increase)/decrease	**(440.60)**	**(702.89)**

Note 27 : Employee benefits expense

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries and wages (Refer Footnote below)	8823.79	6823.13
Contributions to provident and other funds	527.41	364.67
Gratuity expenses	260.69	247.35
Staff welfare expenses	1101.68	812.30
Total	**10713.57**	**8247.45**

Footnote:

Includes Voluntary retirement scheme expense of ₹ 42.13 lakhs (for the year ended 31 March, 2021: ₹ 195.12 lakhs).

Note 28 : Finance costs

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Interest expense on:		
(i) Borrowings	1397.49	1914.91
(ii) Others		
- Discounting charges	3.55	26.03
- Interest on delayed/deferred payment of income tax	5.74	-
- Interest on delayed payment to micro and small enterprises	38.10	42.05
- Lease liabilities	82.26	86.06
- Others	37.11	21.21
(b) Other borrowing costs (Bank and other financing charges)	278.23	176.32
Total	**1842.48**	**2266.58**

Note 29 : Depreciation and amortisation expense

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation of tangible assets	1783.22	2175.89
Depreciation of right-of-use assets	230.56	210.46
Amortisation of intangible assets	25.66	28.35
Total	**2039.44**	**2414.70**

Note 30 : Other expenses

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Consumption of stores and spare parts	1935.25	1340.45
Consumption of loose tools	2089.92	1555.96
Consumption of packing materials	1615.57	1019.66
Processing charges	3425.87	2392.99
Power and fuel	4878.21	3400.85
Rent including lease rentals (Refer Note 33(C))	272.85	193.00
Repairs and maintenance:		
- Buildings	77.46	46.26
- Machinery	627.32	458.24
- Others	1127.34	781.42
Travelling, conveyance and car expenses	321.58	227.60
Freight, forwarding and other charges	992.05	1115.14
Auditors' remuneration (Refer Footnote (i) below)	34.76	34.55
Bad debts written off	-	3.36
Loss on disposal of property, plant and equipment	0.37	4.65
Allowance for doubtful debts	5.09	11.37
Miscellaneous expenses (Refer Footnote (ii) below)	1161.42	994.40
Total	**18565.06**	**13579.90**

Footnotes :

(i) Auditors' remuneration (net of GST):

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
As auditors:		
- Statutory audit	20.85	19.60
- Limited review	12.40	12.27
- Corporate Governance	1.00	1.00
In other capacity:		
- For certification (Refer note below)	0.45	1.25
Reimbursement of expenses	0.06	0.43
Total	**34.76**	**34.55**

Excludes certification charges paid to statutory auditors in relation to issue of equity shares ₹ 4.06 lakhs - debited to securities premium (for the year ended 31 March, 2021: ₹ Nil).

(ii) Includes ₹ Nil incurred on Corporate Social Responsibility expenditure (for the year ended 31 March, 2021: ₹ 24.23 lakhs) (Refer Note 41).

Note 31 : Additional information to the financial statements

₹ lakhs

Note	Particulars	As at 31 March, 2022	As at 31 March, 2021
31.1	**Contingent liabilities and commitments (to the extent not provided for)**		
(i)	**Contingent liabilities:**		
	Claims against the Company not acknowledged as debt:		
	1. In respect of Employees:		
	(i) The Company has filed an appeal in the Bombay High Court against the order passed by Third Labour Court on issue of back wages and reinstatement of 11 employees.	40.26	40.26
	(ii) In respect of claim of permanency of services and/or back wages (less subsistence allowance paid, if any) filed by set of temporary/permanent workmen before the Industrial Court, Thane/Labour Court/Bombay High Court.	Not ascertainable	Not ascertainable
	2. Others:		
	(i) The Company's appeal is pending before the Bombay High Court against the order passed by Central Government Industrial Tribunal, on issue of provident fund dues on subsistence allowance.	1.27	1.27
	(ii) The Company's appeal is pending before Central Government Industrial Tribunal against the order passed by Regional Provident Fund Commissioner, on issue of provident fund dues on difference of wages of certain employees.	0.87	0.87
	(iii) The Company has filed a civil suit in Faridabad Civil Court for recovery of damages.	8.66	-
	Future ultimate outflow of resources embodying economic benefits in respect of these matters is uncertain as it depends on financial outcome of judgements/decisions on the matters involved.		
(ii)	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances):		
	Property, plant and equipment	873.18	86.31
	Intangible assets	0.63	-
		873.81	**86.31**

31.2 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	324.63	496.85
(ii) Principal amount remaining unpaid beyond 45 days to any supplier as at the end of the accounting year	181.29	231.00
(iii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iv) The amount of principal paid beyond the appointed day	1377.47	1833.72
(v) The amount of interest due and payable for the year	38.10	42.05
(vi) The amount of interest accrued and remaining unpaid at the end of the accounting year	99.29	61.19
(vii) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The information disclosed above in respect of principal and/or interest due to Micro and Small Enterprises has been determined on the basis of information available with the Company and confirmations/informations received from the suppliers for registration under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

Note 32: Income tax

(A) Major components of income tax expense:

₹ lakhs

Note	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a)	**Statement of Profit and Loss:**		
	(i) Current income tax:		
	- In respect of current year	441.45	-
	- In respect of prior years	(41.39)	-
	(ii) Deferred tax:		
	Relating to origination and reversal of temporary differences:		
	- In respect of current year	422.54	(226.70)
	- In respect of prior years	-	31.93
	Total tax expense recognised in Statement of Profit and Loss	**822.60**	**(194.77)**
(b)	**Other comprehensive income (OCI):**		
	Deferred tax - Remeasurement of the defined benefits obligations	7.66	32.08
	Total tax expense recognised in other comprehensive income	**7.66**	**32.08**

(B) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Profit before tax	3406.55	(964.83)
Applicable tax rate (Refer footnote below)	25.168%	25.168%
Computed tax expense	857.36	(242.83)
Effect of expenses that is non-deductible in determining taxable profit	7.17	16.68
Effect of change in tax rate	-	-
Adjustments in respect of current/deferred income tax of previous years	(41.39)	31.93
Others	(0.54)	(0.55)
Income tax expense recognised in Statement of Profit or Loss	**822.60**	**(194.77)**
Effective tax rate	**24.148%**	**20.187%**

Footnote:

The Company has elected to exercise option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Note 32 (C) : Deferred tax

₹ lakhs

Particulars	For the year ended 31 March, 2022			
	Balance as at 31 March, 2021	Recognised in		Balance as at 31 March, 2022
		Profit and loss	OCI	
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment & intangible assets	209.54	(2.41)	-	207.13
Lease rent	0.31	-	-	0.31
Others	17.72	18.68	-	36.40
(A)	**227.57**	**16.27**	**-**	**243.84**
Tax effect of items constituting deferred tax assets:				
Provision for compensated absences, gratuity and other employee benefits	567.02	7.84	-	574.86
Other disallowances under Section 43B of the Income-tax Act, 1961	75.70	(3.29)	-	72.41
Unabsorbed depreciation	419.41	(419.41)	-	-
Payments made under Voluntary Retirement Scheme	98.84	0.14	-	98.98
Remeasurement of defined benefits obligations	46.04	-	(7.66)	38.38
Lease	13.74	6.51	-	20.25
Others	20.32	1.94	-	22.26
(B)	**1241.07**	**(406.27)**	**(7.66)**	**827.14**
Deferred tax liabilities/(assets) (net)	**(1013.50)**	**422.54**	**7.66**	**(583.30)**

₹ lakhs

Particulars	For the year ended 31 March, 2021			
	Balance as at 31 March, 2020	Recognised in		Balance as at 31 March, 2021
		Profit and loss	OCI	
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment & intangible assets	334.06	(124.52)	-	209.54
Lease rent	1.22	(0.91)	-	0.31
Others	27.14	(9.42)	-	17.72
(A)	**362.42**	**(134.85)**	**-**	**227.57**
Tax effect of items constituting deferred tax assets:				
Provision for compensated absences, gratuity and other employee benefits	532.71	34.31	-	567.02
Other disallowances under Section 43B of the Income-tax Act, 1961	84.92	(9.22)	-	75.70
Unabsorbed depreciation	423.21	(3.80)	-	419.41
Payments made under Voluntary Retirement Scheme	69.87	28.97	-	98.84
Remeasurement of defined benefits obligations	78.12	-	(32.08)	46.04
Lease	4.67	9.07	-	13.74
Others	19.73	0.59	-	20.32
(B)	**1213.23**	**59.92**	**(32.08)**	**1241.07**
Deferred tax liabilities/(assets) (net)	**(850.81)**	**(194.77)**	**32.08**	**(1013.50)**

Footnote:

Recognition of deferred tax assets is based on the Company's present estimates and business plans as per which the future taxable profits will be generated against which deferred tax will be realized.

Note 33 : Leases

A. Following are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Description of assets	₹ lakhs
I.	**Right-of-use assets**	
	Balance as at 01 April, 2020	574.36
	Additions	453.86
	Termination	-
	Balance as at 31 March, 2021	**1028.22**
	Additions	107.37
	Termination	-
	Balance as at 31 March, 2022	**1135.59**
II.	**Depreciation/impairment**	
	Balance as at 01 April, 2020	198.22
	Depreciation charge for the year	210.46
	Eliminated on termination	-
	Balance as at 31 March, 2021	**408.68**
	Depreciation charge for the year	230.56
	Eliminated on termination	-
	Balance as at 31 March, 2022	**639.24**
	Net book value (I-II)	
	Balance as at 31 March, 2022	**496.35**
	Balance as at 31 March, 2021	619.54

B. Following are the carrying amounts of lease liabilities recognised and the movements during the year:

	Description of liabilities	₹ lakhs
I.	**Lease liabilities**	
	Balance as at 01 April, 2020	588.71
	Additions	453.86
	Termination	-
	Balance as at 31 March, 2021	**1042.57**
	Additions	107.37
	Termination	-
	Balance as at 31 March, 2022	**1149.94**
II.	**Accretion of interest & lease payments**	
	Balance as at 01 April, 2020	(194.02)
	Accretion of interest for the year	86.06
	Lease payments for the year	(260.48)
	Balance as at 31 March, 2021	**(368.44)**
	Accretion of interest for the year	82.26
	Lease payments for the year	(286.98)
	Balance as at 31 March, 2022	**(573.16)**
	Net book value (I-II)	
	Balance as at 31 March, 2022	**576.78**
	Current	**160.41**
	Non-Current	**416.37**
	Balance as at 31 March, 2021	674.13
	Current	173.10
	Non-Current	501.03

Note 33 : Leases .... Contd.

C. Following are the amounts recognised in Statement of Profit & Loss:-

Particulars	₹ lakhs
For the year ended 31 March, 2021:	
Depreciation expense of right-of-use assets	210.46
Interest expense on lease liabilities	86.06
Lease payments of short-term leases and low-value assets (included in other expenses) (Refer Note 30)	193.00
Total amount recognised in Statement of Profit & Loss	**489.52**
For the year ended 31 March, 2022:	
Depreciation expense of right-of-use assets	230.56
Interest expense on lease liabilities	82.25
Lease payments of short-term leases and low-value assets (included in other expenses) (Refer Note 30)	272.85
Total amount recognised in Statement of Profit & Loss	**585.66**

D. Total cash outflow for leases

Particulars	₹ lakhs
Cash outflow for the year ended 31 March, 2021	260.48
Cash outflow for the year ended 31 March, 2022	**286.98**

E. The maturity analysis of lease liabilities is disclosed in Note 39.

F. General description of the agreements:

(i) The agreements pertain to Land, Buildings, Vehicles & Office equipment.

(ii) The lease term ranges from three to ninety-nine years.

(iii) The agreements does not provide for transfer of assets to the Company on expiry of lease term, except in case of Office equipment.

(iv) There are no restrictions such as those concerning dividends, additional debt and further leasing imposed by the lease agreements entered into by the Company.

(v) Some of the agreements contain renewal clause and provide for escalation of rent on renewal. Some of the agreements provide for escalation of rent during the tenure of the agreement.

Note 34 : Employee benefits

Note	Particulars

(A) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss:

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
- Employers' contribution to Provident Fund and Family Pension Fund	348.50	285.35
- Employers' contribution to Superannuation Fund	109.36	15.54

The above amounts are included in Contributions to provident and other funds under Note 27 Employee benefits expense.

(B) Defined Benefit Plans

A general description of the Employees Benefit Plans:

(i) Gratuity (Funded)

The Company operates a defined benefit final salary gratuity plan which covers qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972 or maximum gratuity payable under the said Act, which ever is lower. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

The Company has set up an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan. There are no minimum funding requirements. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act and Rules.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

(ii) Terminal Ex-gratia (Unfunded)

The Company has an obligation towards Terminal Ex-gratia, an unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment which varies depending upon the number of completed years of service to vested employees on completion of employment. Vesting occurs upon the completion of 15 years of service. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet :

Note 34 : Employee benefits .... Contd.

Note	Particulars

(a) Expense recognised in the Statement of Profit and Loss:

₹ lakhs

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(i) Under Statement of Profit and Loss				
Current service cost	130.55	1.18	120.14	1.28
Interest on net defined benefit liability/(asset)	130.14	2.06	127.21	2.28
Past service cost	-	-	-	-
Total expense recognised in the Statement of Profit and Loss	***260.69**	****3.24**	***247.35**	****3.56**
(ii) Under other comprehensive income				
Actuarial (gains)/losses				
Due to change in demographic assumptions	-	-	-	-
Due to change in financial assumptions	(77.03)	(0.58)	-	-
Due to change in experience adjustments	41.05	0.35	(136.97)	0.46
Actual return on plan assets	5.76	-	9.17	-
Sub-total - Included in Other comprehensive income	**(30.22)**	**(0.23)**	**(127.80)**	**0.46**
Total expense	**230.47**	**3.01**	**119.55**	**4.02**

(* Included in Gratuity expense under Employee benefits expense in Note 27).

(** Included in 'Salaries and wages' under Employee benefits expense in Note 27).

₹ lakhs

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(b) Net liability recognised in the Balance Sheet:				
Present value of defined benefit obligation	1953.98	27.29	1945.67	30.23
Fair value of plan assets	40.00	-	30.55	-
Funded status (deficit)	(1913.98)	(27.29)	(1915.12)	(30.23)
Net liability recognised in the Balance Sheet accounted as below:	**(1913.98)**	**(27.29)**	**(1915.12)**	**(30.23)**
- Provisions non-current (Refer Note 19(A)(i))	(1646.29)	-	(1637.32)	-
- Provisions current (Refer Note 19(B)(a)(i))	(267.69)	-	(277.80)	-
- Provisions non-current (Refer Note 19(A)(iii))	-	(21.72)	-	(24.79)
- Provisions current (Refer Note 19(B)(a)(iii))	-	(5.57)	-	(5.44)

Note 34 : Employee benefits .... Contd.

₹ lakhs

Particulars		As at 31 March, 2022		As at 31 March, 2021	
		Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(c)	**Present value of defined benefit obligation:**				
	Present value of defined benefit obligation at beginning of the year	1945.67	30.23	2009.78	33.61
	Current service cost	130.55	1.18	120.14	1.28
	Interest on defined benefit obligation	132.21	2.06	136.57	2.28
	Remeasurements due to:				
	Actuarial loss/(gain) arising from change in demographic assumptions	-	-	-	-
	Actuarial loss/(gain) arising from change in financial assumptions	(77.03)	(0.58)	-	-
	Actuarial loss/(gain) arising on account of experience changes	41.05	0.35	(136.97)	0.46
	Past service cost	-	-	-	-
	Benefits paid	(218.47)	(5.95)	(183.85)	(7.40)
	Present value of defined benefit obligation at the end of the year	**1953.98**	**27.29**	**1945.67**	**30.23**
(d)	**Fair value of plan assets:**				
	Opening fair value of plan assets	30.55	-	137.70	-
	Employer contributions	231.61	-	76.51	-
	Interest on plan assets	2.07	-	9.36	-
	Actual return on plan assets	(5.76)	-	(9.17)	-
	Benefits paid	(218.47)	-	(183.85)	-
	Closing fair value of plan assets	**40.00**	**-**	**30.55**	**-**
(e)	**Movement of net liability recognised in the Balance Sheet:**				
	Opening net defined benefit liability/(asset)	1915.12	30.23	1872.08	33.61
	Expense charged to Statement of Profit and Loss	260.69	3.24	247.35	3.56
	Amount recognised in other comprehensive income	(30.22)	(0.23)	(127.80)	0.46
	Employer contributions	(231.61)	(5.95)	(76.51)	(7.40)
	Closing net defined benefit liability/(asset)	**1913.98**	**27.29**	**1915.12**	**30.23**
(f)	**The major categories of plan assets as a percentage of the fair value of total plan assets:**				

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
Insurer managed funds	100%	-	100%	-
The plan does not invest directly in any property occupied by the Company nor in any financial securities issued by the Company.				

(g) **The principal assumptions used in determining defined benefits obligations:**

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(i) Financial assumptions:				
Discount rate	7.25%	7.25%	6.80%	6.80%
Salary escalation	7.00%		7.00%	

Note 34 : Employee benefits .... Contd.

₹ lakhs

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(ii) Demographic assumptions:				
Retirement age:				
For Mumbra employees	60 years		60 years	
For Faridabad and Lonand employees	58 years		58 years	
Attrition rate:				
Age Banks - 21 - 44	2.00%		2.00%	
Age Banks - 44 & above	1.00%		1.00%	
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult table		Indian Assured Lives Mortality (2012-14) Ult table	

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(h) Sensitivity analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
Discount rate				
Impact of increase in 50 bps on defined benefits obligations	-4.06%	-2.27%	-4.04%	-2.42%
Impact of decrease in 50 bps on defined benefits obligations	4.41%	2.39%	4.39%	2.56%
Salary escalation				
Impact of increase in 50 bps on defined benefits obligations	4.24%	-	4.28%	-
Impact of decrease in 50 bps on defined benefits obligations	-3.99%	-	-3.98%	-

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(i) Funding arragements & policy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is ₹ 267.69 lakhs.

Note 34 : Employee benefits .... Contd.

₹ lakhs

Note	Particulars	As at 31 March, 2022		As at 31 March, 2021	
		Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(j)	**Maturity profile**				
	Expected benefits for year 1	307.69	5.57	308.35	5.44
	Expected benefits for year 2	185.80	4.18	146.26	4.30
	Expected benefits for year 3	224.94	5.19	200.81	4.46
	Expected benefits for year 4	183.50	3.93	213.97	4.95
	Expected benefits for year 5	200.68	4.37	184.70	4.00
	Expected benefits for year 6	126.26	2.11	213.35	4.62
	Expected benefits for year 7	189.56	3.29	118.56	2.03
	Expected benefits for year 8	179.60	2.60	183.42	3.25
	Expected benefits for year 9	95.12	0.84	167.88	2.54
	Expected benefits for year 10 and above	2842.89	10.34	2476.75	10.64
	The weighted average duration to the payment (years)	8.53	4.43	8.45	4.75

Note 35 : Related party transactions

Note	Particulars

(A) As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	(i) Mr. Surinder Paul Kanwar - Chairman and Managing Director (who also has ability to exercise 'significant influence' over the Company)
	(ii) Mr. Sameer Kanwar – Joint Managing Director (Son of Chairman and Managing Director of the Company)
	(iii) Mr. Rakesh Chopra - Non Executive Independent Director
	(iv) Mr. Virendra Kumar Pargal - Non Executive Independent Director
	(v) Mr. Wolfgang Rudolf Schilha - Non Executive Independent Director
	(vi) Mrs. Hiroo Suresh Advani - Non Executive Independent Director
	(vii) Mr. N.V. Srinivasan - Non Executive Director
	(viii) Mr. Raman Nanda - Additional Director (w.e.f. 29 December, 2021)
Enterprises over which KMP is able to exercise significant influence	(i) Clip-Lok Simpak (India) Private Limited (CSIPL)
	(ii) Raunaq EPC International Limited (REIL)
	(iii) Vibrant Reality Infra Private Limited (VRIPL)
	(iv) Xlerate Driveline India Limited (XDIL) (upto 29 November, 2021)
Note: Related parties have been identified by the Management.	

Note 35 : Related party transactions .... Contd.

Note	Particulars

(B) Details of related party transactions during the year ended 31 March, 2022:

(i) Key Management Personnel (KMP):

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Mr. Surinder Paul Kanwar		
- Compensation - Short term employee benefits	128.26	123.88
- Rent paid for premises taken on lease	60.00	60.00
- Reimbursement of maintenance charges paid for premises taken on lease	2.68	2.75
- Unsecured loan - availed by the Company	-	200.00
- Repayment of unsecured loan - availed by the Company	200.00	-
- Equity allotment - Rights issue of equity shares	440.74	-
(b) Mr. Sameer Kanwar		
- Compensation - Short term employee benefits	126.84	124.38
- Rent paid for premises taken on lease	36.00	36.00
- Reimbursement of maintenance charges paid for premises taken on lease	4.47	5.05
(c) Mr. N.V. Srinivasan		
- Fees for technical advisory services	15.48	16.84
- Director's sitting fees	1.70	1.20
(d) Mr. Rakesh Chopra		
- Director's sitting fees	3.10	2.50
(e) Mr. Virendra Kumar Pargal		
- Director's sitting fees	2.60	2.20
(f) Mr. Wolfgang Rudolf Schilha		
- Director's sitting fees	1.50	1.00
(g) Mrs. Hiroo Suresh Advani		
- Director's sitting fees	2.50	2.00
(h) Mr. Raman Nanda		
- Director's sitting fees	0.50	-

(ii) Enterprises over which KMP is able to exercise significant influence:

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Clip-Lok Simpak (India) Private Limited		
- Purchase of packing material	46.93	20.09
- Rent income	0.64	0.64
- Equity allotment - Rights issue of equity shares	99.75	-
(b) Vibrant Reality Infra Private Limited		
- Rent and other expenses	12.74	14.48
(c) Raunaq EPC International Limited		
- Rent income	2.38	4.32
(d) Xlerate Driveline India Limited (upto 29 November, 2021)		
- Marketing service income	62.54	92.87
- Rent expense	8.99	11.75
- Rent income	3.82	3.62
- Recovery of business promotion expenses	6.28	4.61
- Purchase of material	-	26.88

Note 35 : Related party transactions .... Contd.

Note	Particulars

(C) Outstanding balances (excluding Ind AS fair value adjustments):

(i) Key Management Personnel (KMP):

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Mr. Surinder Paul Kanwar		
Receivable	50.00	50.00
Payable	-	201.40
(b) Mr. Sameer Kanwar		
Receivable	10.00	10.00
Payable	0.01	0.01
(c) Mr. N.V. Srinivasan		
Payable	-	1.40
(d) Mr. Virendra Kumar Pargal		
Payable	-	0.19

(ii) Enterprises over which KMP is able to exercise significant influence:

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Vibrant Reality Infra Private Limited		
Receivable	5.00	5.00
(b) Raunaq EPC International Limited		
Receivable	1.55	24.24
(c) Xlerate Driveline India Limited		
Receivable	-	30.53

(D) Notes:

(i) Key Management Personnel compensation does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

(ii) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for receivables, payables are unsecured, interest free and settlement occurs in cash excluding Ind AS fair value adjustments, if any. The Company has not recorded any impairment of balances relating to amounts owed by related parties during the year ended 31 March, 2022 (31 March, 2021: ₹ Nil). The assessment is undertaken at each financial year through evaluating the financial position of the related party and the market in which the related party operates.

(iii) Guarantee of ₹ 8313.89 lakhs (As at 31 March, 2021: ₹ 8867.50 lakhs), which is outstanding as on date has been provided by one of the Director in respect of loans referred to in Footnote (ii)(A) of Note 16 and Note 21(a)) .

Note 36 : Earnings per share

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Basic and diluted:		
Net profit/(loss) after tax for the year attributable to the equity shareholders	2583.95	(770.06)
Weighted average number of equity shares (Nos.) (Refer Footnote below)	9775856	9587246
Face value per share (In ₹)	10.00	10.00
Earnings per share - Basic and diluted (In ₹) (Refer Footnote below)	**26.43**	**(8.03)**

Footnote:
Basic and diluted earnings per share for the year ended 31 March, 2021, have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended 31 March, 2022.

Note 37(A) : Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract Balances:		
Contract assets balance at the beginning of the year	562.25	280.40
Revenue recognised during the year	709.17	979.76
Invoices raised during the year	757.73	511.12
Created/(consumed) during the year	(148.33)	(186.79)
Contract assets balance at the end of the year (Refer Note 7(B)(c) and Note 8(c))	**365.36**	**562.25**

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract liabilities balance at the beginning of the year	358.92	308.67
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	-	84.39
Billed in advance in terms of contract	3.33	-
Advance received during the year	984.55	326.27
Adjusted against invoices during the year	750.20	191.63
Contract liabilities balance at the end of the year (Refer Note 20(a) and Note 23(b))	**596.60**	**358.92**

Note 37(B) : Disclosures in pursuance of the Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

₹ lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening balance	**13.91**	**20.63**
Additional provision	1.99	4.16
Amount utilized	-	-
Unutilized amount reversed	10.29	10.88
Closing balance (Refer Note 19(B)(b))	**5.61**	**13.91**

Provision for warranty is made for the estimated amount of expenditure, which may be incurred during the warranty period after successful commissioning of the furnace.

Note 38 : Segment information

Particulars

(a) The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Chairman and Managing Director for the purpose of resource allocation and assessing performance focuses on the business as a whole. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

(b) Disaggregation of revenue by geography:

The revenue of the Company from the external customers are attributed to (i) the Company's country of domicile i.e. India and (ii) all foreign countries in total from which the Company derives revenue. Details are as follows:

(i) Revenue from contracts with customers:

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
India	42282.16	33556.75
Outside India:		
USA	13725.51	7977.38
Mexico	3603.00	1608.09
Spain	6122.03	3272.86
Other countries	5417.78	2688.78
Total	**71150.48**	**49103.86**

(ii) Other operating revenue:

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
India	1793.68	1198.93
Total	**1793.68**	**1198.93**

(c) All the non-current assets of the Company are located in India.

(d) Information about major customers having revenue amounting to 10% or more of the Company's revenue from contracts with customers

₹ lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Customer A	19156.38	15117.81

No other customer individually contributed 10% or more to the Company's revenue from contracts with customers for the current year ended 31 March, 2022 and previous year ended 31 March, 2021.

Note 39 : Financial Instruments

I. Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Company.

₹ lakhs

		31 March, 2022	31 March, 2021
Short term borrowing and current portion of long term borrowing		3957.68	4473.17
Long term borrowing		6125.60	6662.39
Total borrowing		10083.28	11135.56
Less:- Cash and cash equivalents including other bank balances		935.22	564.19
Net debt	**A**	9148.06	10571.37
Total shareholders' equity as reported in Balance Sheet	**B**	10819.22	7381.28
Total capital and debt	**(A+B)**	**19967.28**	**17952.65**

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the banks/lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current year.

No changes were made in the objectives, policies and processes for managing capital during the year(s) ended 31 March, 2022 and 31 March, 2021.

II. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and wherever required a detailed financial analysis. Outstanding customer receivables are regularly monitored. As at 31 March, 2022, the Company had 9 customers (As at 31 March, 2021: 5 customers) that owed the Company more than ₹ 500 lakhs each and accounted for approximately 68.86% of all the receivables outstanding (As at 31 March, 2021: 48.64%).

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. The credit risk is limited because counter parties are banks/institutions with high credit ratings.

Note 39 : Financial Instruments .... Contd.

(B) Liquidity risk

(i) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities/borrowings and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows.

₹ lakhs

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
31 March, 2022						
Fixed interest rate instruments	129.77	196.78	-	-	326.55	326.55
Variable interest rate instruments	4328.31	2659.50	2774.06	800.00	10561.87	10417.25
Lease liabilities	219.96	202.72	144.90	266.07	833.65	576.78
Non-interest bearing	14950.01	-	-	-	14950.01	14950.01
Total	**19628.05**	**3059.00**	**2918.96**	**1066.07**	**26672.08**	**26270.59**
31 March, 2021						
Fixed interest rate instruments	-	129.77	173.84	-	303.61	303.61
Variable interest rate instruments	5010.57	4975.00	1126.50	500.00	11612.07	11541.66
Lease liabilities	244.56	276.01	132.84	338.84	992.25	674.13
Non-interest bearing	15325.54	-	-	200.00	15525.54	15426.87
Total	**20580.67**	**5380.78**	**1433.18**	**1038.84**	**28433.47**	**27946.27**

Interest rate sensitivity:

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating variable rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Company's profit for the year ended 31 March, 2022 would increase/decrease by ₹ 107.44 lakhs (loss for the year ended 31 March, 2021: decrease/ increase by ₹ 118.45 lakhs). This is mainly attributable to the Company's exposure to interest rate on its variable rate borrowings.

The amounts included above for variable interest rate instruments for both non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Note 39 : Financial Instruments .... Contd.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

₹ lakhs

	As at 31 March, 2022	As at 31 March, 2021
From banks:		
Fund based:		
Cash credit/packing credit	774.43	1762.86
- Expiring within one year	774.43	1762.86
- Expiring beyond one year	-	-
Term loan (Emergency Credit Line Guarantee Scheme)	-	519.00
- Expiring within one year	-	519.00
- Expiring beyond one year	-	-
Non-fund based - letter of credit/bank guarantees	56.42	316.18
- Expiring within one year	56.42	316.18
- Expiring beyond one year	-	-
From others:		
Term loan (Emergency Credit Line Guarantee Scheme)	-	2100.00
- Expiring within one year	-	2100.00
- Expiring beyond one year	-	-

(C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by effective monitoring movement in foreign currency rates and seeks to minimize the effect of currency risk by using non derivative financing instrument to hedge risk exposures.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars		In foreign currency		₹ lakhs	
	Currency	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Receivable	USD	79,53,963.39	55,29,047.35	6028.11	4042.01
	EURO	30,75,891.60	12,84,414.77	2583.08	1101.17
	JPY	-	16,15,000.00	-	10.67
Payables	USD	7,84,151.18	1,87,093.34	594.37	136.79
	JPY	3,20,000.00	-	1.99	-

Note 39 : Financial Instruments .... Contd.

Foreign currency sensitivity

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of the monetary assets and liabilities including currency derivatives.

₹ lakhs

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2022	For the year ended 31 March, 2021
USD	+ 5%	271.69	195.26	203.31	146.12
	- 5%	(271.69)	(195.26)	(203.31)	(146.12)
EURO	+ 5%	129.15	55.06	96.65	41.20
	- 5%	(129.15)	(55.06)	(96.65)	(41.20)
JPY	+ 5%	(0.10)	0.53	(0.07)	0.40
	- 5%	0.10	(0.53)	0.07	(0.40)

(ii) Interest rate risk

Refer comment given above in maturities of financial liabilities under liquidity risk.

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price, the same is passed on to customers through appropriate adjustment to selling prices.

Note 40 : Fair value

Particulars

A. Fair value measurement:

All the financial assets and financial liabilities of the Company are carried at amortised cost.

The management assessed that the fair value of financial instruments such as trade receivables, cash and cash equivalents, other bank balances, other financial assets (except security deposits and loans and advances to employees), trade payables and other current financial liabilities (except current maturities of long term debts) approximate their carrying value largely due to the short-term maturities of these instruments.

B. Fair value hierarchy:

Quantitative disclosure fair value measurement hierarchy:

₹ lakhs

Particulars	As at 31 March, 2022		As at 31 March, 2021		Fair value hierarchy
	Carrying value	Fair value	Carrying value	Fair value	
Assets for which fair values are disclosed:					
Loans and advances to employees	239.19	239.19	247.37	247.37	Level 2
Security deposits	261.99	261.99	254.81	254.81	Level 2
Liabilities for which fair values are disclosed:					
Borrowings	6857.71	6857.71	8898.42	8898.42	Level 2
Other non-current financial liabilities	196.78	196.78	303.61	303.61	Level 2

Fair value of loans and advances to employees, security deposits and borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and maturities.

Note 41 : Corporate social responsibilty

Particulars

₹ lakhs

Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i)	Amount required to be spent during the year	-	2.75
(ii)	Amount of expenditure incurred (Refer Footnote below)	-	4.72
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason for shortfall	Not applicable	Not applicable
(vi)	Nature of CSR activities	Refer Footnote (ii) below	Refer Footnote (ii) below
(vii)	Details of Related Party Transactions	Not applicable	Not applicable
(viii)	Provision made in respect of liability incurred	-	-

Footnotes:

(i) Details of amount of expenditure incurred:

₹ lakhs

Particulars		For the year ended 31 March, 2022			For the year ended 31 March, 2021		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	On purposes other than (i) above	-	-	-	24.23*	-	24.23*

* For the year ended 31 March, 2021 - ₹ 4.72 lakhs, for the year ended 31 March, 2020 - ₹ 17.97 lakhs and for the year ended 31 March, 2019 - ₹ 1.54 lakhs.

(ii) Nature of CSR activities include promoting education, including special education, distribution of food and food grains, contribution towards art and craft awareness programme, promotion of education, health and rural development, promotion of gender equality, empowering women and environmental sustainability.

Note 42 : Acquisition of land by Government authorities

Particulars

Thane Municipal Corporation (TMC) is in the process of acquiring certain portion of Company's land at Mumbra plant for proposed road widening project(s). The exact area of such acquisition shall be determined after actual survey of land; which is still pending. The said acquisition does not impact the operations of the Company adversely. Meanwhile, the Company has taken up the matter with TMC for suitable compensation in lieu of such acquisition. The impacted land has been classified as non-current asset held for sale.

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 has received relevant approvals from the authorities during the year sanctioning a compensation which has been accepted by the Company. The compensation received amounting to ₹ 513.73 lakhs has been netted of against the costs incurred directly in relation to the same amounting to ₹ 154.12 lakhs and accordingly a net amount of ₹ 359.61 lakhs (gross of tax), has been disclosed as an Exceptional item. The Company has written off the related assets/utilities impacted by the aforesaid acquisition in the Statement of Profit and Loss for the year ended 31 March, 2019.

Note 43 : Estimation of uncertainties relating to the global health pandemic from COVID-19

Particulars

The Company has considered the possible impact of COVID-19 pandemic on its operations, liquidity position and recoverability of its asset balances at 31 March, 2022 based on the internal and external information up to the date of approval of these financial results. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

Note 44 : Title deeds of Immovable Properties

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land at Mumbra	127.13	Bharat Gears Limited (Refer footnote below)	Not applicable	28 September, 1972	Not applicable (Refer Footnote below)
Non-current asset held for sale	Land at Mumbra	12.30	Bharat Gears Limited (Refer footnote below)	Not applicable	28 September, 1972	

Footnotes:

The name mentioned in the records of the Government (i.e. 7/12 extract in respect of certain part of Company's Land at Mumbra, on account of certain mutation entries) do not match with the indenture of the conveyance available with the Company. The Company has initiated necessary legal action which is pending at Bombay High Court.

Note 45 Ratios

Sr.no.	Particulars	Numerator	Denominator	Unit	For the year ended 31 March, 2022	For the year ended 31 March, 2021	% Change	Reason for variance
(i)	Current ratio	Current assets	Current liabilities	Times	1.33	1.09	22%	
(ii)	Debt-equity ratio	Non-current borrowings + Current borrowings	Total equity	Times	0.93	1.51	38%	Improvement is on account of infusion of equity by way of rights issue, repayment of term loans and profits for the year.
(iii)	Debt service coverage ratio	Profit/(Loss) for the year + Finance costs + Depreciation and amortisation expense + loss on disposal of property, plant and equipment - profit on sale of property, plant and equipment	Finance costs + Current maturities of long-term debts + lease payments of lease liabilities	Times	2.26	0.82	176%	Improvement is on account of higher earnings from operations as well as change in amortisation profile of long-term debts of the Company.
(iv)	Return on equity ratio	Profit/(Loss) for the year	Total equity	%	24%	-10%	340%	Improvement is on account of higher profits for the year due to significant improvement in market conditions. Further operations for FY 21 were affected by lockdown imposed due to COVID-19 pandemic.
(v)	Inventory turnover ratio	Revenue from operations	Average inventory	Times	8.07	5.97	35%	Improvement is on account of better inventory management.
(vi)	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	5.82	4.83	20%	
(vii)	Trade payables turnover ratio	Purchases	Average trade payables	Times	2.41	1.95	24%	
(viii)	Net capital turnover ratio	Revenue from operations	Current assets - Current liabilities	Times	11	26	58%	Improvement is on account of change in amortisation profile of long-term debts and better working capital position of the Company.
(ix)	Net profit ratio	Profit/(Loss) for the year	Revenue from operations	%	4%	-2%	300%	Improvement is on account of higher profits for the year due to significant improvement in market conditions. Further operations for FY 21 were affected by lockdown imposed due to COVID-19 pandemic.
(x)	Return on capital employed	Profit/(Loss) before exceptional items and tax + Finance costs	Non-current borrowings + Current borrowings + Total Equity	%	23%	7%	229%	Improvement is on account of repayment of term loans and higher profits for the year.

* The Company has not made any investments, therefore Return of Investment ratio is not disclosed.

Note 46 : Other statutory information

Particulars
(i) The Company do not have any Benami property. No proceedings have been initiated or pending against the Company for holding any Benami property.
(ii) The Company do not have any transactions with companies struck off.
(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(vii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
(viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with Companies (restriction on number of layers) Rules, 2017.

Note 47 : Previous year's figures

Particulars
Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Aruna Kumaraswamy
Partner
Membership No: 219350

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
W.R. Schilha (DIN : 00374415)
Rakesh Chopra (DIN : 00032818)
N.V. Srinivasan (DIN : 00879414)
Hiroo Suresh Advani (DIN : 00265233)
Raman Nanda (DIN : 00078198)
Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 27 May, 2022

Form ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES/UPDATION THEREOF

[For Securities (Shares/Debentures/Bonds, etc.) of the Company held in physical form]

Date: _____/_____ / _____

A. I/We request you to Register/Change/Update the following (Tick ✓ relevant box)

☐ PAN	☐ Postal Address
☐ Bank details	☐ E-mail address
☐ Signature	☐ Mobile number
☐ Demat Account details	

B. Security Details:

Name of the Issuer Company	BHARAT GEARS LIMITED	Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)		1. 2. 3.
Number & Face value of securities		
Distinctive number of securities		From To

C. I/We are submitting documents as per Table below (tick ✓as relevant, refer to the instructions):

	✓	**Document/Information/ Details**	Instruction/Remark
1.	PAN of (all) the (joint) holder(s)		
		PAN Whether it is Valid (linked to Aadhaar): ☐ Yes ☐ No	☐☐☐☐☐☐☐☐☐☐ PAN shall be valid only if it is linked to Aadhaar by March 31, 2022* For Exemptions/Clarifications on PAN, please refer to Objection Memo in page 4
2.		Demat Account Number	Also provide Client Master List (**CML**) of your Demat Account, provided by the Depository Participant.
3.		Proof of Address of the first holder	Provide any one of the documents, only if there is change in the address; • Client Master List (CML) of your Demat Account, provided by the Depository Participant • Valid Passport/Ration Card/Registered Lease or Sale Agreement of Residence/ Driving License/Flat Maintenance bill. • Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. • Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions. • For FII/sub account, Power of Attorney given by FII/sub- account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken. • The proof of address in the name of the spouse

4.		Bank details	Provide the copy of the bank statement with details of bank name, branch, account number and IFS Code or copy of cheque leaf. Alternatively, Bank details available in the CML will be updated in the folio.	
5.		E-mail address	_____ Alternatively the e-mail address available in the CML will be updated in the folio	
6.		Mobile	_____ Alternatively the mobile number available in the CML will be updated in the folio	
7.		Specimen Signature	•	Provide banker's attestation of the signature of the holder(s) as per Form ISR – 2 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and • Original cancelled cheque
8.		Nomination**	•	Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR – 3, in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021
			•	Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021
			•	Cancellation of Existing Nomination: Please use Form SH-14 and Form ISR – 3

* or any date as may be specified by the CBDT

** Nomination **(Form SH-13 or SH-14)**/'Declaration to Opt-Out of nomination' **(Form ISR – 3)**, has to furnished by the holder(s) separately for each listed company.

Mode of submission of documents to the RTA

Please use any one of the following mode;

1. In Person Verification (**IPV**): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

Note:

- It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios).
- Upon receipt or up-dation of bank details, the RTA automatically, pay electronically, all the moneys of/payments to the holder that were previous unclaimed/unsuccessful.
- RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company/RTA.
- RTA shall not insist on Affidavits or Attestation/Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s).....,....., in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full postal address	✓	✓	✓
PIN	✓ ☐ ☐ ☐ ☐ ☐ ☐	✓	✓

Form ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of securities holder by the Banker

1.	Bank Name and Branch	
2.	Bank contact details	
	Postal Address	
	Phone number	
	E-mail address	
3.	Bank Account number	
4.	Account opening date	
5.	Account holder(s) name(s)	1) 2) 3)
6.	Latest photograph of the account holder(s)	
	1st Holder / 2nd Holder / 3rd Holder	
7.	Account holder(s) details as per Bank Records	
	a) Address	
	b) Phone number	
	c) Email address	
	d) Signature(s) 1) 2) 3)	

Seal of the Bank

Signature verified as recorded with the Bank

(Signature)

Place:	Name of the Bank Manager:
	Employee Code:
Date:	E-mail address:

Form No. SH-13 Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To
Name of the company: **BHARAT GEARS LIMITED**
Address of the company: 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad - 121003

I/We …….. the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

(a) Name:
(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:
(d) Occupation:
(e) Nationality:
(f) Address:
(g) E-mail id:
(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR--

(a) Date of birth:
(b) Date of attaining majority
(c) Name of guardian:
(d) Address of guardian:

Name(s) and Address of Security holders(s) Signature(s)

Sole / First Holder Name: _____

Address:_____

_____ _____

Second Holder Name: _____

Address:_____

_____ _____

Third Holder Name: _____

Address:_____

_____ _____

Name and Address of Witness	Signature

Form No. SH-14 Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company: **BHARAT GEARS LIMITED**

I/We hereby cancel the nomination(s) made by me/us in favor of (name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of ..... as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE::

i. Name:
ii. Date of Birth:
iii. Father's/Mother's/Spouse's name:
iv. Nationality:
v. Address:
vi. E-mail id:
vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR--

(i) Date of birth:
(ii) Date of attaining majority
(iii) Name of guardian:
(iv) Address of guardian:

Name(s) and Address of Security holders(s) Signature(s)

Sole / First Holder Name: _____

Address:_____

_____ _____

Second Holder Name: _____

Address:_____

_____ _____

Third Holder Name: _____

Address:_____

_____ _____

Name and Address of Witness	Signature

Form ISR - 3

Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)]

BHARAT GEARS LIMITED
20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad - 121003

I / we ..... the holder(s) of the securities particulars of which are given hereunder, ***do not wish to nominate*** any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

PARTICULARS OF THE SECURITIES (in respect of which nomination is being opted out)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

I/ we understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my/our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents/details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration/Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

Name(s) and Address of Security holders(s) Signature(s)

Sole/First Holder Name: _____

Address: _____

_____ _____

Second Holder Name: _____

Address: _____

_____ _____

Third Holder Name: _____

Address: _____

_____ _____

Name and Address of Witness	Signature

BHARAT GEARS LIMITED
Geared for Life

ELECTRONIC CLEARING SERVICES(ECS) MANDATE FORM

To
Link Intime India Private Limited
(Unit : Bharat Gears Limited)
Noble Heights, 1st Floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market,
Janakpuri,
New Delhi - 110058

Name of the First/Sole Share holder	
Folio No./DP Id - Client Id	

PAN/E-mail information

Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
E-mail ID	

ECS Mandate Form (for shares held in physical mode)

Bank Name									
Branch Name & Address									
Bank Account Type (tick)	Savings		Current		Others				
Bank Account Number									
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photocopy of the cheque)									

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Bharat Gears Limited, will not be held responsible.

I further undertake to inform the company any change in my Bank/Branch and account number, if any.

_____
Signature of First / Sole Holder

Place :
Date :

Bharat Gears Limited in pictures















Pitchcraft communications info@pitchcraftindia.com

BHARAT GEARS LIMITED

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