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 2023-2024

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

August 25, 2023

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

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, 2023.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For **Bharat Gears Limited**

BHARAT GEARS LIMITED * FARIDABAD *

Prashant Khattry
Corporate Head (Legal) and Company Secretary

Encl: As above

NOTICE

TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the 51st 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	:	Wednesday
Date	:	20 September, 2023
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, 2023 together with Reports of the Directors and Auditors thereon.

2. 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 52nd AGM of the Company in the Calendar year 2024.

   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 ratification of the remuneration payable to M/s M.K. Kulshrestha & Associates, Cost Auditors of the Company for the Financial Year 2023-24 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 25 May, 2023 upon recommendation of the Audit Committee, to conduct the audit of the cost records of the Financial Year ending 31 March, 2024, at a remuneration of ₹ 2,25,000/- for the Financial Year 2023-24 be and is hereby confirmed, ratified and approved.

By order of the Board



Prashant Khattry
Corporate Head (Legal) and Company Secretary

Date: 21 August, 2023

NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 10/2022 dated 28 December, 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 2022-23 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 05 January, 2023. Members may note that the Notice of 51st AGM and Annual Report for the Financial Year 2022-23 will also be available on the Company's website i.e. www.bharatgears.com; 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 51st 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 51st 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, 2023 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) Instructions for Members to Vote during the Annual General Meeting through InstaMeet:

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 http://www.webex.com

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 09 December, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various E-voting Service Provider (ESP) portals directly from their demat accounts.

Login method for the 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 link 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 link 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 022-23058542-43.

Individual Shareholders holding securities in Physical mode have 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 shareholder is having valid e-mail address, Password will be sent to his/her registered e-mail address. Shareholder 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 have 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".

10. Brief profile & other details of the Directors proposed to be appointed/ re- 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, 2023. 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 51st 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, 2023 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.

There was no unclaimed dividend and shares required to be transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2022-23. Further, there is no unclaimed dividend and shares required to be transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2023-24.

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/details-of-unclaimed-dividend-and-iepf.htm

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 2022-23.

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 Suspense Account".

    Pursuant to the transfer of such unclaimed Equity Shares into the "Unclaimed Suspense 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.

    Pursuant to the sending of 3 (Three) reminders to the respective shareholders advising them to claim their shares, 3,200 (Three Thousand Two Hundred) Equity Shares attached to undelivered Share Certificates in possession of the Company still remaining unclaimed have been transferred into the "Unclaimed Suspense Account" opened with Central Depository Services (India) Limited (CDSL) during the Financial Year 2022-23.

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-PoD-1/P/CIR/2023/37 dated March 16, 2023 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 October, 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 with effect from April 01, 2024. An intimation shall be sent by the Company to the security holder that such payment is due and shall be made electronically only upon 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.

24. The Securities and Exchange Board of India (SEBI) vide its Circular reference no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022 mandated that the listed companies shall issue the securities in dematerialized form only while processing various investor service requests as mentioned below and issue a Letter of Confirmation to the respective shareholder upon receipt of such request that will be submitted by the shareholder to its Depository Participant along with Dematerialisation Request Form for credit of shares electronically in the Demat Account of Shareholder.

    1. Issue of duplicate securities certificate;
    2. Claim from Unclaimed Suspense Account;
    3. Renewal/Exchange of securities certificate;
    4. Endorsement;
    5. Sub-division/Splitting of securities certificate;
    6. Consolidation of securities certificates/folios;
    7. Transmission;
    8. Transposition.

    Further, the said circular provides that in case the securities holder/claimant fails to submit the demat request within 120 days from the date of issuance of letter of confirmation, RTA/Issuer Companies shall credit the securities to the Suspense Escrow Demat Account of the Company.

    In compliance of the above, the shares for the aforesaid investor requests are issued in dematerialized form only and a Letter of Confirmation is issued to the

respective shareholder upon receipt of such request for submission by the shareholder to its Depository Participant along with Dematerialisation Request Form for credit of shares electronically in the Demat Account of Shareholder. Further, in case the securities holder/claimant fails to submit the demat request within 120 days from the date of issuance of Letter of Confirmation, the said shares are credit to the Suspense Escrow Demat Account of the Company.

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 **Sunday, 17 September, 2023 at 9:00 A.M. and ends on Tuesday, 19 September, 2023 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. **Wednesday, 13 September, 2023** 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. Wednesday, 13 September, 2023. 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. Wednesday, 13 September, 2023, 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 e-voting 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
Corporate Head (Legal) and Company Secretary

Date: 21 August, 2023

EXPLANATORY STATEMENT

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

ITEM NO. 02

Mr. Nagar Venkatraman Srinivasan, aged 79 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 a rich experience of 54 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 20 September, 2022 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 51st Annual General Meeting (AGM) of the Company in the Calendar Year 2023 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 25 May, 2023, 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 52nd Annual General Meeting of the Company in the Calendar year 2024, 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. 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 52nd Annual General Meeting (AGM) of the Company in the Calendar year 2024 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. 02 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. 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, 2023 and shall also be available at the meeting.

ITEM NO. 03

The Board of Directors of the Company in its meeting held on 25 May, 2023 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, 2024 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, 2024.

Accordingly, the Board recommends the resolution as set out at Item No. 03 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, 2024, 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. 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, 2023 and shall also be available at the meeting.

By order of the Board



Prashant Khattry

Corporate Head (Legal) and Company Secretary

Date: 21 August, 2023

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 has been provided herein below:

Particulars	Item No. 02
Name of the Director	Mr. Nagar Venkatraman Srinivasan
DIN	00879414
Brief Resume	As detailed in Explanatory Statement above for Item No. 02 of the Notice
Category of Director	Non-Executive Director
Date of Birth (Age in Years)	04 April, 1944 (79)
Date of Appointment on the Board	03 November, 2017
Qualifications	Graduated in Mechanical Engineering, MS in Industrial Engineering and MBA
No. of years of Experience	54 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
Terms and conditions of appointment/re-appointment	As detailed in Explanatory Statement above for Item No. 02 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	Member- Stakeholders' Relationship Committee
Directorships held in other Companies	Nil
Chairmanships/Memberships of committees of other Companies	Nil
Listed entities from which the Director has resigned in the past three years	Nil
Number of Board Meetings attended during the year	5
Relationships between Directors inter-se	None
Relationships with Manager and other Key Managerial Personnel of the Company	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 2022-23
Number of shares held in the Company	Nil

By order of the Board



Prashant Khattry

Corporate Head (Legal) and Company Secretary

Date: 21 August, 2023

Annual Report
2022-23

BHARAT GEARS LIMITED
Geared for Life



STRENGTHENING EFFICIENCIES FOR A BETTER FUTURE

Inside the Report

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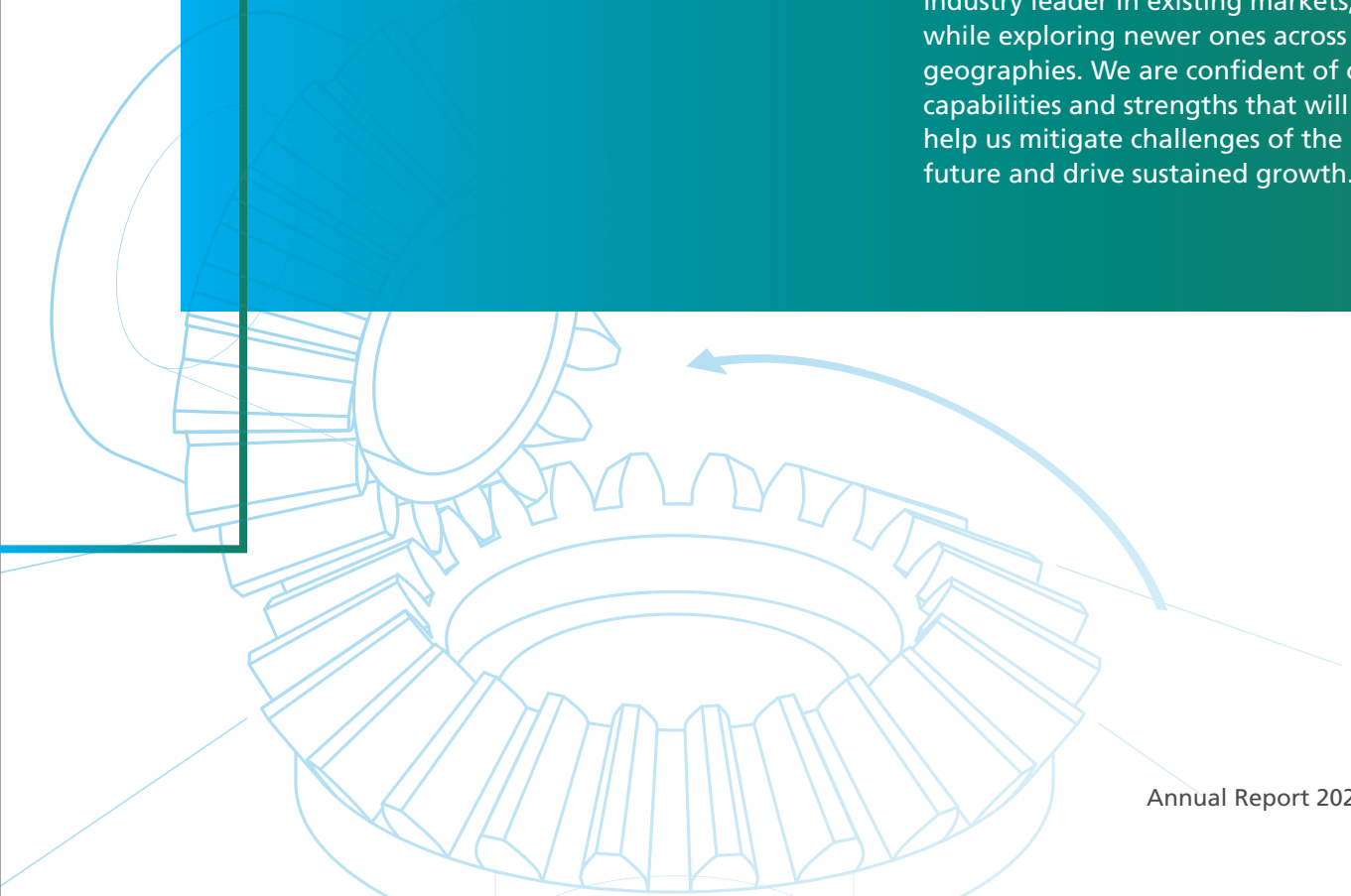
FORWARD-LOOKING STATEMENT

The information and opinion contained in this report do not constitute an offer to buy any of Bharat Gears Limited's securities, businesses, products or services. The report might contain forward-looking statements qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit' and 'anticipates', that we believe to be true at the time of preparation of the report. The actual events may differ from those anticipated in these statements because of risk and uncertainty of the validity of our assumptions. Bharat Gears Limited does not take any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

FOR OVER 50 YEARS, BHARAT GEARS HAS BEEN DELIVERING CUTTING-EDGE TECHNOLOGY SOLUTIONS TO ITS CUSTOMERS TRANSCENDING BORDERS. THE ROAD TO BEING ONE OF THE WORLD'S LEADERS IN GEAR TECHNOLOGY AND ONE OF INDIA'S LARGEST GEAR MANUFACTURER HAS BEEN A STORY OF RELENTLESS FOCUS, PASSION, CONTINUOUS INNOVATION, AND EXECUTION.

We are now preparing our Company to be future-ready as exciting developments take place within the Company and in the automotive ecosystem. We continue to work on strengthening our efficiencies and are confident to cater to the needs of our customers and the automotive industry.

From technology upgradation to cost optimisation to enhancing equipment and operational efficiencies, we are working towards strengthening and maintaining our status as an industry leader in existing markets, while exploring newer ones across geographies. We are confident of our capabilities and strengths that will help us mitigate challenges of the future and drive sustained growth.



Bharat Gears at a Glance

With a legacy spanning five decades, Bharat Gears is India's leading Automotive gear manufacturing company and one of the leading global suppliers of automotive gears. We manufacture high-quality and high-engineered gears for the automotive industry. We also have a significant international presence and continue to be a major exporter to North American, European and Asian countries.

ABOUT US

Established in 1971, we have state-of-the-art IATF compliant plants in Mumbra and Satara, Maharashtra, and Faridabad, Haryana. Our unwavering efforts to meet the ever-changing needs of our customers have propelled us to be at the forefront of Original Equipment Manufacturers (OEMs) in India. Our key strengths are our engineering capabilities, global scale of operations, best 'speed to market' in industry, reliable products and services, ability to understand client needs, strong teamwork and commitment to unsurpassed quality, and maintaining ethical and professional standards.



VISION

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

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 KEY STRENGTHS

- Reliable products and services
- Engineering services
- Ability to understand client goals
- Strong teamwork and commitment to unsurpassed quality
- Maintaining ethical and professional standards

BUSINESS SEGMENTS

Gears

Bharat Gears manufactures ring gears and pinions, transmission gears and shafts, differential gears and assemblies that are an integral part of fast moving auto industry. Our manufacturing facilities produce the finest bevel gears & transmission gear products to meet the needs of the ever-changing global automotive industry.

Furnaces

We have collaborated with technology giant AFC-Holcroft, Michigan (USA) to build batch and continuous heat-treating furnaces. These furnaces are known for their quality and performance, are operator-friendly and economical for use in Indian conditions as well.







Automotive Components

Bharat Gears is the leading supplier of automotive clutches and components, turbochargers and components, driveline products, axle shafts, fly-wheel assemblies and rings, propeller shaft components, U-cross, steering components, differential cages and steel wheel rims.

CUSTOMER PORTFOLIO

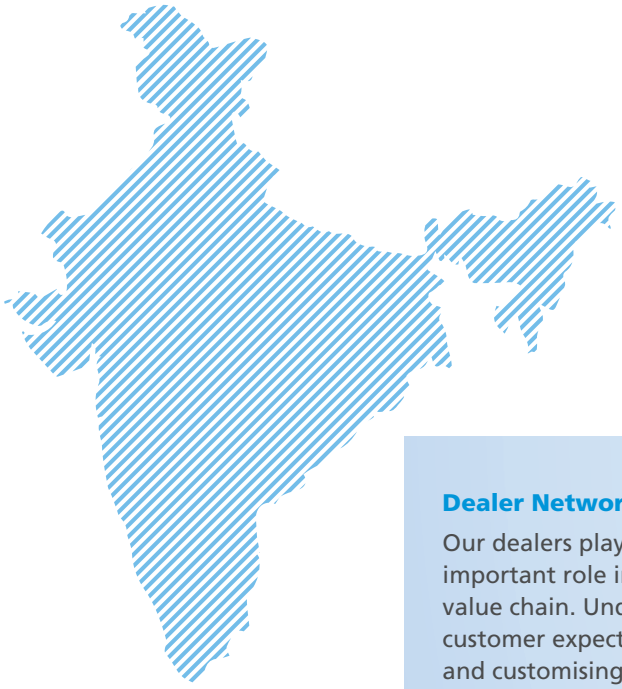
Since 1971, we have formed alliances with some of the world's largest corporations in the tractors, utility vehicles, commercial vehicles and construction equipment industry.

Customer for Gears

With a focus on quality and customer service, in FY 2022-23, we were successful in retaining most of our clients and adding new clients to our growing list

Customer for Furnaces

Our core strength has been our heat treatment technology. We have been able to serve our customers due to our expertise in design, erection & commissioning



Map not to scale.
For Illustrative purpose only.

Dealer Network

Our dealers play an important role in the entire value chain. Understanding customer expectations and customising products has ensured that our dealers carry forward the promise of our brand

Our Glorious Legacy

2022

- Posted ₹ 700 crores + turnover for the first time in Company's history
- Entry into Hydraulics, EV & Industrial gear segments

2019

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

2018

- Received IATF 16949 certification for all three plants

2004

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

2005

- Faridabad and Mumbra plants received TS 16949 certification

2008

- Introduced Dry Cut Hobbing process

2000

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

1998

- Laid the foundation stone at Faridabad Plant

1996

- Crossed ₹ 1 billion revenue mark

1972

- Laid the foundation stone of the Mumbra plant



1974

- Inaugurated Hypoid Plant and commenced production with 'Gleason Machines'

1980

- Installed first 'Oerlikon Spiromatic Generator'
- Became one of the 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

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 the Lonand Plant

2014

- Commenced commercial production at the Lonand Plant

2015

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

Chairman and Managing Director's Message



WE ARE CONTINUOUSLY EXPANDING OUR PRODUCT PORTFOLIO AND TECHNOLOGICAL CAPACITIES AND CAPABILITIES TO ACHIEVE OPERATIONAL EXCELLENCE AND DRIVE MARKET SHARE GAINS ACROSS ALL OUR SEGMENTS.

Dear Shareholders,

The past two years have tested the resilience of individuals and businesses at an unprecedented level. It was no different at Bharat Gears. However, despite the odds, we adapted quickly to the evolving environment and bounced back with renewed strength and vigour.

I hope this letter finds you in good health, as we leave the challenges behind and gear up for a stronger and exciting future. Your Company has always pursued excellence in technology, efficiencies, product innovation and quality, manufacturing capabilities and customer satisfaction in all these years. And we continue to focus on these areas for sustained growth and expansion.

Review of the economy

FY 2022-23 has been an incredible year for India. India outperformed amongst the world's fastest growing economies and continues to show resilience even as most developed nations faced slowing growth amidst high inflation and geopolitical tensions. The Indian economy posted a growth of 7.2% in FY 2022-23 after delivering 9.1% growth in the previous fiscal.

India's improved outlook is attributable to the government's quest for self-reliance and thrust on domestic manufacturing. Its importance got accelerated in the aftermath of pandemic and the Russia-Ukraine conflict, which saw heightened uncertainties globally. Moreover, the 'China Plus One' policy has been gaining momentum as companies seek to diversify their reliance beyond China to other destinations. This has put India at an advantageous position, particularly due its manufacturing prowess, R&D capabilities and availability of low-cost skilled labour.

Along with this, efforts by the Reserve Bank of India (RBI) have led to a sharp improvement in credit growth and the health of the financial sector, robust tax collections, and well-controlled inflation. The Union Budget 2023 has placed strong emphasis on manufacturing and infrastructure creation through increased capital expenditure allocations. All these factors along with digitalisation focus can propel India's economic growth and unlock new opportunities.

Industry overview

In India, the automobile industry made gains in FY 2022-23 from global supply chain rebalancing, strong domestic demand, and push for domestic manufacturing. Demand for PV and MHCV were strong, driven by healthy consumer demand and increased industrial activity. The electric vehicle (EV) segment also saw increased offtake.

The growth momentum of the automotive industry is expected to continue in 2023 despite operating challenges such as supply chain disruptions, high inflation, and input cost pressures. Favourable government policies such as the extension of FAME-II scheme till 2024, multiple Production-Linked Incentive (PLI) schemes, announcement of scrappage policy and rollout of battery swapping policy are likely to aid growth and address short-term challenges. The automotive landscape is undergoing a technological transformation with the advent of e-mobility and advanced auto component products. We are already working on building modern and future-ready solutions to support our customers. Further, India's focus on infrastructure creation, agricultural growth, and farm mechanisation will create significant opportunities in construction equipment and agricultural machinery sectors.

Financial performance in FY 2022-23

There was robust demand from OEMs for the first nine months, demand was subdued in Q4. On the back of this robust demand for majority period of the year, your Company was able to achieve revenue from operations of ₹ 766.37 crores in FY 2022-23 against ₹ 729.44 crores in FY 2021-22, resulting into a y-o-y growth of 5%.

Operations for FY23 resulted in an EBITDA of ₹ 54.75 crores vis-à-vis an EBITDA of ₹ 69.29 crores for FY22. Decrease was largely on account of steep increase in power & fuel cost & major repair work carried out at Mumbra plant.

During the year, the Company availed ₹ 40 crores term loan from Tata Capital Financial Services Limited, which was utilised for repayment of existing term loan and working capital augmentation.

Strengthening efficiencies

At Bharat Gears, we have always been at the forefront of technology trends in the automotive industry. Our relentless focus on innovation has continued to differentiate us from the rest. This has also helped us develop products with prime importance and relevance to our customers. With the right capabilities and strategies, we are fully aligned with the megatrends that will shape our markets and drive future growth.

During the year, we have undertaken multiple cost reduction exercises which will result in significant cost optimisation and improvement in margins and profitability. At the same time, our focus on technology upgradation, process innovations, and portfolio expansion remains unabated. Keeping up with the changing times, we are also digitising our operations and enhancing our manufacturing capabilities to improve operational efficiencies. Through retrofitting and refurbishing of machines, we aim to continuously enhance our productivity and efficiency.

I am also delighted to state that we are leveraging our relationship with existing and new customers in India and overseas to broaden our product range and strengthen presence and market share. We have developed significant R&D competencies and this, combined with manufacturing prowess, has proved to be an advantage for us as a technology leader and reliable partner in the automotive industry.

To stay ahead of the curve, we are exploring opportunities in the emerging segments of electric and hybrid vehicles, small utility machines for small-holding agricultural lands, and heavy construction machinery for infrastructure projects by leveraging our robust capabilities. E-mobility is a mega trend and the future of the automobile industry. We are focussed on developing innovative and future-ready technologies to drive sustainable and clean mobility solutions.

Looking ahead

We are optimistic of a promising future ahead. The macroeconomic factors and geopolitical concerns may pose potential challenges; however, the overall scenario seems improving. Some green shoots are already visible; inflationary pressures and supply chain constraints are showing signs of easing.

Your Company is well positioned for consistent and sustainable growth in the coming years on the back of expected recovery in economic activity and automotive industry. We are continuously expanding our product portfolio and technological capacities and capabilities to achieve operational excellence and drive market share gains across all our segments.

I take this opportunity to thank all the shareholders, employees, suppliers, and business partners who worked relentlessly to ensure that we continue to serve our customers and create value for all. I am also grateful to our stakeholders who continue to support and engage with us in our journey.

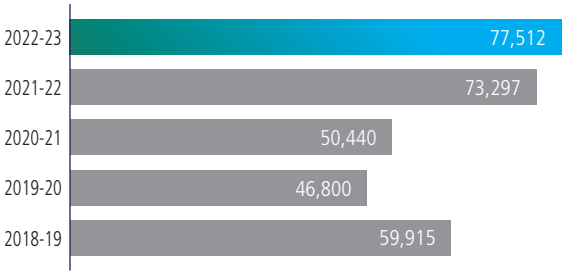
Warm regards,

Surinder Paul Kanwar
Chairman and Managing Director

Key Financial Indicators

PROFIT AND LOSS INDICATORS

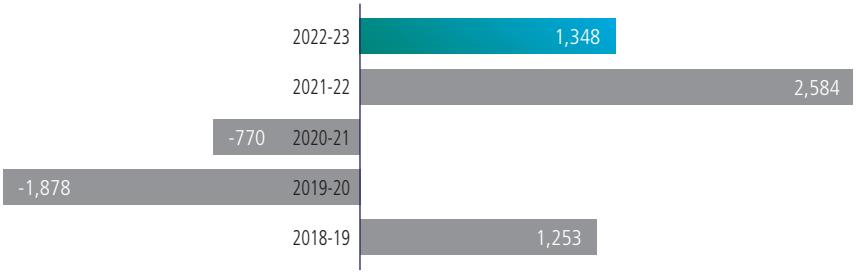
Total income (₹ in Lakhs)



EBITDA margin (%)



PAT (₹ in Lakhs)



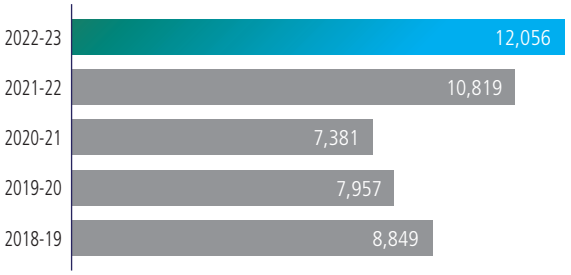


BALANCE SHEET INDICATORS

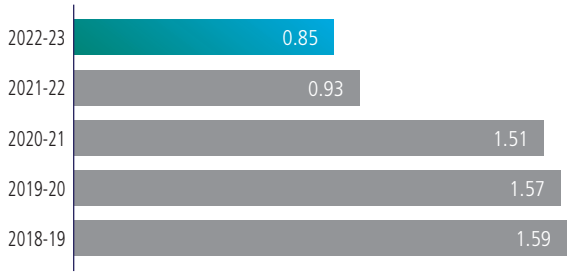
Capital employed (₹ in Lakhs)



Net worth (₹ in Lakhs)



Debt equity ratio (%)





Increasing Efficiency with Robust Infrastructure

Over the years, we have invested in creating a robust infrastructure that enables us to manufacture high-quality products. Enhanced competencies, technological advancement and cost reduction facilitate in increasing efficiencies and staying ahead of the competition.

OUR MANUFACTURING FACILITIES



Mumbra, Maharashtra

Spread across a total area of approximately 32 acres, it has been in operation since 1972

Products Manufactured

- Spiral & Hypoid Bevel Gears
- Differential Gears & Crosses
- Transmission Gears

Quality Certifications

- IATF - 16949



Faridabad, Haryana

Spread across a total area of approximately 10 acres

Products Manufactured

- Spiral & Hypoid Bevel Gears
- Transmission Gears

Quality Certifications

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

Lonand, Satara, Maharashtra

Spread across a total area of approximately 10 acres

Products Manufactured

- Transmission Gears

Quality Certifications

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



STRATEGIC PRIORITIES

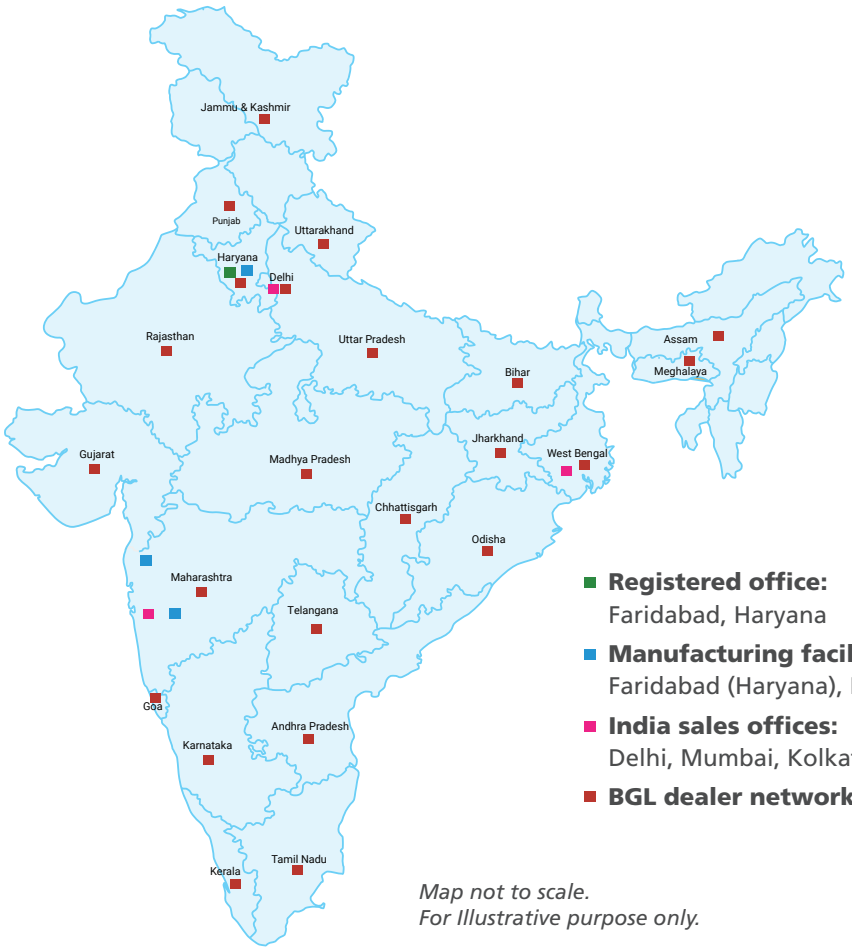
We intend to recondition/retrofit existing equipments to enhance our productivity and efficiency. We also plan to invest in new equipments to optimise costs, especially, the outsourcing cost. To cater to new business and customers, we intend to invest in new and modernised equipments. We have also carried out detailed health check-up of machines at all three plants & have charted out a suitable action plan to improve the efficiency & capability of machines.

Building Partnerships

We strongly believe that working with customers as partners gives us an opportunity to grow along and allow patrons to drive mutual progress. We view our customers as a catalyst in our overall business growth. Our success lies in understanding and catering to the needs of our customers with quality products.

GEARS BUSINESS

ACE	Ashok Leyland Limited	Carraro India and Global	CLAAS India and Global	CNH Industrial India Pvt Ltd
DANA Anand India Pvt Ltd.	EATON India and Global	Escorts Kubota Limited	Godrej & Boyce Mfg. Co. Ltd.	JCB India and Global
John Deere - India and Global	KION India	LIEBHERR	Mahindra	Paharpur Cooling Towers Ltd.
Parker USA	Schafer Driveline LLC USA	Schaeffler India	Sisu Axles	SML Isuzu Limited
Sonalika International	Tata Motors	Tractors and Farm Equipment Ltd.	Transaxle Manufacturing of America	Turk Traktor
Toyota Kirloskar Auto Parts	Tuff Torq Corporation	Yanmar India	ZF India and Global	VST Tillers Tractors Ltd.



Map not to scale.
For Illustrative purpose only.

80 dealers across
22 states, pan India

3
Sales Offices in Delhi, Mumbai and Kolkata

- **Registered office:** Faridabad, Haryana
- **Manufacturing facilities:** Faridabad (Haryana), Mumbra (Maharashtra), Lonand (Maharashtra)
- **India sales offices:** Delhi, Mumbai, Kolkata
- **BGL dealer network**

FURNACE BUSINESS

AAM India Manufacturing (American Axles)

Automotive Axles Limited

Automotive Axles Ltd.

Avdhoot Industries Ltd.

Mahindra & Mahindra Ltd.

National Engineering Industries

Timken India

Varroc

DECADES OF PROGRESS

Bharat Gears' Successful Technical and Financial Collaboration with ZF AG Germany (1985-2007)

During the period spanning from 1985 to 2007, Bharat Gears and ZF AG Germany engaged in a strategic technical and financial collaboration that marked a significant chapter in their shared history. In this remarkable alliance, ZF AG Germany became a notable 26% equity shareholder in Bharat Gears, solidifying their commitment to mutual growth and success.

The partnership proved to be highly productive, as ZF AG Germany played a pivotal role in supporting the development and production of two groundbreaking gearboxes - the 5-24 Gear Box and the ZF S6-36 Gear Box. Leveraging ZF AG's technical expertise and financial backing, Bharat Gears made notable strides in innovation and precision engineering in the automotive industry.

UNWAVERING INNOVATION

Bharat Gears Enduring Partnership with AFC-Holcroft, USA.

Expanding Opportunities, Driving Growth

We are continuously working to improve productivity and enhance capabilities, optimise costs, upgrade technology and processes, and increase our presence and customer base. Our relentless focus on innovation differentiates us from the rest. With the right capabilities and strategies, we are geared to seize the megatrends shaping our industry and drive future growth.

BURGEONING INDUSTRY OPPORTUNITIES

The Indian automobile industry has grown steadily over the years and is currently the fourth-largest producer of motor vehicles in the world and a leading exporter. Recognised as a core sector, the automobile industry contributes 49% to India's manufacturing GDP and offers 32 million jobs. Furthermore, the Government of India has been enforcing various schemes and incentives to boost domestic manufacturing and export of automobiles. We recognise the immense opportunities it brings to us as a leading player in the automotive gear domain.

The domestic tractor industry contributes to 49% of the Company's turnover aided by robust growth in the agricultural sector, increase in farm mechanisation, and the government's thrust on improving agricultural yields. We are looking to add new ring gear, new bevel gears, grinding gears and EBW gears to our project portfolio. Given the growing penetration of electric and hybrid vehicles and the fact that India is the fastest-growing automobile market, we anticipate exciting prospects in e-mobility.





KEY FOCUS AREAS

Expanding customer base/ customer-first approach

We are committed to offer the best technological solutions to our customers. Customer centricity remains a priority for us. From quality to delivery to providing the product at the right price has helped us earn their trust and made us a highly endorsed partner in the automotive sector. We are constantly engaging with new customers across diverse segments and geographies and strengthening our efficiencies to increase our share of the business.

Prudently managing costs and operational efficiency

We have undertaken multiple initiatives to keep costs under control to optimise production and improve process efficiency. Some of the measures we have undertaken to manage our finances prudently are:

1. Reduction in material costs by centralised buying.
2. Improvement in productivity by implementing Toyota Production System/Lean management.
3. Operating plants efficiently.
4. Adopting new techniques & staff training to reduce PPM, inventory level.

Strengthening R&D and Technology edge

Our technical expertise enables us to provide value engineering products and solutions to our customers. R&D is the key enabler that helps us deliver competitive products and solutions. We continuously innovate by working closely with our customers, analysing and predicting demand, and staying abreast of the technological advancements in the automotive domain.

Our constant endeavour has been to improve process efficiency by working on our operating practices. We have implemented robotics in furnace which allows us to eliminate manual intervention in processes and helps achieve higher quality. Our indigenously developed state-of-the-art crown wheels and pinions find application in a wide range of segments. Our R&D professionals work tirelessly to optimise the gear profile to increase power density. During the fiscal year 2022-23, we continued to focus on making our operations more efficient and took up significant capex programmes to strengthen the production base to produce cutting-edge products for clients. We are also upgrading technology by adding the latest gear-cutting/grinding machines. Further, we have introduced low-cost automation for gear hobbing machines and gear shaping machines.

We continue to leverage the best of technological innovation and automation across our products and processes to remain ahead.



Building Better and Healthier Communities

We strive to foster an inclusive environment while working towards social and economic upliftment of communities and protecting the fragile ecosystem. Through a host of initiatives, we intend to strengthen communities around which we operate and take forward our mantra of building a better tomorrow.

Our key activities undertaken in FY 2022-23 are listed below:

SETTING UP BIOGAS PROJECT FOR FARMERS

Bharat Gears Limited has contributed to the farming community by offering green energy alternatives. "Bhagirath Gramvikas Pratishthan" a foundation that is actively engaged in holistic and sustainable rural development across 70 villages in seven tehsils of Sindhudurg area, has installed biogas plants, which run on animal manure and human waste, has assisted in reducing reliance on firewood for cooking and ensuring smoke-free kitchens. Till date, Bharat Gears has supported the installation of 60 biogas plants.








PROVIDING FINANCIAL AID TO RAMAKRISHNA MISSION VIDYAPITH

Bharat Gears Limited has supported the activities of Ramakrishna Mission Vidyapith, Deoghar, Jharkhand. The organisation is engaged in humanitarian and social causes. The Ramakrishna Mission Vidyapith is a residential school with 500+ resident students, 150 staff and 14 monastic members.





ORGANISING PREVENTIVE HEALTH CHECK-UP CAMPS

Bharat Gears Limited has partnered with the Medihelp Foundation for conducting preventive health check-up camps for the benefit of the underprivileged and marginalised communities residing in the districts of Faridabad and Palwal, Haryana and other nearby areas. Medihelp is a not-for-profit organisation that works in the field of healthcare with the aim of establishing a healthy and self-reliant society. With its qualified team of doctors, infrastructure and expert professionals, the Foundation offers free medical check-up camps, school health screening programmes, maternal and child health programmes, eye-screening camps and assistance in eye operation, and many such programmes. This partnership aligns with our vision for technology-enabled preventive healthcare.









Leadership that Instils Faith

BOARD OF DIRECTORS



Mr. Surinder Paul Kanwar
Chairman & 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

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
Corporate Head - Legal & Company Secretary



Mr. Kiran Rai
Process Leader - OE Marketing & Business Development

Celebrating 50 Glorious Years of Bharat Gears Limited

Bharat Gears Limited marked a significant milestone in its journey – 50 incredible years of excellence, innovation and growth!

Over the past five decades, the Company has evolved from a visionary idea into a leading force in the automotive components sector. Our journey has been shaped by the dedication, hard work and unwavering support of each member of the Company's family – employees, clients, partners and stakeholders. Together, we have overcome challenges, embraced opportunities and consistently set new standards of excellence.

To commemorate this momentous occasion, we planned a celebration that reflects the spirit of Bharat Gears Limited. The celebration was a blend of nostalgia, recognition, and a glimpse into the future. Highlights of the event were:

1. Keynote Address: Our Chairman & Managing Director shared insights about our journey so far, highlighting the key milestones, challenges and triumphs that have brought us to this moment.

2. Employee Recognition: We took the opportunity to honour and applaud the contributions of current & ex-employees who have been with us for a significant part of this journey. Their commitment has been instrumental in our success.
















BHARAT GEARS LIMITED
50
GOLDEN JUBILEE YEAR
सुवर्णमहोत्सवी वर्ष
(1972 - 2022)






BHARAT GEARS LIMITED
BHARAT GEARS LIMITED
50
GOLDEN JUBILEE YEAR
सुवर्णमहोत्सवी वर्ष
(1972 - 2022)









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. Surinder Paul Kanwar
Mr. Sameer Kanwar
Mr. Nagar Venkatraman Srinivasan

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

Deloitte Haskins & Sells LLP
One International Center, Tower 3,
32nd Floor, Senapati Bapat Marg,
Elphinstone Road (West)
Mumbai - 400013, Maharashtra

Bankers

State Bank of India
IDBI Bank Limited

NBFC

Aditya Birla Finance Limited
Tata Capital 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 Overview

Global Economy

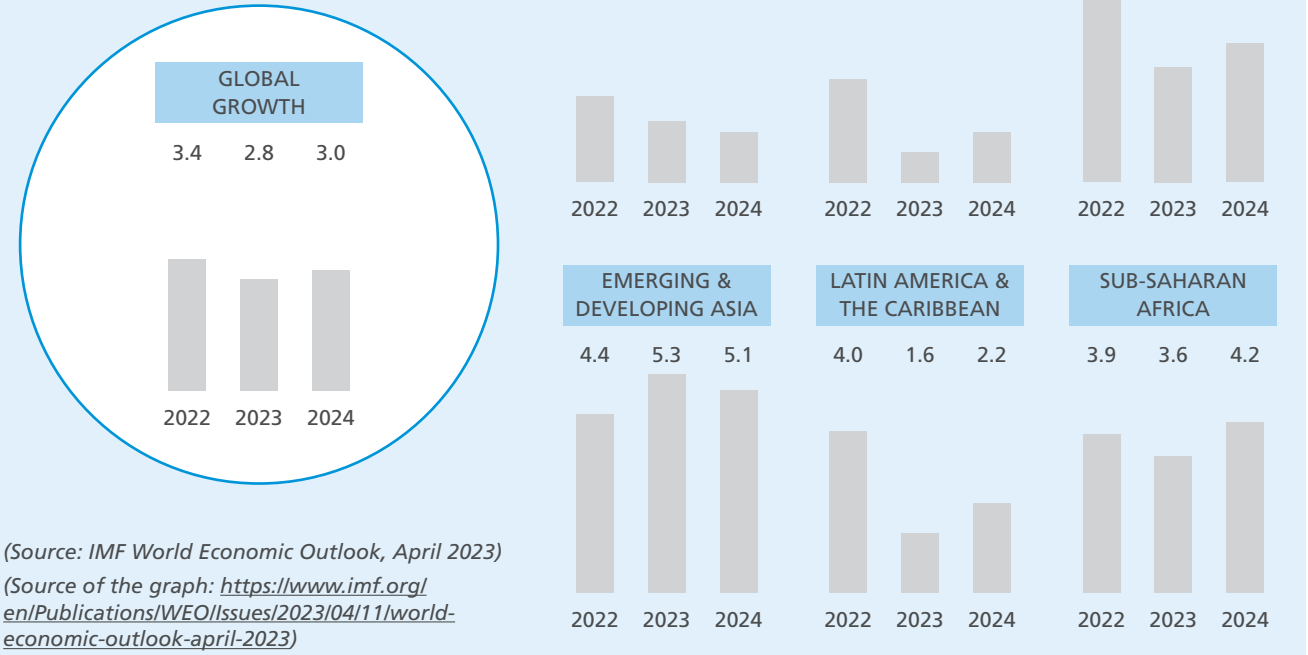
The global economy is witnessing signs of resilience in 2023 after a turbulent year. However, persistent inflationary pressures, tighter monetary conditions, and the prolonged war between Russia and Ukraine continue to weigh on economic activity. Inflationary pressures are eroding real incomes, triggering a global cost-of-living crisis and substantially weakening investment growth. Further, the banking crisis in March 2023 and a debt-ceiling crisis in the United States have raised concerns over macroeconomic stability across the markets and an impending global recession. (Source: https://www.weforum.org/agenda/2023/03/recession-risks-ignited-by-banking-crisis-top-economics-news/) With the central banks' efforts to curb inflation by tightening monetary policy, global inflation is projected to decrease from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. Key factors in the improvement in economic activity and sentiment in 2023 are the rebounding of China's economy, the gradual unwinding of supply chains, and the recent decline in energy and food prices. (Source: IMF Report- World Economic Outlook April 2023)

Notwithstanding the headwinds, the real Gross Domestic Product (GDP) grew in the United States, the European Union, and major emerging and developing economies. The real GDP of the United States grew at 2.1% in 2022 on the back of increased private investment and consumer spending. It is projected to grow at 1.6% in 2023 and 1.1% in 2024. The European economy recorded 2.7% growth in 2022 and is projected to grow at 0.8% in 2023 before rising to 1.4% in 2024.

The International Monetary Fund (IMF) has projected global GDP growth to decline from 3.4% in 2022 to 2.8% in 2023 and rise to 3.0% in 2024. The growth of Advanced Economies (AEs) is projected to decline sharply from 2.7% in 2022 to 1.3% in 2023 before rising to 1.4% in 2024. Economic prospects for Emerging and Developing Asia are on average stronger than for Advanced Economies. Emerging and Developing Asia grew at 4.4% in 2022 and are expected to grow at 5.3% in 2023 and 5.1% in 2024. The developing economies like South-East Asia and Latin America are poised to do well and benefit from strong job markets, commodity price boom, and ambitious investment plans by governments in many countries. As per the IMF, Asia-Pacific will be the most dynamic of the world's major regions in 2023, predominantly driven by the buoyant outlook for China and India, which will be the major contributors to global economic growth in 2023. (Source: IMF Report- World Economic Outlook April 2023) (IMF Report- Regional Economic Outlook- Asia and Pacific-May 2023)

Growth Projections by region

(Real GDP growth, percent)



(Source: IMF World Economic Outlook, April 2023)

(Source of the graph: https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023)

Indian Economy

India continues to be among the fastest-growing economies in the world in FY 2022-23. India's recovery from the pandemic has been remarkable. Despite the global slowdown, the Indian economy is exhibiting resilience and overall economic activity remains strong. As per the second advance estimates of National Income FY 2022-23 released by the National Statistical Office (NSO), India's GDP growth during FY 2022-23 is estimated at 7.2% as against 9.1% in FY 2021-22. The real GDP (at Constant 2011-12 prices) in FY 2022-23 is estimated to value ₹ 159.71 trillion, as against the First Revised Estimated GDP of ₹ 149.26 trillion in FY 2021-22. The Nominal GDP growth at Current Prices in the current financial year is projected to be 15.9%. Real Gross Value Added (GVA) growth is expected to be 6.6% as against 8.8% in the previous year. (Source: National Statistical Office https://mospi.gov.in/sites/default/files/press_release/PressNoteNAD_28feb23final.pdf) The accelerated pace of economic reforms has led to the strong and sustainable growth of the Indian economy and strengthened its position in the world.

The Sectoral GVA (Real) Growth Estimates:

Industry	Percentage Change Over Previous Year	
	2021-22	2022-23
1. Agriculture, Forestry & Fishing	3.5	3.3
2. Mining & Quarrying	7.1	3.4
3. Manufacturing	11.1	0.6
4. Electricity, Gas, Water Supply & Other Utility Services	9.9	9.2
5. Construction	14.8	9.1
6. Trade, Hotels, Transport, Communication & Services related to Broadcasting	13.8	14.2
7. Financial, Real Estate & Professional Services	4.7	6.9
8. Public Administration, Defence & Other Services*	9.7	7.1
	8.8	**6.6**

**Public Administration, Defence & Other Services category includes the Other Services sector i.e. Education, Health, Recreation, and other personal services*

(Source: National Statistical Office https://mospi.gov.in/sites/default/files/press_release/PressNoteNAD_28feb23final.pdf)

International trade contributed significantly to the economic growth in FY 2022-23. The merchandise exports have registered the highest-ever annual exports of US$ 447.46 billion with 6.03% growth during FY 2022-23 surpassing the previous year's record exports of US$ 422.00 billion. (Source: Ministry of Commerce & Industry https://www.pib.gov.in/PressReleasePage.aspx?PRID=1916220#:~:text=worth%20of%20exports.-,Merchandise%20exports%20have%20registered%20highest%20ever%20annual%20exports%20of%20USD,exports%20of%20USD%20422.00%20billion.) Further, India's fiscal deficit is estimated to come down to 6.4% in FY 2022-23 as against a deficit of 6.7% in the previous year. The Union Budget 2023-24 estimates a fiscal deficit of 5.9% in FY 2023-24. (Source: Ministry of Finance https://pib.gov.in/PressReleasePage.aspx?PRID=1895287)

> Despite the global slowdown, the Indian economy is exhibiting resilience and overall economic activity remains strong.

Higher inflation remains a challenge and the Reserve Bank of India (RBI) increased the repo rate by 250 basis points in FY 2022-23 to tame inflationary pressures. (Source: https://groww.in/blog/rbi-hikes-repo-rate-how-will-it-impact-you) As a result, India's CPI inflation rate eased to 4.70% in April 2023 from 7.79% in April 2022. (Source: Ministry of Statistics & Programme Implementation https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1923709)

Further, an analysis of India's IIP growth of 5.1% in FY 2022-23 shows modest growth in the industrial sector on account of increasing input costs, supply chain disruptions, and a slowdown in the global economy. (Source: https://tradingeconomics.com/india/industrial-production) The impetus for the core industries registered a combined ICI (Index of Eight Core Industries) increase of 7.6% (provisional) during FY 2022-23 compared to the corresponding period of last year. (Source: https://eaindustry.nic.in/eight_core_infra/eight_infra.pdf)

The IMF projects the Indian economy to grow at 5.9% in FY 2023-24 before rising to 6.3% in FY 2024-25. (Source: IMF Report- World Economic Outlook April 2023) The optimistic growth stems from positive factors such as a conducive domestic policy environment, various dynamic reforms undertaken by the government such as higher capital investment of ₹ 10 lakh crore announced in the Union Budget 2023-24, production-linked incentives (PLI) schemes for various sectors, 'Make in India' and 'Atmanirbhar Bharat' initiatives, thrust on domestic manufacturing and infrastructure development, strong domestic demand, export growth, technology-enabled development, and energy transition. (Source: https://www.indiabudget.gov.in/doc/bh1.pdf) Further, the PM Gati Shakti Master Plan would provide multi-modal connectivity to improve transportation and logistics resulting in a substantial reduction in logistics costs. With multiple growth levers in place, the Indian economy remains attractively positioned to navigate global headwinds in FY 2023-24.

Industry Overview

Tractor Industry

Global Tractor Industry

The global tractor industry is broadly categorised into two segments based on the drive type-two-wheel drive (2WD) and four-wheel drive (4WD) tractors. The 2WD segment continued to dominate the market in 2022. (Source: https://www.precedenceresearch.com/agricultural-tractors-market) This segment is more popular in the Asia Pacific region and emerging markets because of its lower costs, fuel efficiency, manoeuvrability, and haulage power. Based on the power output of the tractors, the industry is categorised into 'Less Than 30 HP', '30-50 HP', '50-100 HP', and 'More Than 100 HP' segments. (Source: https://www.alliedmarketresearch.com/tractor-market-A14059#:~:text=The%20tractor%20market%20is%20segmented,and%20more%20than%20100%20HP.)

The global tractor market was valued at US$ 56.9 billion in 2022. (Source: https://www.verifiedmarketresearch.com/product/tractor-market/) The key factors contributing to the increase in tractor sales worldwide include the rapid adoption of mechanisation in agricultural machinery, especially in developing nations, growth in agriculture income, rising farm labour costs, seasonal labour shortages, the industrial revolution, a surge in construction projects, and shorter tractor replacement cycles. (Source: https://www.mordorintelligence.com/industry-reports/tractors-market) Further, the demand for tractors is propelled by increased investment in new agricultural machinery due to lower interest rates, tax incentives, and subsidies, provided by the governments, especially in developing nations. Another major factor fuelling the market growth is the rising global population which has led to increasing demand for food products, resulting in investment in technologically advanced equipment including agricultural tractors for higher productivity. (Source: https://www.grandviewresearch.com/research-insights/increased-r-and-d-investment-in-new-agricultural-machinery-is-projected-to-boost-the-agricultural-machinery-market-in-near-future)

Despite the challenges like global shortage of semiconductors, increased cost of raw materials like steel and aluminium, supply chain disruptions, and market volatility, which impacted the growth of the global tractor industry in 2022, the industry is projected to grow at a healthy CAGR of 6.9% during 2023-2030 and reach US$ 91 billion by 2030. (Source: https://www.verifiedmarketresearch.com/product/tractor-market/) The industry is increasingly focussing on electrification, autonomous features, and customisation to reduce emissions and increase productivity. (Source: https://mobilityforesights.com/product/tractor-market/)

Indian Tractor Industry

Tractor forms the pivot of agricultural mechanisation in India. India manufactures one-third of the tractors in the world. (Source: https://www.globenewswire.com/news-release/2022/02/23/2390704/0/en/India-Tractors-Market-Size-to-Hit-910-8-Thousand-Units-by-2028-India-Manufactures-1-3rd-of-the-Tractors-in-the-World-Arizton.html) The tractor segment achieved the highest ever domestic sales of 9,45,311 units in FY 2022-23 compared to 8,42,266 units sales in FY 2021-22 with 12% Y-o-Y growth. The export volume of tractors in FY 2022-23 stood at 1,24,542 units. (Source: Tractor & Mechanisation Association (TMA) https://www.tmaindia.in/consolidated-monthly-reports-2023.php) The growth of the Indian tractor market is aided by the agricultural sector's robust growth rate of 4.6% over the last six years, favourable monsoon, increasing farm mechanisation trend, better finance availability, and the government's



focus on increasing agricultural productivity with initiatives such as the PM Kisan Tractor Scheme which provides up to 50% subsidy on buying tractors, Kisan Credit Card, and Sub Mission on Agricultural Mechanisation (SMAM). (Source: Ministry of Finance https://pib.gov.in/PressReleasePage.aspx?PRID=1894900) (https://www.verifiedmarketresearch.com/product/tractor-market/)

The tractor market in India is dominated by mid-range HP two-wheel drive (2WD) tractors. Tractors with less than 40 HP engine power and 2WD tractors have gained popularity amongst farmers with marginal land holdings with low haulage requirements. (Source: https://www.factmr.com/report/agricultural-tractors-market) Despite strong growth in recent years, the penetration of tractors is relatively low, especially in southern and western regions of India due to limited awareness among the farming community about the latest innovations in agricultural equipment and tractors. (Source: https://www.imarcgroup.com/farm-agricultural-equipments-industry-india) (https://www.globenewswire.com/news-release/2023/01/16/2589268/28124/en/Agricultural-Machinery-Market-in-India-to-2027-Improved-Awareness-Among-Farmers-About-Farm-Mechanization-Innovation-and-Lack-of-Manual-Labor-Drive-Growth.html#:~:text=India%20is%20the.) The northern region of India has adopted mechanisation earlier and the tractor market in the region is moving towards saturation. The southern region is anticipated to experience a huge requirement for agricultural tractors which will create opportunities for the tractor industry over the long term. (Source: https://khetigaadi.com/blog/the-rise-of-the-tractor-industry-in-india/)

The Indian tractor market size is expected to grow at a CAGR of 4-5% during 2022-2027. (Source: https://www.globenewswire.com/news-release/2022/02/23/2390704/0/en/India-Tractors-Market-Size-to-Hit-910-8-Thousand-Units-by-2028-India-Manufactures-1-3rd-of-the-Tractors-in-the-World-Arizton.html) Rising technological advancements, growing demand for food products and increasing labour costs in the country will be beneficial in driving the growth of the Indian tractor market.

Key growth drivers for the Indian Tractor Industry:

- Allocation of ₹ 1.25 trillion for the Ministry of Agriculture and Farmers' Welfare in the Union Budget FY 2023-24. (Source: https://prsindia.org/budgets/parliament/demand-for-grants-2023-24-analysis-agriculture-and-farmers-welfare#:~:text=%5B1%5D%20This%20note%20examines%20the,issues%20in%20the%20agriculture%20sector.&text=The%20Ministry%20has%20been%20allocated,revised%20est.)
- Increase in the agriculture credit flow target to ₹ 20 trillion in FY 2023-24 from ₹ 18 trillion in FY 2022-23. (Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1896462)
- Augmented financial support to farmers through loans with low-interest rates and subsidies.
- Increased expenditure on infrastructure and construction activities leading to high demand for tractors.
- The emergence of contract farming and increasing adoption of precision farming. (Source:https://www.alliedmarketresearch.com/india-tractor-market-A14232) (https://www.globenewswire.com/news-release/2022/02/23/2390704/0/en/India-Tractors-Market-Size-to-Hit-910-8-Thousand-Units-by-2028-India-Manufactures-1-3rd-of-the-Tractors-in-the-World-Arizton.html)

Construction Equipment Industry

Global Construction Equipment Industry

The construction equipment (CE) industry is broadly classified into four segments based on the application, viz. earth moving equipment, material handling equipment, construction equipment, and construction vehicles. (Source:https://www.lceted.com/2021/05/types-of-construction-equipment.html) The global construction equipment market size reached US$ 182 billion in 2022. Demand for construction equipment is expected to grow at a CAGR of 5.2% during 2023-2028 and cross US$ 245.2 billion by 2028. (Source: https://www.imarcgroup.com/construction-equipment-market#:~:text=The%20global%20construction%20equipment%20market%20was,US%24%20182.0%20Billion%20in%202022.) Growth will be driven by factors such as growing construction and infrastructure development, increasing number of public-private partnerships (PPP), growing trend of construction equipment rentals, and the rising integration of automation technologies in tracking equipment productivity.

The U.S. construction equipment market size is projected to reach US$ 40 billion in 2030 from US$ 33 billion in 2022, growing at a CAGR of 2.4%. (Source: https://www.globenewswire.com/en/news-release/2023/02/27/2616389/0/en/U-S-Construction-Equipment-Market-to-Hit-40B-Driven-by-New-Infrastructure-Projects.html) The Asia Pacific region is recognised as the largest construction equipment market in the world in 2022, which is projected to grow from US$ 45.56 billion in 2022 to US$ 85.83 billion by 2028, at a CAGR of 11.01%. (Source: https://www.researchandmarkets.com/reports/5668403/asia-pacific-construction-equipment-market) China, India and Japan account for the major market share in the industry. Growth in Asia Pacific is led by increasing infrastructure development, economic growth, and rapid industrialisation. (Source: https://www.globenewswire.com/en/news-release/2023/01/18/2590572/0/en/Construction-Equipment-Market-Size-to-Hit-223-1-billion-by-2027-Exclusive-Report-by-MarketsandMarkets.html)



Indian Construction Equipment Industry

The Indian construction equipment industry, the third largest in the world, is capitalising on rapid infrastructure development in the country. According to Indian Construction Equipment Manufacturers Association (ICEMA), the Indian construction equipment industry recorded strong Y-o-Y sales growth of 26% in FY 2022-23. Total equipment sales crossed the 1 lakh mark for the first time to touch 1,07,779 units in FY 2022-23. The growth has been powered by 29% rise in domestic sales and 3% growth in exports. All equipment segments showed significant growth during the year except Road Construction Equipment, which registered de-growth of 3%. (Source: ICEMA https://constrofacilitator.com/wp-content/uploads/2023/04/ICEMA-Annual-Industry-Report-FY22-23.pdf)

The government's increased allocation of ₹ 10 lakh crore for infrastructure development, ₹ 2.70 lakh crore for construction of highways, 100% FDI in the construction sector, growth in the real estate sector, expansion of railways and metro projects, industrial development, and capacity expansion are all fuelling the growth of construction equipment market in India. (Source: https://prsindia.org/budgets/parliament/demand-for-grants-2023-24-analysis-road-transport-and-highways)(https://www.investindia.gov.in/sector/construction#:~:text=100%25%20Foreign%20direct%20investment%20in,shopping%20complexes%2C%20and%20business%20constructions.)

The National Infrastructure Pipeline (NIP) initiative is expanded to 9,335 projects with an estimated capital expenditure of ₹ 111 lakh crore during FY 2020-25. (Source: National Infrastructure Pipeline: Report of the Task Force https://dea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20%28NIP%29%20-%20volume-i_1.pdf) Further, the PM Gati Shakti Master Plan will integrate roads, railways, aviation, urban, and logistics infrastructure for providing multi-modal connectivity. Under the BharatMala Pariyojana, the government aims to construct 65,000 km of national and economic corridors, border and coastal roads, and expressways to optimise the efficiency of already built highway infrastructure. (Source: https://economictimes.indiatimes.com/news/economy/infrastructure/65000-km-highways-to-be-constructed-by-2022-nitin-gadkari/articleshow/67882612.cms?from=mdr) The Ministry of Road Transport and Highways (MoRTH) has set a target to award 12,000 km and construct 12,500 km of national highway construction in FY 2023-24. (Source: https://economictimes.indiatimes.com/news/economy/infrastructure/road-ministry-to-construct-12500-km-of-highways-in-fy24-official/articleshow/99617198.cms?from=mdr) Further, 66% increase in the Pradhan Mantri Awas Yojana (PMAY) outlay to ₹ 79,000 crores and the push for creating urban infrastructure in Tier 2 and Tier 3 cities through Urban Infrastructure Development Fund (UIDF) of ₹ 10,000 crores per annum in the Union Budget FY 2023-24 will boost the real estate sector and directly benefit the construction equipment industry. (Source: https://www.ibef.org/industry/real-estate-india) (Ministry of Housing & Urban Affairs https://www.pib.gov.in/PressReleasePage.aspx?PRID=1914187) These initiatives augur well for the growth of infrastructure and construction sectors and uplift the demand for construction equipment.

The key challenges faced by the Indian construction equipment industry in FY 2022-23 were the supply chain disruptions and the increase in prices of raw materials, such as steel. (Source: https://equipmenttimes.in/india-has-the-potential-to-become-a-global-hub-for-manufacturing-and-exports-of-construction-equipment/) Despite the challenges, the outlook for the construction equipment sector is expected to remain robust on the back of healthy domestic demand spurred by the acceleration of construction projects and technological advancements like Internet of Things (IoT), automation, etc. Further, the government's initiative 'Make in India' should help the construction equipment industry realise its ''Vision 2030" and make India a global hub for manufacturing and exports of construction equipment.

Automobile Industry

Global Automobile Industry

The global automotive market was valued at US$ 2.9 trillion in 2022. (Source: https://www.azom.com/article.aspx?ArticleID=22236) Motor vehicle production increased by 6% to reach 85.01 million in 2022. The share of passenger vehicles was 72.4% and the rest was contributed by commercial vehicles. Among the top 5 producers of motor vehicles in the world in 2022, China is the largest producer, followed by USA, Japan, and India. India recorded a massive growth of 24%, whereas South Korea continues to hold the fifth position by overtaking Germany with 9% production growth. (Source: https://www.oica.net/category/production-statistics/2022-statistics/) The global two-wheeler market size reached US$ 121.5 billion in 2022. (Source: https://www.imarcgroup.com/two-wheeler-market)

The global automotive industry faced severe challenges in 2022 including inflation, supply chain disruptions, energy crisis, and shortage of magnesium and semiconductors. However, the supply of semiconductors is expected to gradually stabilise in 2023. (Source: https://www.power-and-beyond.com/global-chip-shortage-2023--updates-in-january-a-00863ee5d3be4a7427b807979b52a1e2/) Despite the headwinds in the macroeconomic environment, the outlook is positive for the global automotive industry, backed by consistent production volumes, delayed order backlogs, and low cancellation rates. The global automotive market is projected to reach 122.83 million units by 2030. (Source: https://www.researchandmarkets.com/reports/5447681/global-automotive-market-growth-and-forecast) The industry will benefit from the gradual economic recovery, easement in semiconductor shortage and supply chain pressures, moderation in inflation, improved consumer demand, and development of new technologies. (Source: 2023 Global Automotive Outlook- DBRS Morningstar Report https://www.dbrsmorningstar.com/research/409158/2023-global-automotive-outlook-market-headwinds-likely-to-soften-industry-earnings-from-current-solid-levels)

One of the most significant global trends in the automotive industry is the increasing adoption of electric vehicles (EVs) and hybrid models, resulting in the growing need for EV infrastructure to support the EV demand. (Source: Economist Intelligence EIU Automotive in 2023 Report) According to Goldman Sachs Research, EVs will account for about half of new car sales worldwide by 2035. EV sales will rise to about 73 million units in 2040. (Source: https://www.goldmansachs.com/insights/pages/electric-vehicles-are-forecast-to-be-half-of-global-car-sales-by-2035.html)

One of the most significant global trends in the automotive industry is the increasing adoption of electric vehicles (EVs) and hybrid models.

Indian Automobile Industry

India is the fourth largest producer of motor vehicles in the world and a prominent exporter of automobiles. (Source: https://www.ibef.org/blogs/automobile-exports-of-india#:~:text=India%20is%20a%20major%20exporter,commercial%20vehicles%20and%20passenger%20cars.) India surpassed Japan to become the third-largest automotive market in the world. (Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1894918)(https://www.businesstoday.in/auto/story/india-surpasses-japan-to-become-worlds-3rd-largest-auto-market-report-359351-2023-01-08)

The Indian automobile industry has been growing over the years on the back of the availability of skilled and cheaper labour, robust R&D, and manufacturing competencies of the country. The industry attracted Foreign Direct Investment (FDI) equity inflow of US$ 33.53 billion (accounting for 5.54% of the total equity FDI) between April 2000-June 2022. (Source: IBEF https://www.ibef.org/industry/automobiles-presentation)

The industry has shown continued resilience in FY 2022-23 and is benefiting from new tailwinds, such as global supply rebalancing, strong domestic demand, and the government's strong push for domestic manufacturing. According to the Society of Indian Automobile Manufacturers (SIAM), the total automobile production increased to 25.93 million units in FY 2022-23 from 23.04 million units in FY 2021-22. The domestic sales for FY 2022-23 were 21.20 million units. The Passenger Vehicles (PV) and Commercial Vehicles (CV) segments have recorded robust growth in volumes during FY 2022-23. (Source: https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=9)

Automobile Production Trend

(In Nos.)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	40,20,267	40,28,471	34,24,564	30,62,280	36,50,698	45,78,639
Commercial Vehicles	8,95,448	11,12,405	7,56,725	6,24,939	8,05,527	10,35,626
Three-Wheelers	10,22,181	12,68,833	11,32,982	6,14,613	7,58,669	8,55,696
Two-Wheelers	2,31,54,838	2,44,99,777	2,10,32,927	1,83,49,941	1,78,21,111	1,94,59,009
Quadricycles	1,713	5,388	6,095	3,836	4,061	2,897
Grand Total	**2,90,94,447**	**3,09,14,874**	**2,63,53,293**	**2,26,55,609**	**2,30,40,066**	**2,59,31,867**

(Source: Society of Indian Automobile Manufacturers)
(https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=13)

Automobile Domestic Sales Trend

(In Nos.)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	32,88,581	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114
Commercial Vehicles	8,56,916	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468
Three-Wheelers	6,35,698	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768
Two-Wheelers	2,02,00,117	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087
Quadricycles	0	627	942	-12	124	725
Grand Total	**2,49,81,312**	**2,62,66,179**	**2,15,45,551**	**1,86,20,233**	**1,76,17,606**	**2,12,04,162**

(Source: Society of Indian Automobile Manufacturers) (https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=14)

The growth momentum of the Indian automotive industry is expected to continue in 2023 despite the constraints such as high input costs, soaring fuel prices, higher interest rates, and inflation, leading to escalating prices of vehicles. However, factors such as sales of automobiles on digital platforms, wide availability of credit and financing options, population growth, integration of wireless technology in cars, and popularity of electric vehicles (EV) will spur the growth of the automotive industry.

The government has been taking proactive measures, including the 'Make in India', Production Linked Incentive (PLI) scheme, Foreign Trade Policy (FTP), and schemes such as Advance Authorisation, Export Promotion Capital Goods Scheme, etc. to boost manufacturing and export of automobiles. (Source: https://pib.gov.in/PressReleseDetail.aspx?PRID=1881487) The government has also extended the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME-II) scheme till 2024. (Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1883045) The FAME scheme was launched in 2015 under the National Electric Mobility Mission to encourage electric and hybrid vehicle purchases by providing financial support. The second phase (FAME II) is a 3-year subsidy programme, which aims at supporting the electrification of public and shared transportation: 7,000 e-Buses, 5 lakh e-3 Wheelers, 55,000 e-4 Wheeler Passenger Cars (including Strong Hybrid) and 10 lakh e-2 Wheelers. The programme also finances charging infrastructures. (Source: https://fame2.heavyindustries.gov.in/content/english/1_1_AboutUs.aspx)(https://www.iea.org/policies/12517-faster-adoption-and-manufacturing-of-hybrid-and-electric-vehicles-fame-scheme-phase-i-ii)

Increased spending on infrastructure including road construction and higher demand for logistics especially from the e-commerce sector will also create lucrative opportunities for the automobile industry.

Company Review

Bharat Gears Limited (BGL) is one of the world leaders in Gear technology and one of India's largest gear manufacturers. We, at BGL, bring to you the finest in gear and transmission technology. Our delivery expands to nations across Europe, the USA, Mexico, Brazil, and Asia.

BGL is a major global supplier of automotive gears. The Company manufactures a wide range of Ring Gears and Pinions, Transmission Gears and Shafts, Differential Gears, sub-assemblies covering automotive, agriculture, construction, utilities and EV, etc.

Our modern manufacturing facilities are located at Mumbra near Mumbai (Bombay), Faridabad near Delhi, the capital of India, and Lonand near Pune.

In its relentless efforts to meet and exceed the needs and demands of its customers, BGL has made rapid progress in the international market. Leading OEMs like John Deere, Eaton, Carraro, Escorts Kubota, Dana, CNH, JCB, Toyota, Parker, M&M, and several others source their complex gear requirements from Bharat Gears.

BGL has strong technology and human resource base to meet the exacting standards of the most demanding customers in the world. The Company has a vast product portfolio which is categorised into three Business Divisions as mentioned below:

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, and Sub-assemblies primarily for automotive application. BGL supplies gears to major OEMs in India and abroad for various automobile segments such as heavy, medium, and light trucks, tractors, utility vehicles, construction equipment, and off-highway vehicles.

- **Automotive Components**

  The Company offers a wide array of automotive components besides gears, including Automotive Clutch and Components, Turbo Chargers and Components, Driveline Products, Axle Shafts, Fly Wheel Assemblies and Rings, Propeller Shaft Components, U-J Cross, Steering Components, Differential Cages, Steel Wheel Rims, etc.

- **Heat- Treating Furnaces**

  The Company's Furnace division manufactures reliable batch and continuous heat-treating furnaces to the designs of AFC- HOLCROFT, USA. These furnaces are equipped with end-to-end capabilities, operator-friendly design, and hassle-free and economical maintenance in Indian conditions.

Industry Segments

The Company caters to diverse industries which can be broadly categorised into four segments:

- **Agricultural Machinery:** Agriculture machinery is the key revenue driver for the Company and tractor is the primary product segment.
- **Automotive:** The Company provides engineering goods for medium and heavy commercial vehicles such as heavy, medium, and light trucks, utility vehicles, and off-highway vehicles.
- **Construction Equipment:** The Company caters to various sectors with its product lines including earth-moving equipment, material handling equipment, and road construction equipment.
- **Others:** The Company's products are used in various applications in other sectors with engineering goods requirements such as windmills, oil drilling, hydraulics, cooling towers, material handling systems etc.

Business (Plants) Operations

The Company has three manufacturing facilities, located at Mumbra and Lonand in Maharashtra and Faridabad in Haryana. All the plants have the IATF certification, a hallmark of quality and efficiency. The Faridabad and Lonand plants have ISO 14001:2015 and ISO 45001:2018 certifications. The Mumbra plant produces bevel, transmission and differential gears, the Lonand plant manufactures transmission gears and the Faridabad Plant manufactures Bevel and Transmission gears. BGL consistently invests in upgrading its manufacturing plants with the latest technology.

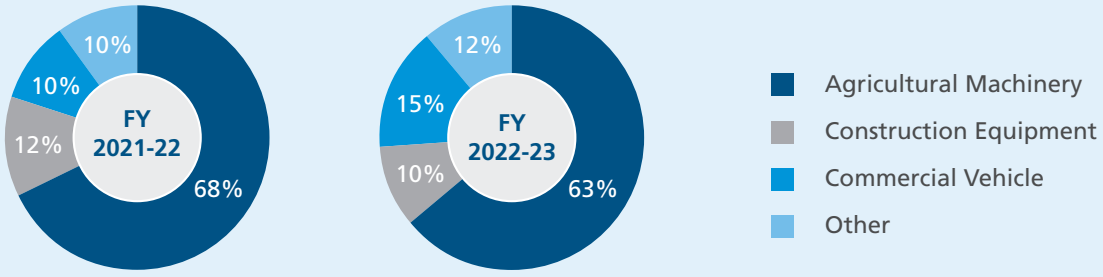
The Company has built a strong brand reputation in the international market for its high-quality products, technological advancements and superior customer service. The Company adheres to the best safety standards in its plants and has an impressive record of the safest operating conditions in the industry. It also integrates industry best practices such as Kaizen, Total Quality Management (TQM), 5S System, autonomous maintenance, visual management, and other measures across all the plants.

Key Focus Areas

- **Production and Efficiency Enhancement:**

  The Company has successfully maintained its market leadership with its persistent and continuous efforts to increase productivity and efficiency. The Company strives to maintain optimum quality and enhance productivity by improving cycle times and eliminating waste by removing redundancy in labour and material movement, using improved and faster machines, upgrading existing machines with new technology, automation, addition or reassignment of labour, and other measures. The Company's asset management practices have optimised preventive and corrective maintenance processes to achieve top efficiency and productivity from its machines. In FY 2022-23, the Company successfully improved production and efficiency across all its plants.

Revenue Break-up Graph



The Company successfully implemented multi-machine layouts in the gear-cutting section and the grinding section. In the Mumbra Plant, cycle time is reduced on hobbing machines by increasing hob RPM and in spline shaping operations by changing cutting parameters. In the Bevel segment, the face grinding operation is removed for selected pinion parts. HT loading quantity is enhanced by introducing a new grid for selected parts. Loading quantity per tray is increased by loading an extra grid.

In Lonand Plant, productivity improvement has been achieved by adopting cluster cycles, reducing hobbing stock, and using carbide fixtures, resulting in better throughput in finishing operation. Gear grinding fixtures were replaced with collate type or hydraulic fixtures to achieve higher cutting speed and feed. The gear grinding capacity has been further boosted by increasing cutting velocity. A hydraulic-operated de-burring system is installed on shaping machines. This resulted in the elimination of manual de-burring operations after shaping and improving throughput and reduced handling, manpower, and rejection. Further, a rack system is introduced in Finish Goods store for effective use of vertical space.

In Faridabad Plant, the Company eliminated pinion top face grinding process. Tooling coating was modified which improved productivity in cutting and parts shifted from manual loading to autoloading. Further, set-up time in the hobbing process is reduced by introducing multi-gear cutting (twin hobs).

- **Quality Enhancement:**

  The Company is focussed on quality enhancement for long-term success through customer satisfaction. Each employee in BGL values 'Quality' and participates in improving processes, products, services, and the culture. The Company implements various quality methodologies. The methodologies that showed impressive results during the reported financial year are shared below.

  In Mumbra Plant, partial reconditioning of machines like Broaching and CNC Hard turning was undertaken for the elimination of various quality issues. Both Vertical and Horizontal Welding machines were modified to improve the welding quality. New versions of PLCs and new Power sources on the machines were replaced. The Company also started using water-based solutions for better cleaning operations.

  In Lonand Plant, multi-gauging checking units have been installed to bring a substantial improvement in the quality level and rationalise the cost of quality. Measures are undertaken to strengthen Tier-2 suppliers near the plant to ramp up production in a fast space. The Plant continued its track record of a "Zero defect" culture and "Zero customer complaints" for a key customer. In Faridabad Plant, auto gauging with auto-correction was introduced at the hard turning machine to minimise the defect and rework due to human error. Further, material handling was improved in the Plants by introducing Clip-Lok boxes with VFC-type separators to reduce in-house rejections/rework due to dents and damages.

- **Energy Conservation:**

  BGL is fully committed to achieving its sustainability goals. The key element of its sustainable manufacturing is the conservation of energy by reducing the energy intensity of the manufacturing process and infrastructure. Its plants undertake various initiatives, including periodical audits for better energy performance and energy-efficient operations.

  In Mumbra Plant, conventional lights were replaced with LED lights for electricity cost saving and better lux level. Automatic power factor panels (APFC) made in-house were installed in LT Room to control the power factor effectively. All the transparent roof sheets in Mumbra and Lonand Plant were cleaned to increase the natural light on the shop floor to save power. The power factor is maintained to unity throughout the year.

  In Lonand Plant, old HPMV Lamps were replaced with LED lights for better Lux levels and energy consumption savings. Ducts of the HVAC system on the shop floor were provided with an extension chute to increase fresh air flow toward the operating area. Emissive coating was applied on two batch-type furnaces resulting in savings in LPG consumption. Agitator RPM during idle conditions was reduced to 50 RPM from 100 RPM to achieve power saving. Further, for all sleeve-type components preheating and tempering timing was reduced by 30 minutes which resulted in power saving.

  In Faridabad Plant, the common combustion blower for 7 GPC furnaces was reduced from 7 to 4 nos. PLC programmes were modified in all GPC furnaces to run the Agitator during the quenching cycle only. Emissive coating was applied on two batch-type furnaces resulting in savings in LPG consumption.

- **Safety Management:**

  The Company has incorporated the best safety measures across various stages of operations in all the manufacturing facilities. Its plants are well equipped with safety parameters in the systems and processes. The use of hazardous materials such as kerosene, asbestos, etc. are barred in the plants, and personnel are provided with protective gear and uniforms to prevent any kind of health hazards. Some of the safety measures are creating awareness among the employees, checking compatibility with '5S System' at the time of machine selection, and following Kaizen to ensure a conducive and safe

work environment at the shop floor level through Cleanliness, Lubrication, Inspection, and Tighten (CLIT) activity. Safety committee meetings and safety audits were conducted monthly. Fire drills and mock drills were also organised quarterly. Trainings related to firefighting, first aid basics, and related topics were organised on a monthly basis. An emergency preparedness plan is in place and updated on a set frequency. Top management commitment in EHS MRMs and internal/external audits further ensures safety in systems.

Support Systems

The Company uses robust IT systems including a tailor-made Enterprise Resource Planning (ERP) to efficiently manage its core and support business processes. It also extensively uses IT in the engineering and manufacturing processes for product improvement, knowledge management, building customer relations for reporting purposes, and problem resolution.

The Company's skilled Human Resource team helps in assessing and supporting the manpower engaged in manufacturing processes. It ensures the timely, adequate, and optimal availability of a skilled workforce to achieve the Company's business goals of industry leadership, process efficiency, product quality, and customer satisfaction. The HR policy of the Company is well-designed and promotes competitiveness, work-life balance, and harmonious work culture. The HR team also conducts regular training and engagement programmes for the enhancement of skills and capabilities of its employees. As on 31 March, 2023, the Company's permanent workforce was 1,192.

Financial Highlights

(Value in ₹ Crores)

Particulars	FY 2022-23	FY 2021-22	Variance (%)
Operating Revenue	766.37	729.44	5.06%
Other Income	8.76	3.53	148.16%
EBITDA	54.75	69.29	-20.98%
Interest	17.08	18.43	7.33%
Cash Profit	37.67	50.86	-25.93%
Depreciation	20.07	20.39	1.56%
Exceptional Items	-	3.60	-
Profit/(Loss) Before Tax	17.60	34.07	-48.34%
Tax	(4.11)	(8.23)	50.06%
Net Profit/(Loss)	13.49	25.84	47.79%

Key Financial Ratios

Particulars	FY 2022-23	FY 2021-22	Variance (%)
Debtors Turnover Ratio	6.25	5.06	-23.52%
Inventory Turnover Ratio	7.67	8.06	4.84%
Interest Coverage Ratio	2.03	2.65	-23.40%
Current Ratio	1.44	1.33	8.27%
Debt Equity Ratio	0.85	0.93	8.60%
Operating Margin (%)	4.47%	6.67%	-32.98%
Net Profit Margin (%)	1.74%	3.53%	-50.71%
Return on Net Worth (%)	11.99%	23.88%	-49.79%



Key Explanations for the Variance

Riding on robust demand from customers during the first nine months of the year, the Company was able to clock revenue growth of 5.06%. However, profit margins for the year were affected mainly because of volatility in steel prices, a steep rise in power and fuel costs, and major repairs work at Mumbra Plant. This resulted in a drop in ratios related to profitability (i.e., interest coverage, operating profit margin, net profit margin, and return on net worth). A better working capital position has resulted in an improvement of the current ratio and debt-equity ratio.

Key Operational Highlights

- The Company targeted new customers to diversify its concentration within top customers.
- It added new customers in Hydraulics and Windmill segments.
- It is targeting automotive and Industrial segments and the new ring gear business.
- It has added new business of Epicyclic Ring gears and undertaken technology upgradation (Power skiving).
- The Company identified EBW (Electro Beam Welding) opportunities for future growth.
- It identified projects/customers for technology upgradation of differential gear cutting systems.
- Various operations initiatives like the implementation of new coating for blades, installation of solar project, improvement in furnace conditions, etc. have been implemented/are under implementation.

Outlook

The outlook for the Company is positive for the coming years. Various initiatives by the government to boost infrastructure development and growth of automotive and manufacturing sectors in the country will support the growth of the Company. As the Company's business is concentrated in capital goods sectors, its performance may be affected by the global economic slowdown, geopolitical instability, inflation, and higher price of raw materials. However, industries across the world will benefit from high order backlogs, a gradual easing of supply chain pressures, and margin tailwinds from recent price increases in 2023. Further, the global food crisis and soaring food prices triggered by the Russia-Ukraine war have led other countries to increase their agricultural production, which would potentially result in increased demand for exports of tractors and gears for agricultural equipment. This is expected to benefit the export business of the Company.

Going forward, the Company will adopt a conservative approach while aiming to grow by focussing on new products like industrial gears, hydraulics, and ring gears as major contributors to growth in volumes. The Company will focus on optimising operating costs and optimising debt levels. It will continue to focus on its strategic objectives such as diversification to EV, commercial, and construction sectors and reducing dependency on the agriculture sector. With inflation moderation and gradual improvement in order inflow, the Company is optimistic about expansion in client base, new orders, and improvement in profitability.

Risks and Concerns

The Company has a structured risk management framework for the timely and effective identification, assessment, and mitigation of key business and operational risks. The Board of Directors and Executive Management of the Company prioritise the key risks based on severity and probability, prepare a mitigation framework and formulate robust mitigation strategies. The key risks and their corresponding mitigation measures are depicted below:

Technology Risk:

There is a constant requirement for technology upgradation to enhance efficiency, especially for suppliers to OEMs in the automotive segments. Failure to use the latest and sustainable technologies to cater to the changing requirements of the global market may lead to loss of business.

Mitigation: The Company gives utmost importance to technology and proactively invests in modern and sustainable technologies to maintain product quality and strengthen its product portfolio. It also engages in research and development in emerging technologies, applications, and market trends for improving manufacturing processes, quality, and upgradation of its products.

Strategic Risk:

Maintaining a reasonable growth trajectory (company turnover) is a priority. There is a risk of not maintaining the company growth path due to various reasons like unavailability of product range, cost, shrinking market size, technology obsolescence, and time to market being too high.

Mitigation: The Company reviews the status of the new business vis-à-vis budget plan. The Company also explores the new business based on the segmental markets and reviews the customer exposure on a periodic basis. The Company also targets the growth plan by long-term projections derived based on market/segmental analysis. The Company also looks for alternate technology business to tackle / counter aggressive competition.

Raw Material Risk:

The volatility in prices of raw materials such as alloy steel etc. increases the input cost which adversely impacts the Company's profitability and ability to deliver finished products within time, cost, and quality parameters.

Mitigation: The Company monitors price fluctuations and follows key mitigation measures such as vendor relationship management, inventory management, and responsive procurement policy to ensure timely procurement of raw materials at competitive prices. The Company also engages in contracts with clients and tries to pass on variations in the prices of raw materials to them to protect margins.

Financial Risk:

The Company is exposed to foreign exchange volatility, increased interest rates, credit availability, and liquidity due to its international operations. These factors may impact the Company's margins and profitability. Further, unforeseen cases of inventory write-off due to poor protection/obsolescence may lead to loss of reputation as well as financial loss.

Mitigation: The Company monitors exchange rate fluctuations and follows a hedging policy to minimise the impact of adverse currency fluctuation. Its robust credit policies, collection mechanisms, and multiple matured banking relationships help to mitigate liquidity and credit availability risks. The Company regularly reviews inventory targets and policies for slow and non-moving inventory. Proper storage areas have been created to improve material storage and have a proper material handling system.

Supply Chain Risk:

The Russia-Ukraine war has adversely impacted the global supply chain network. Since the Company depends on the supply chain for exporting final products and importing toolings/spares, any kind of disruptions in the supply chain may hinder the production and delivery of finished products.

Mitigation: The Company has strengthened its supply chain network and developed strong relationships with suppliers and vendors for smooth operations, dual source has been developed wherever feasible.

Regulatory Risk:

Changes in policies or regulations of technical standards pertaining to the Company's or its clients' products or processes are likely to impact the demand for the Company's products. Moreover, the government's regulatory and trade policies, for instance, stringent vehicle safety and emission norms in the automobile sector will impact the business of the Company.

Mitigation: The Company's compliance team has deployed compliance tool through which they actively monitor upcoming regulatory or policy changes and recommends the necessary modifications to comply with the new regulations. The Company evaluates the recommendations and makes necessary changes in its operations.

Product Quality Risk:

The Company's products are used in many critical industrial and commercial applications where breakdown can cause enormous loss. Hence, it is necessary that these products meet stringent compliance norms and quality and technical standards set by the OEMs or regulatory bodies. Any negligence from the Company in maintaining these standards may result in loss of business and damage its reputation.

Mitigation: The Company consistently invests in the upgradation of its manufacturing facilities and the development of employee skills to maintain the standards of precision, quality, and productivity. Apart from the quality control tests done by the Inspection and Quality Assurance team, the Company takes regular feedback from clients on product quality. It also undertakes product liability insurance to safeguard the Company from financial losses.

Natural Calamities & Crisis Risk:

The Company is susceptible to natural calamities and global or national crises such as pandemics, earthquakes, geopolitical instability, wars, etc. which may cause operational disruption, shutdown or production cuts, project delays, supply chain hurdles, and increased construction costs.

Mitigation: The Company prioritises the safety of its stakeholder community and ensures business survival during unpredictable crises. It focusses on adopting strategies such as deferring capex, liquidity management, setting up alternate supply and manufacturing options, and cutting costs to revive business fortunes during such circumstances.

People Risk:

Excess manpower may lead to IR troubles, gross margin erosion, lead to lower productivity norms, and adverse effects on other support systems. If the talent required for critical business roles is missing, it may affect the growth potential of the organisation. Also, the Company may face major challenges if the leadership team (and their succession planning) is not adequate.

Mitigation: The Company undertakes Benchmark studies across all the plants for adopting best practices and optimise manpower deployment. Improving the health of machines to get better productivity and adopting a lean layout also help in this regard. Further, the Company has a process of identifying critical positions for which succession planning is required.

Internal Control Systems & Their Adequacy

The Company maintains an efficient internal control framework and all the key elements such as Audit, Corporate Governance, MIS & IT Systems, and Management and Budgetary Reviews are well documented with clearly defined roles, responsibilities, procedures and resource allocation. The internal control framework is responsible for safeguarding of assets, detecting and preventing frauds/losses, ensuring precision in reporting of operational and financial statements, addressing the evolving risks in the business, sustaining productivity, and ensuring compliance with the applicable laws, regulations, and governance standards.

The internal control systems are periodically reviewed to ensure their alignment with the industry's best practices and immediate correction of shortcomings. The Company's internal auditors present the key observations and recommendations to the Audit Committee of the Board, which monitors and evaluates the periodic audits of business functions, approves the performance of internal audit functions, and initiates corrective actions.

Cautionary Statement

The Management Discussion and Analysis may contain some statements describing the Company's objectives, projections, estimates, and expectations which may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those either expressed or implied in the Statement depending on the factors that could affect the Company's operations such as a downtrend in the gears industry globally or domestically or both due to changes in political and economic developments in India and overseas, supply and price movements in the domestic and overseas markets, government policies and regulations, tax laws, litigation, labour relations, exchange rate fluctuations, interest, and other costs, etc. The Company assumes no responsibility in respect of forward-looking statements, which may be amended or modified in the future.

Board's Report

(SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

The Directors are pleased to present the 51st Annual Report and the Audited Financial Statements for the year ended 31 March, 2023.

(₹/Crores)

Financial Results	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from operations and other income (gross)	775.12	732.97
Profit before finance costs and depreciation and amortisation expense	54.75	69.29
Finance costs	17.08	18.43
Depreciation and amortisation expense	20.07	20.39
Profit before exceptional items and tax	17.60	30.47
Exceptional items	-	3.60
Profit before tax	17.60	34.07
Less: Tax expense	4.11	8.23
Profit after tax	13.49	25.84
Other comprehensive (loss)/income	(1.12)	0.23
Total comprehensive income	12.37	26.07
Statement of other equity		
Opening balance	97.96	64.50
Add: Profit for the year	12.37	26.07
Add: Equity component of Liability	-	(0.98)
Add: Premium on rights issue of equity shares	-	8.37
Less: capitalization of Capital redemption reserve on bonus issue of equity shares	(5.13)	-
Less: Dividend	-	-
Closing balance	**105.20**	**97.96**

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, 2023.

FINANCIAL PERFORMANCE

There was robust demand from OEMs for the first nine months, demand was subdued in Q4. On the back of this robust demand for majority period of the year, the Company was able to achieve revenue from operations of ₹ 766.36 crores in FY 2022-23 against ₹ 729.44 crores in FY 2021-22, resulting into a y-o-y growth of 5%.

Operations for FY23 resulted in an EBITDA of ₹ 54.75 crores vis-à-vis an EBIDTA of ₹ 69.29 crores for FY22. Decrease was largely on account of steep increase in power & fuel cost & major repairs work carried out at Mumbra plant.

The KKR Facility II having an outstanding of ₹ 25 crores was re-financed by way of term loan of ₹ 40 Crores from Tata Capital Financial Services Limited. ₹ 15 crores out of the total sanctioned amount of ₹ 40 crores were utilized for working capital augmentation.

In terms of approval of the Board of Directors at their meeting held on 24 August, 2022, the Company had recommended bonus share issue in the ratio of 1:2 i.e. one equity bonus share for two fully paid-up equity shares. This has subsequently been approved by the Shareholders at their meeting held on 20 September, 2022. The record date was 28 September, 2022. Pursuant to the approval given by its shareholders, the Company has allotted 51,18,353 equity shares of Rs. 10/- each as fully paid bonus equity shares to the eligible shareholders on 03 October, 2022.

INDIAN ACCOUNTING STANDARDS ("IND AS")

The financial statements for the year ended 31 March, 2023 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, 2023 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 the 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 2022-23, 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 ("the Regulations"). 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 2022-23, the members of the Company vide their special resolution(s) passed at the

Annual General Meeting held on 20 September, 2022 approved the:

- 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 51st AGM of the Company in the Calendar year 2023 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.

- Appointment of Mr. Raman Nanda as a Non-Executive Independent Director of the Company 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 in terms of the provisions of Section 149 of the Companies Act, 2013.

Therefore, 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 2024 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 2022-23, 5 (Five) Board Meetings were held on the following dates:-

- 27 May, 2022;
- 22 July, 2022;
- 24 August, 2022;
- 10 November, 2022; and
- 10 February, 2023.

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 25 May, 2023 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 there under 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 2022-23 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-fy22-23.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 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 25 May, 2023 have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on 29 March, 2023 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, Corporate Head (Legal) and Company Secretary

No Key Managerial Personnel (KMP) of the Company has resigned during the financial year ended 31 March, 2023.

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 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 containing particulars of top ten employees in terms of the remuneration drawn and employees drawing remuneration in excess of the limits set out in Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided as part of the Board' Report. However, in terms of the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to all the members of the Company and others entitled thereto, excluding the said statement. Any member interested in obtaining such particulars may write at investor@bglindia.com. The said information is also available for inspection at the Registered Office of the Company during working hours till the date of Annual General Meeting.

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 Policy (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.

The Company was not required to spend any money on CSR activities during the Financial Year 2022-23. However, 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 Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only), as recommended by the CSR Committee in its meeting held on even date.

Subsequently, the Company has spent Rs. 8,91,010/- (Rupees Eight Lakhs Ninety One Thousand Ten Only) in the Financial Year 2022-23 voluntarily on CSR activities in terms of the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 on following CSR activities:

AMOUNT SPENT ON CSR ACTIVITIES IN THE FINANCIAL YEAR 2022-23	
Particulars	**Amount (₹)**
Preventive health camps project in partnership with Medihelp Foundation, a Non Government Organization providing assistance to underprivileged in healthcare, involving provision of health camp(s) for the benefit of community residing in the region of District of Faridabad (Haryana) and other nearby areas	2,10,370.00
Biogas project for conservation of Forest and reduction in Green House Gas Methane (CH4) constructed by Bhagirath Gramvikas Pratishthan, Maharashtra	4,00,000.00
Donation to Ramakrishna Mission Vidyapith, Deoghar, Jharkhand for construction of Staff Quarters	2,00,000.00
Providing 2 Nos. Bullet Proof Jackets to the Local Police for road safety patrolling	80,640.00
TOTAL	**8,91,010.00**

The report on CSR activities with other details in terms of the provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 for the Financial Year 2022-23 is enclosed as **Annexure-"B"** to this report.

Further, a Certificate issued by Mr. Milind Pujari, Chief Financial Officer of the Company certifying that the funds of CSR have been utilized for the purposes and in the manner as recommended by the CSR Committee and approved by the Board is enclosed as **Annexure-"C"** to this report.

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, no unclaimed dividend was required to be transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2022-23, and there were no equity shares liable to be transferred into IEPF during the Financial Year 2022-23.

BONUS ISSUE OF EQUITY SHARES

During the year under review, since the Company was in its 50th year of start of its operations and had done remarkably well during the previous financial year, it was decided to share the benefits to the valuable members of the Company as a token of gratitude.

In purview thereof, the Board of Directors of the Company in its meeting held on 24 August, 2022 approved the issue of Bonus Shares to the members of the Company by way of capitalization of reserves in terms of the applicable provisions of the Articles of Association (AOA) of the

Company, the Companies Act, 2013 and the Regulations, 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 28 September, 2022.

Subsequently, the Finance Committee of Board of Directors of the Company in its meeting held on 03 October, 2022 allotted 51,18,353 (Fifty One Lakhs Eighteen Thousand Three Hundred and Fifty Three) Equity Shares of Rs. 10/- (Rupees Ten) each as fully paid up bonus shares, to the eligible members of the Company.

Under the said allotment, 4,868 (Four Thousand Eight Hundred Sixty Eight) Bonus Shares representing fractional shares, arising out of the issue and allotment of the bonus Equity Shares had been allotted to Link Intime India Private Limited, Registrar and Transfer Agent of the Company who held them in trust for eligible members and sold 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, had been distributed among eligible members who were entitled to such fractions in proportion of their respective fractional entitlements.

AUDITORS

The Statutory Auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) had been appointed as Statutory Auditors of the Company in the 50th Annual General Meeting of the Company held on 20 September, 2022 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 50th AGM to 55th AGM in the calendar year 2027.

REPORT ON FINANCIAL STATEMENTS

The report of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2023 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 2022-23 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, 2023 in the prescribed Form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure -"D"** 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 was 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, 2022 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, 2023 and shall submit their report thereon within the prescribed time limits during the Financial Year 2023-24.

Further, on recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on 24 May, 2023 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, 2024.

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 Deloitte Haskins & Sells LLP, confirming compliance with the conditions of Corporate Governance is attached to this Report.

During the year under review, the Company had received an intimation from the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) advising the Company to pay fine in terms of Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January, 2020 issued by the Securities and Exchange Board of India (SEBI) in respect of the Non-Compliance with the Constitution of Nomination and Remuneration Committee.

Upon being learnt that Chairman of the Company is also being considered while calculating the 2/3rd of the members of the Nomination and Remuneration Committee as Independent Directors and any fraction on the higher side should only be considered and having understood the same, the Nomination and Remuneration Committee had been reconstituted vide circular resolution of the Board of Directors on 12 May, 2022. The requisite fine had also been paid to NSE.

Further, the Company has moved an application for waiver of the fine imposed with necessary justification and clarification for such non-compliance which included difference of interpretation that the Chairman of the Company will not be included in calculation of the Committee constitution of 2/3rd members must be independent director in terms of Regulation 19(1) of the Regulations, the Nomination and Remuneration Committee had been continued to be constituted with 3 (Three) Independent Directors and 2 (Two) Non Independent Directors (including Chairman of the Company) and the Nomination and Remuneration Committee ("NRC") has not acted upon any agenda item or passed any circular resolution before its reconstitution on 12 May, 2022. This proves that NRC has not taken any steps with the inadequate composition of the Committee members which might have affected the NRC approval. Also, the said non-compliance for a certain period had been in existence only due to misinterpretation at our end and we rectified the same immediately upon having clarity.

The decision of the Stock Exchange(s) on the waiver application filed by the Company is awaited. If the said application is considered by the Stock Exchange(s) favourably, the fine paid by the Company to NSE shall be refunded.

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 complaint 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.

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-"E"** 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-2022-23.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: 25 May, 2023
Place: Mumbai

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 2022-23:

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	53.38
2.	Mr. Sameer Kanwar Joint Managing Director	34.35

Other directors have been paid sitting fees 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 2022-23
1.	Mr. Surinder Paul Kanwar Chairman and Managing Director	106%
2.	Mr. Sameer Kanwar Joint Managing Director	34%
3.	Mr. Milind Pujari Chief Financial Officer	12%
4.	Mr. Prashant Khattry Corporate Head (Legal) and Company Secretary	10%

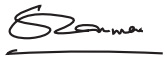
3. Percentage increase in the remuneration of the median employee is 15% in the Financial Year 2022-23.

4. There were 1192 permanent employees on the rolls of the Company as on 31 March, 2023.

5. The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2022-23 was 13% whereas percentage increase in the managerial remuneration was 51% 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: 25 May, 2023
Place Mumbai

Annexure-"B"

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR policy of the Company

   A brief outline of the Company's CSR policy has been provided in the "Building Better and Healthier Communities" section under the Annual Report.

2. Composition of the CSR Committee:-

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Surinder Paul Kanwar	Chairman/Chairman and Managing Director	1	1
2.	Mr. Sameer Kanwar	Member/Joint Managing Director	1	1
3.	Mr. Rakesh Chopra	Member/Non-Executive Independent Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:-

   https://www.bharatgears.com/documents/CSR_Policy_BGL.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:-

   NOT APPLICABLE

5. (a) Average net profit of the Company as per section 135(5) - (₹134.20 lakhs)

   (b) Two percent of average net profit of the Company as per section 135(5) - Nil

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - (₹1.97 lakhs)

   (d) Amount required to be set-off for the financial year, if any - Nil

   (e) Total CSR obligation for the financial year (5b+5c-5d) - (₹1.97 lakhs)

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) - ₹8.91 lakhs

   (b) Amount spent in Administrative overheads - Nil

   (c) Amount spent on Impact Assessment - Nil

   (d) Total amount spent for the Financial Year (6a+6b+6c) - ₹8.91 lakhs

   (e) CSR Amount spent or unspent for the Financial Year - ₹8.91 lakhs

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8,91,010.00	-	-	-	-	-

(f) Excess amount for set off, if any

Sl.No.	Particulars	Amount (in Rs.)
i.	Two percentage of average net profit of the company as per section 135(5)	Nil
ii.	Total amount spent for the Financial Year	8,91,010.00
iii.	Excess amount spent for the Financial Year [ii-i]	8,91,010.00
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	(1,96,833.00)
v.	Amount available for set-off in succeeding Financial Years [iii-iv]	10,87,843.00

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Balance Amount in Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs)	Date of transfer		
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

NO

If Yes, enter the number of Capital assets created/acquired - NOT APPLICABLE

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or assets(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-
-	TOTAL	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:-

NOT APPLICABLE

Surinder Paul Kanwar
Chairman of CSR Committee
DIN: 00033524

Sameer Kanwar
Joint Managing Director
DIN:00033622

Dated: 25 May, 2023
Place: Mumbai

Annexure-"C"

CERTIFICATE AS PER RULE 4 OF THE
COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, AS AMENDED

This is to certify that funds of Rs. 8,91,010/- (Rupees Eight Lakhs Ninety One Thousand Ten Only) so disbursed for Corporate Social Responsibility (CSR) activity for Financial Year 2022-23 has been utilized for the purpose and in the manner as recommended by the CSR Committee in its meeting held on 24 March, 2022 and approved by the Board in its meeting held on even date as per Rule 4 of Companies (CSR) Rules, 2014, as amended and Schedule VII of the Companies Act, 2013.

Details of CSR expenditure are as follows:

Particulars	(₹)
Amount Outlay (Budgeted)	8,91,010.00
Amount spent on the projects	8,91,010.00
Amount unspent	0.00
Excess amount spent	0.00

For **Bharat Gears Limited**

Milind Pujari
Chief Financial Officer

Dated: 25 May, 2023
Place: Mumbai

Annexure-"D"

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2023

[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, 2023 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, Minutes Book, Forms and Returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023 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 Non-Convertible Securities) Regulations, 2021;

(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 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 Non-Convertible Securities) Regulations, 2021;

(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 next Annual General Meeting of the Company. The said appointment was duly approved by the shareholders of the Company in the Annual General Meeting held on 20 September, 2022. The Company has duly filed necessary intimation in this regard with the Stock Exchanges and the Registrar of Companies.

(ii) Appointment of Statutory Auditors

The Board in its meeting held on 27 May, 2022 had appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) as Statutory Auditors of the Company to conduct the statutory audit for a term of five years from the conclusion of 50th (Fiftieth) Annual General Meeting till the conclusion of 55 (Fifty Fifth) Annual General Meeting in the year 2027. The said appointment was recommended by the Audit Committee in its meeting held on 26 May, 2022 and such appointment and remuneration was also approved by the shareholders of the Company in the Annual General Meeting held on 20 September, 2022. The Company has duly filed necessary intimation in this regard with the Stock Exchanges and the Registrar of Companies.

(iii) Re-appointment of Cost Auditors

The Board in its meeting held on 27 May, 2022 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 for the Financial Year 2022-23. The said re-appointment was

recommended by the Audit Committee in its meeting held on 26 May, 2022 and such remuneration was also approved by the shareholders of the Company in the Annual General Meeting held on 20 September, 2022. The Company has duly filed necessary intimation in this regard with the Stock Exchanges and the Registrar of Companies.

(iv) Issue of Bonus Shares

The Board in its meeting held on 24 August, 2022 approved the issue of bonus shares out of the Capital Redemption Reserve Account in proportion of 1:2 equity shares of Rs. 10/- (Rupees Ten Only) each. The said issue was also approved by the shareholders of the Company in the Annual General Meeting held on 20 September, 2022. The Company has duly filed necessary intimation in this regard with the Stock Exchanges and the Registrar of Companies.

(v) Intimation from Stock Exchanges stating Non-Compliance

During the year under review, the Company has received intimation from the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the inappropriate composition of NRC of the Board.

The Company has rectified the composition of the NRC immediately and paid fine to NSE and further moved an application for waiver of said fine along with proper justification as to the reasoning by which the said inappropriate composition of NRC. The NRC has not acted upon with inappropriate composition during the period in question. The decision of the Stock Exchange(s) on the waiver application filed by the Company is awaited.

For TVA & Co. LLP
Company Secretaries



Tanuj Vohra
Partner
M.No.: F5621, C.P. No.: 5253
UDIN: F005621E000380039
PR No - 708/2020

Dated: 25 May, 2023
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-"E"

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, 2023

(A) Conservation of energy:

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

- Replaced old HPMV Lamps with LED for energy conservation. This has not only ensured much better Lux levels, but also lead to savings in energy consumption. All transparent sheets were cleaned after monsoon which resulted in good day light & saving in power. Power factor is maintained to unity throughout the year
- Ducts of HVAC system in shop floor were provided with extension chute so as to increase fresh air flow towards operating area.
- Emissive coating is done on two batch type furnace. LPG consumption of 5 to 6 % is achieved after this coating.
- For all sleeve type components preheating & tempering timing was reduced by 30 minutes which has resulted in power saving.
- Agitator RPM during idle condition was reduced to 50 RPM for 100 RPM thus achieving power saving.
- PLC programs modified in All GPC furnaces to run the Agitator during quenching cycle only which was running continuously earlier.
- APFC panels were organized with in-house manufacturing.

(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.	Hydraulic operated de-burring system is installed on shaping machines. This has resulted in elimination of manual de-burring operation after shaping & also improve throughput, reduce handling, manpower & rejection.		
		2.	Successful implementation of multi-machine layouts in gear cutting section.		
		3.	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, improved throughput 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		-	-	**Klingelnberg CNC – C30 Bevel Gear cutting machine is made operational.**
	b) the year of import		**2020-21**	**2021-22**	**2022-23**
	c) whether the technology been fully absorbed		NO	NO	YES
	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)

	2022-2023	2021-2022
Foreign Exchange earned	29078.27	29166.47
Foreign Exchange used	1460.38	366.37
Net Foreign Exchange earnings	27617.89	28800.10

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 25 May, 2023
Place: Mumbai

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH, 2023

[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 two fold 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 Directors on the Board which includes one Woman Director in compliance of Regulation 17(1) of the Regulations. As on 31 March, 2023, 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 relative-

(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 relative(s) -

(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, 2023, they fulfill the criteria of being "Independent Director" as stipulated under Regulation 16 of the Regulations and Section 149(6) of the Companies Act, 2013 and the rules framed thereunder that they 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. Based on the disclosure received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions of Independence as specified in the Companies Act, 2013 and the regulations. During the Financial Year ended 31 March, 2023, 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	5/5	Present	1	2	-
2.	[C]Mr. Sameer Kanwar	Joint Managing Director - Promoter	5/5	Present	-	1	-
3.	Mr. W.R. Schilha	Non-Executive Independent Director	5/5	Present	-	-	-
4.	[D]Mr. V.K. Pargal	Non-Executive Independent Director	5/5	Present	-	1	-
5.	Mr. N.V. Srinivasan	Non-Executive Non-Independent Director	5/5	Present	-	1	-
6.	Mr. Rakesh Chopra	Non-Executive Independent Director	5/5	Present	1	-	3
7.	Ms. Hiroo Suresh Advani	Non-Executive Independent Director	5/5	Present	-	1	-
8.	Mr. Raman Nanda	Non-Executive Independent Director	5/5	Present	1	-	-

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 isa 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 150 Equity Shares of the Company. No other Non-Executive Independent Director holds any shares and convertible instruments.

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, 2023, 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 20 September, 2022 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 at regular intervals 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 2022-23 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-fy22-23.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 2022-23, 5 (Five) 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:-

- 27 May, 2022;
- 22 July, 2022;
- 24 August,2022;
- 10 November, 2022; and
- 10 February, 2023.

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 of Directors;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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 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, Corporate 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 2022-23, 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:-

- 26 May, 2022;
- 22 July, 2022;
- 09 November, 2022; and
- 09 February, 2023

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 issue or rights issue or preferential issue or qualified institutional placement, 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) 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. In case of a subsidiary company, reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

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

3. Internal Audit Reports relating to internal control weaknesses;

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

5. 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. W.R. Schilha	Member	1/1
4.	Mr. Surinder Paul Kanwar	Member	1/1

During the year, Mr. N.V. Srinivasan ceased to be a member of the Nomination and Remuneration Committee 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 2022-23, 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.	27 May, 2022	Consideration and recommendation of the revision in the sitting fees payable to the Non-Executive Directors of the Company for attending the meetings of the Board and its Committees.
		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.
		Noting of the performance evaluation of the Independent Directors carried on by the Board of Directors and performance evaluation by the Independent Directors in their separate meeting.
		Consideration and recommendation of the remuneration of Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.
		Consideration and recommendation of the payment of remuneration to Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company for a period of 3 (Three) years w.e.f. 01 April, 2022 of his present tenure.
		Consideration and recommendation of 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.
		Consideration and approval of the "Bharat Gears Limited – Employee Stock Option Scheme- 2021" and its administration thereof.

Mr. Prashant Khattry, Corporate 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 25 May, 2023 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 2022-23, a separate meeting of the Independent Directors of the Company was held on 29 March, 2023 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 2022-23

Table-7

(₹ In Lakhs)

Name of Director	Sitting Fees#		Salaries and Perquisites		Total
	Board Meetings	Committee Meetings			
NON-EXECUTIVE DIRECTORS					
Mr. V.K. Pargal	2.50	2.30	Nil		4.80
Mr. W.R. Schilha	2.50	0.15	Nil		2.65
Mr. Rakesh Chopra	2.50	2.70	Nil		5.20
Mr. N.V. Srinivasan	2.50	0.15	Nil		2.65
Ms. Hiroo Suresh Advani	2.50	2.00	Nil		4.50
Mr. Raman Nanda	2.50	0.00	Nil		2.50
				Sub-Total (A)	**22.30**
EXECUTIVE DIRECTORS					
Mr. Surinder Paul Kanwar ($)		• Salary		200.00	
		• Contribution to provident and other funds (*)		25.50	
		• Monetary value of perquisites (**)		38.19	263.69
Mr. Sameer Kanwar ($)		• Salary		132.50	
		• Contribution to provident and other funds (*)		17.40	
		• Monetary value of perquisites (**)		19.77	169.67
				Sub-Total (B)	**433.36**
				Grand Total	**455.66**

#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 ₹ 50,000/- (Rupees Fifty Thousand Only) for attending each meeting of the Board and Audit Committee and ₹15,000/- (Rupees Fifteen 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 of the Company 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 2022-23, 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.	26 May, 2022	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 2021-22.

		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, Corporate 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, Corporate 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-Committee is attending to Share Transfer formalities as and when reuired.

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 2022-23	12 Credit of Equity Shares under Rights Issue, application not made after purchase of Rights Entitlements : 2 Rejection of Dematerialization Request : 2 Shares transferred into IEPF : 8
No. of Complaints resolved to the satisfaction of stakeholders during the Financial Year 2022-23	12

No. of pending requests for share transfers, transmissions (under permissible mode(s)), dematerialisations and rematerialisations as on 31 March, 2023.

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 2022-23, 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.	29 March, 2023	Consideration and recommendation of spending on Corporate Social Responsibility (CSR) activities in terms of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 during the Financial Year 2022-23 as per the Annual Action Plan approved by the Board of Directors.
		Consideration and recommendation of the Annual Action Plan for spending on Corporate Social Responsibility (CSR) activities for the Financial Year 2023-24 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	2/2
2.	Mr. Surinder Paul Kanwar	Member	2/2
3.	Mr. Sameer Kanwar	Member	2/2
4.	Mr. V.K. Pargal	Member	2/1

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 2022-23, 2 (Two) meetings of Finance Committee were held on 24 April, 2022 and 03 October, 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, Corporate 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 2022-23, the members of the Company vide their special resolution(s) passed at the Annual General Meeting held on 20 September, 2022 approved the:

- 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 51st AGM of the Company in the Calendar year 2023 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.

- Appointment of Mr. Raman Nanda as a Non-Executive Independent Director of the Company 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 in terms of the provisions of Section 149 of the Companies Act, 2013.

Therefore, 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 2024 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
2021-22	Video Conference (VC)/ Other Audio Visual Means (OAVM) ("Instameet" platform of Link Intime India Private Limited)	20 September, 2022 11:30 A.M.		Yes
			1.	Consideration and approval of the appointment of Mr. Raman Nanda, Additional Director of the Company, as a Non-Executive Independent Director on the Board of the Company.
			2.	Consideration and approval of 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.
			3.	Consideration and approval of 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.
			4.	Consideration and approval of the re-appointment of Mr. Nagar Venkataraman Srinivasan as a Non-Executive Director on the Board of the Company.
			5.	Consideration and approval of the issue of Bonus Shares to the Members of the Company by way of capitalisation of reserves.

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.

Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2023.

Postal Ballot

There are no special resolutions passed during 2022-23 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, 2022	Financial Express# Jansatta (Hindi)##	28 May, 2022
Quarter ended 30 June, 2022	Financial Express# Jansatta (Hindi)##	23 July, 2022
Quarter/Half Year ended 30 September, 2022	Financial Express# Jansatta (Hindi)##	11 November, 2022
Quarter/Nine Months ended 31 December, 2022	Financial Express# Jansatta (Hindi)##	11 February, 2023

#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.

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 2021-22 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 Wednesday, the 20th September, 2023 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 2022-23 has been paid in advance to the aforesaid Stock Exchanges.

E. Market Price Data:

High and Low prices during each month of Financial Year 2022-23 on National Stock Exchange of India Limited and BSE Limited are as under:

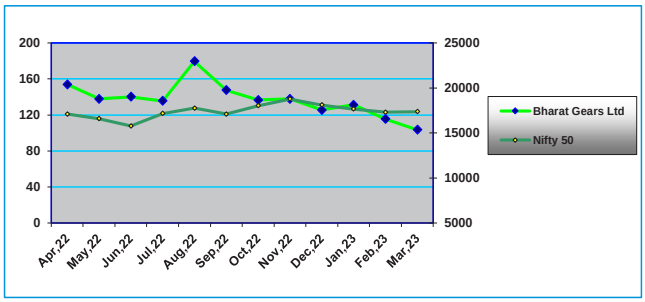
The Closing Price represents the price on the last trading day of each month of Financial Year 2022-23.

Table-15

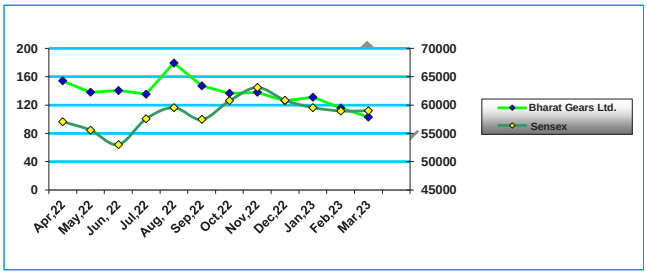
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April	165.00	165.00	143.00	143.70	153.95	154.10
May	155.00	154.20	124.30	125.10	137.80	137.90
June	148.70	148.20	120.50	121.00	140.05	140.65
July	158.40	160.00	135.10	134.45	135.55	135.30
August	184.90	185.00	135.65	132.00	179.50	179.55
September	258.95	258.95	143.00	143.10	147.45	147.15
October	162.90	163.10	133.90	133.80	136.70	136.60
November	146.75	146.60	124.25	123.95	137.80	138.05
December	145.00	149.95	108.00	108.55	125.55	126.00
January	155.95	155.85	120.95	120.85	131.25	131.05
February	135.80	146.00	113.05	113.05	115.50	115.90
March	125.00	124.00	98.10	96.00	103.45	103.00

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 NIFTY 50



b. BHARAT GEARS' PRICES VERSUS SENSEX



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 address mentioned below:

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, Corporate 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 as and when required.

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 within the statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respect. However, pursuant to the proviso of Regulation 40(1) of the Listing Regulations, the requests for effecting transfer of securities in physical mode shall not be processed by the Company unless the securities are held in the dematerialized form with a depository which now includes transmission or transposition of securities also. Further, in terms of the circular reference no. SEBI/ HO/ MIRSD/MIRSD_RTAMB P/ CIR/2022/8 dated 25 January, 2022 issued by the Securities and Exchange Board of India (SEBI), the securities for the aforesaid requests are issued in dematerialized form only as per the procedure prescribed under the said circular.

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, 2023:

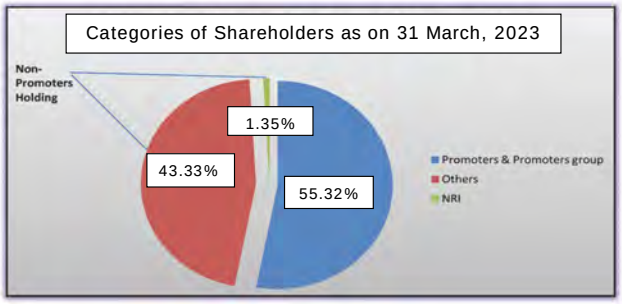


Table-16

			Category	No. of Shares Held	% age of Share Holding
A.	**Promoters' holding**				
	1.		Promoters		
		-	Indian Promoters	5681896	37.00
		-	Foreign Promoters	0	0.00
	2.		Promoter Group	2812514	18.32
B.	**Non-Promoters' Holding**				
	3.		Institutional Investors		
		a.	Mutual Funds and Unit Trust of India	300	0.00
		b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Govt. Institutions)	4414	0.03
		c.	Foreign Institutional Investor	194909	1.27
	4.		Others		
		a.	Private Corporate Bodies	220090	1.43
		b.	Indian Public	6051622	39.41
		c.	Non Resident Indians/Overseas	207064	1.35
		d.	NBFCs registered with RBI	750	0.00
		e.	Any Other		
			(Trusts)	20	0.00
			(Investor Education and Protection Fund)	171028	1.12
			(Clearing Members)	10451	0.07
			Total	**15355058**	**100.00**

I. Distribution of Shareholding as on 31 March, 2023:

Table-17

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 500	26134	2156629	14.04
501 to 1000	1184	882588	5.75
1001 to 2000	567	825646	5.38
2001 to 3000	155	392899	2.56
3001 to 4000	72	258457	1.68
4001 to 5000	40	184090	1.20
5001 to 10000	76	519194	3.38
10001 and above	57	10135555	66.01
Total	**28285**	**15355058**	**100.00**

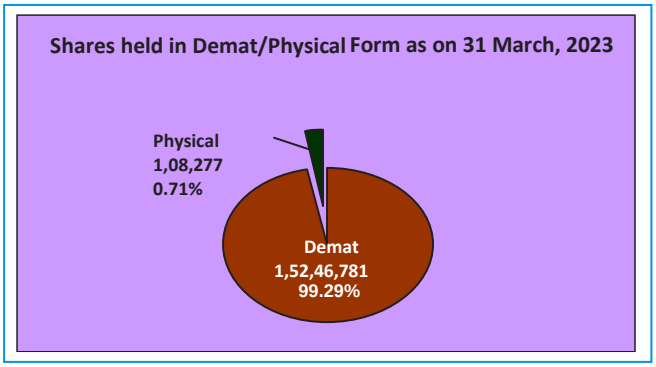
J. Share Dematerialisation System:

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 the prescribed timelines.

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, 2023, a total of 1,52,46,781 equity shares of the Company of ₹ 10/- each, which form 99.29% 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	%
1,20,85,385	78.70	31,61,396	20.59	1,08,277	0.71

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).

During the Financial Year 2022-23, the Company was not required to transfer any equity share to the IEPF Account established by the Central Government in respect of which dividends have remained unclaimed for a period of seven consecutive years. Further, no request from any shareholder has been received for claim of shares from IEPF Authority during the Financial Year 2022-23.

As on 31 March, 2023, 1,71,028 (One Lakh Seventy One Thousand Twenty Eight) Equity Shares of the Company in aggregate are held in demat account of IEPF Authority, including 56,799 (Fifty Six Thousand Seven Hundred Ninety Nine) Bonus Equity Shares allotted to IEPF under Bonus Issue in the year 2022.

Since no unclaimed dividend is required to be transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2023-24, there are no equity shares liable to be transferred into IEPF during the Financial Year 2023-24.

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 along with 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 along with 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 maybe. 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, Corporate 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.

Pursuant to the sending of 3 (Three) reminders to the respective shareholders advising them to claim their shares, 3,200 (Three Thousand Two Hundred) Equity Shares attached to undelivered Share Certificates in

possession of the Company still remaining unclaimed have been transferred into the "Unclaimed Suspense Account" opened with Central Depository Services (India) Limited (CDSL)

M. Corporate Benefits:

Dividend History:

Table-19

Financial Year	Rate (%)	Amount (₹ in Lakhs)
2022-23	**NIL**	**NIL**
2021-22	NIL	NIL
2020-21	NIL	NIL
2019-20	NIL	NIL
2018-19	10	93.06

N. Plant locations:

The Company's Plants are located at the addresses mentioned below:

- 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad, Haryana, Pin–121003
- Kausa Shil, Mumbra, District Thane, Maharashtra, Pin-400612
- Lonand, Taluka Khandala, District Satara, Maharashtra, Pin-415521

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, Corporate 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, 2023 and changes thereof during the Financial Year 2022-23 are as per following details:

Table-20

Instrument Description	Rating Agency(ies)	Rating Assigned as on 31 March, 2022	Rating Assigned as on 31 March, 2023	Changes in Rating during the Financial Year 2022-23
Banking Facilities-Long-Term	CRISIL	BB+/Positive	BBB-/Stable	Upgraded from BB+/Positive
	CARE	NIL	BBB; Stable (Triple B; Outlook: Stable)	Assigned
Banking Facilities-Short-Term	CRISIL	A4+	A3	Upgraded from A4+
	CARE	NIL	A3+ (A Three Plus)	Assigned

10. OTHER DISCLOSURES

A. Related Party Transactions:

During the year 2022-23, 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 inline 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 2022-23.

E. Compliance by the Company:

During the year under review, the Company had received an intimation from the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) advising the Company to pay fine in terms of Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January, 2020 issued by Securities and Exchange Board of India (SEBI) in respect of the Non-Compliance with the Constitution of Nomination and Remuneration Committee.

Upon being learnt that Chairman of the Company is also being considered while calculating the 2/3rd of the members of the Nomination and Remuneration Committee as Independent Directors and any fraction on the higher side should only be considered and having understood the same, the Nomination and Remuneration Committee had been reconstituted vide circular resolution of the Board of Directors on 12 May, 2022. The requisite fine had also been paid to NSE.

Further, the Company has moved an application for waiver of the fine with justification of difference in interpretation of non-inclusion of Chairman while calculating the Committee constitution of 2/3rd members being independent director in terms of Regulation 19(1) of the Regulations. And that the Nomination and Remuneration Committee ("NRC") has not acted upon on any agenda item or passed any circular resolution before its reconstitution on 12 May, 2022 and NRC has

not taken any steps with the inadequate composition of the Committee members which might have affected the NRC approval. Also, the said non-compliance for a certain period had been in existence only due to misinterpretation at the Company's end and the same has been rectified immediately upon having the clarity.

The decision of the Stock Exchange(s) on the waiver application filed by the Company is awaited. If the said application is considered by the Stock Exchange(s) favourably, the fine paid by the Company to NSE shall be refunded.

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, 2023 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, 2023 was placed before the Board of Directors of the Company in its meeting held on 25 May, 2023.

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, 2023 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 2022-23, 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, 2023:

Table-21

No. of Complaints filed during Financial Year 2022-23	NIL
No. of Complaints disposed of during Financial Year 2022-23	NOT APPLICABLE
No. of Complaints pending as on 31 March, 2023	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 2022-23 are as follows:

Table-22

(₹ lakhs)

Particulars	For the year ended 31 March, 2023
Fees for audit and related services paid to SRBC & CO LLP	5.51
Fees for audit and related services paid to Deloitte Haskins & Sells LLP	33.01
Other fees paid to the network firm of which the statutory auditor is a part	0.00
Total	**38.52**

O. Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) and 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

II.	Annual Affirmations		
	Particulars	Regulation Number	Compliance status (Yes/No/NA)
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
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
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. 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.

KYC Updation of investors:

In compliance with SEBI circular dated 03 November, 2021, introducing common and simplified norms for processing investors' service requests and mandatory KYC/registration of PAN, nomination, contact details, bank details and specimen signatures, the Company on 19 May, 2022 had sent communication through speed post to furnish PAN, KYC and nomination details. Through this exercise, the Company has tried to reach upto 2,437 physical shareholders for the updation of records.

SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16 March, 2023 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 October, 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 with effect from 01 April, 2024. An intimation shall be sent by the Company to the security holder that such payment is due and shall be made electronically only upon with the above stated requirements.

In compliance with the aforesaid SEBI circular dated 16 March, 2023, the Company on 13 May, 2023 had sent communication through speed post to furnish the requisite details. Through this exercise, the Company has tried to reach upto 1,958 physical shareholders for the updation of records.

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: 25 May, 2023

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 2022-23 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 2022-23;

3) Significant changes in accounting policies during the year 2022-23 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
Chief Financial Officer

Surinder Paul Kanwar
Chairman and Managing Director

Dated: 25 May, 2023

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 2022-23, 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
Corporate Head (Legal) and Company Secretary

Surinder Paul Kanwar
Chairman and Managing Director

Dated: 25 May, 2023

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 - 121003
Haryana

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, 2023, 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:F005621E000288521
PR No - 708/2020

Place: Delhi
Dated: 11 May, 2023

TO THE MEMBERS OF

BHARAT GEARS LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. SN/2022-23/40 dated 10 October, 2022.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Bharat Gears Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us, the representations provided by the Management and having regard to rectification of non-compliance with the constitution of Nomination and Remuneration Committee on 12 May, 2022 as referred to in point 10(E) of the Corporate Governance Report of the company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2023.
9. We state that such compliance 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 23040081BGWLTE4213)

Place: Mumbai
Date: 25 May, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT GEARS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BHARAT GEARS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified ("SAs") under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition:** Revenue recognition is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement in financial statements for the year. Risk that revenue from operations could be overstated due to booking of revenues pertaining to post year end i.e. cut-off risk is a Key Audit Matter.	Our Audit Procedures included and were not limited to the following: • Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. • Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition. • Tested the effectiveness of such controls over revenue cut off at year-end. • On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer purchase order and shipping documents. • Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial 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 the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 financial statements of the current period 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.

Other Matter

The Comparative financial information of the Company for the year ended 31 March, 2022 prepared in accordance with Ind AS included in this financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial statements dated 27 May, 2022 expressed an unmodified opinion.

Our opinion on the financial statements is not modified in respect of the above matter on the comparative financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March,

2023 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 financial statements other than the impact for claim of permanency of services and/or back wages pertaining to a set of temporary/permanent workmen which is not ascertainable - Refer Note 32.1(i) to the 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 it's knowledge and belief, as disclosed in the note 46 to the 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 it's knowledge and belief, as disclosed in the note 46 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

(c) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
Partner
(Membership No. 040081)
UDIN:23040081BGWLTD5180

Place: Mumbai
Date: 25 May, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements 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 financial statements of BHARAT GEARS LIMITED ("the Company") as of 31 March, 2023 in conjunction with our audit of the 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 with reference to financial statements based on the internal control with reference to financial statements 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. 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 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 financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to 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 control 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 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, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2023, based on the criteria for internal financial control with reference to financial statements 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
Partner
(Membership No. 040081)
UDIN: 23040081BGWLTD5180

Place: Mumbai
Date: 25 May, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company, and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we state that -

(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) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and non-current assets held for sale), according to the information and explanations given to us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	Gross carrying value (₹ in lakhs)	Held in Name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in name of the company
Land at Mumbra	127.13	Bharat Gears Limited*	Not Applicable	28 September, 1972	Not Applicable *(refer note (i) below)
Land at Mumbra	12.30	Bharat Gears Limited*	Not Applicable	28 September, 1972	
Land at Lonand	234.73	Bharat Gears Limited**	Not Applicable	07 February, 2011	Not Applicable **(refer note (ii) below)
Land at Lonand	297.95	Bharat Gears Limited**	Not Applicable	23 December, 2011	

Notes:

(i) 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) does not match with the indenture of the conveyance available with the Company. The Company has initiated necessary legal action which is pending at the Bombay High Court.

(ii) The name mentioned in the records of the Government (i.e. 7/12 extract in respect of certain part of Company's Land at Lonand, on account of certain mutation entries) does not match with the indenture of the conveyances available with the Company. The Company has initiated necessary action with concerned Government authority.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/written confirmations obtained as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns comprising stock statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) According to information and explanantion given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provision of section 185 or 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March, 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) and (f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2022 and the final of the internal audit reports where issued after the balance sheet date covering the period January 2023 to March 2023 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.

(b) There are no other Companies part of the Group, accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that the 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) The Company is not required to spend any amount for Corporate Social Responsibility in compliance with the provision of section 135 of the Companies Act, 2013 for the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
Partner
(Membership No. 040081)
UDIN: 23040081BGWLTD5180

Place: Mumbai
Date: 25 May, 2023

Balance Sheet

as at 31 March, 2023

(₹ in Lakhs)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	5(A)	11937.06	11208.39
(b) Capital work-in-progress	5(D)	190.92	114.12
(c) Intangible assets	5(B)	76.61	81.67
(d) Right-of-use assets	5(C)	1182.28	496.35
(e) Financial assets			
(i) Investments	6	111.43	-
(ii) Loans	7(A)	160.14	178.39
(iii) Others	8(A)	219.74	222.48
(f) Deferred tax assets (net)	33(C)	682.40	583.30
(g) Other non-current assets	9	586.29	498.08
Total non-current assets		**15146.87**	**13382.78**
2. Current assets			
(a) Inventories	10	9996.62	9045.97
(b) Financial assets			
(i) Trade receivables	11	12252.83	14427.91
(ii) Cash and cash equivalents	12(A)	6.29	303.69
(iii) Bank balances other than (ii) above	12(B)	654.18	632.38
(iv) Loans	7(B)	51.37	60.80
(v) Others	8(B)	205.82	310.39
(c) Current tax assets (net)	13	149.90	102.94
(d) Other current assets	14	2242.01	2076.19
Total current assets		**25559.02**	**26960.27**
3. Non-current asset held for sale	15	**12.30**	**12.30**
		25571.32	**26972.57**
Total assets		**40718.19**	**40355.35**
B. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	16(A)	1535.51	1023.67
(b) Other equity	16(B)	10520.48	9795.55
Total equity		**12055.99**	**10819.22**
LIABILITIES			
2. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	7090.89	6125.60
(ia) Lease liabilities	18(A)	1023.09	416.37
(ii) Other financial liabilities	19(A)	22.93	196.78
(b) Provisions	20(A)	2291.73	2081.97
(c) Other non-current liabilities	21	486.50	377.40
Total non-current liabilities		**10915.14**	**9198.12**
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	3210.77	3957.68
(ia) Lease liabilities	18(B)	267.09	160.41
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	23	146.31	324.63
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	13062.70	14748.53
(iii) Other financial liabilities	19(B)	396.03	340.59
(b) Provisions	20(B)	445.03	360.13
(c) Current tax liabilities (net)	20(C)	-	5.28
(d) Other current liabilities	24	219.13	440.76
Total current liabilities		**17747.06**	**20338.01**
Total equity and liabilities		**40718.19**	**40355.35**

See accompanying notes to the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Saira Nainar
Partner
Membership No: 040081

Place : Mumbai
Date : 25 May, 2023

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

Prashant Khattry
Corporate Head (Legal) & Company Secretary
(PAN : AOQPK8734B)

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

Statement of Profit and Loss

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars			Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
1.	Revenue from operations		25	76636.63	72944.16
2.	Other income		26	875.80	353.02
3.	**Total income (1+2)**			**77512.43**	**73297.18**
4.	**Expenses**				
	(a)	Cost of materials and components consumed	27(A)	41642.11	37530.29
	(b)	Changes in inventories of finished goods and work-in-progress	27(B)	(755.81)	(440.60)
	(c)	Employee benefits expense	28	11576.00	10713.57
	(d)	Finance costs	29	1708.40	1842.48
	(e)	Depreciation and amortisation expense	30	2006.52	2039.44
	(f)	Other expenses	31	19575.52	18565.06
	Total expenses			**75752.74**	**70250.24**
5.	**Profit before exceptional items and tax (3-4)**			1759.69	3046.94
6.	**Exceptional items**		43	-	359.61
7.	**Profit before tax (5+6)**			1759.69	3406.55
8.	**Tax expense/(credit) (net)**		33		
	(a)	Current tax		466.16	441.45
	(b)	Deferred tax (credit)/charge		(41.93)	422.54
	(c)	(Excess)/Short provision for tax relating to prior years		(13.03)	(41.39)
9.	**Profit/(Loss) for the year (7-8)**			**1348.49**	**2583.95**
10.	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
	-	Re-measurement gain/(loss) on defined benefits obligations		(149.29)	30.45
	-	Income tax effect	33(C)	37.57	(7.66)
	Other comprehensive income/(loss) for the year (net of tax)			(111.72)	22.79
11.	**Total comprehensive income for the year (9+10)**			**1236.77**	**2606.74**
12.	**Earnings per share (Face value of ₹ 10/- each):**				
	Basic and Diluted - in ₹		37	**8.78**	**17.62**

See accompanying notes to the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Saira Nainar
Partner
Membership No: 040081

Place : Mumbai
Date : 25 May, 2023

For and on behalf of the Board of Directors of Bharat Gears Limited

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Hiroo Suresh Advani (DIN : 00265233)
Raman Nanda (DIN : 00078198)
Directors

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2023

(A) Equity share capital

Particulars	(₹ in Lakhs)
Balance as at 01 April, 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 16(A))	93.06
Balance as at 31 March, 2022	**1023.67**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	1023.67
Change in equity during the year: Bonus issue of equity shares (Refer Footnote (iv) of Note 16(A))	511.84
Balance as at 31 March, 2023	**1535.51**

(B) Other equity

(₹ in 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, 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 16(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 16(A))	-	836.81	-	-	-	-	836.81
Balance as at 31 March, 2022	**588.50**	**3284.69**	**1756.45**	**4280.75**	**-**	**(114.84)**	**9795.55**
Profit/(Loss) for the year	-	-	-	1348.49	-	-	1348.49
Other comprehensive income/ (loss) (net of tax)	-	-	-	-	-	(111.72)	(111.72)
Change in equity during the year: Bonus issue of equity shares (Refer Footnote (iv) of Note 16(A))	(511.84)	-	-	-	-	-	(511.84)
Balance as at 31 March, 2023	**76.66**	**3284.69**	**1756.45**	**5629.24**	**-**	**(226.56)**	**10520.48**

See accompanying notes to the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Saira Nainar
Partner
Membership No: 040081

Place : Mumbai
Date : 25 May, 2023

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

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Raman Nanda (DIN : 00078198)
Directors

STATEMENT OF CASH FLOWS

for the year ended 31 March, 2023

(₹ in Lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A.	**Cash flows from operating activities:**		
	Net profit before tax	1759.69	3406.55
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	2006.52	2039.44
	(Gain)/Loss on disposal of property, plant and equipment (net)	9.65	(7.98)
	Finance costs	1708.40	1842.48
	Interest income (notional)	(62.82)	(54.57)
	Rent expenses (notional)	6.32	6.65
	Employee benefits	3.93	9.46
	Liabilities/provisions no longer required written back	(161.02)	(70.42)
	Allowance for excepted credit loss	-	5.09
	Other amounts written off	90.68	82.84
	Gain on valuation of mutual funds measured at fair value through profit or loss	(5.46)	-
	Unrealised exchange gain (net)	(114.31)	(110.98)
	Operating profit before working capital changes	**5241.58**	**7148.56**
	Changes in working capital		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(1041.33)	(90.07)
	Trade receivables	2293.84	(3690.14)
	Financial assets - loans	32.03	1.32
	Financial assets - others	104.60	232.93
	Other assets	(308.72)	106.53
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	(1701.72)	(545.38)
	Other financial liabilities	(137.15)	14.86
	Other current and non-current liabilities	97.47	273.36
	Provisions	145.37	23.10
	Cash generated from operations	**4725.97**	**3475.07**
	Income tax paid (net)	(530.03)	(447.21)
	Net cash flows from operating activities (A)	**4195.94**	**3027.86**
B.	**Cash flows from investing activities:**		
	Purchase of property, plant and equipments and intangible assets (including capital work-in-progress, capital advances)	(2600.12)	(475.71)
	Proceeds from sale of property, plant and equipments	41.24	19.02
	Bank balances not considered as cash and cash equivalents (net)	(21.80)	(74.92)
	Interest received	61.18	35.91
	Purchase of financial instruments	(105.97)	-
	Net cash flows used in investing activities (B)	**(2625.47)**	**(495.70)**

STATEMENT OF CASH FLOWS

for the year ended 31 March, 2023... Contd.

(₹ in Lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
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	4840.00	4519.00
	Repayment of unsecured loan from Director	-	(200.00)
	Repayment of long-term borrowings	(3193.86)	(6384.17)
	Interest paid	(1591.61)	(1797.58)
	Dividends paid	-	(2.24)
	Payment of lease liabilities	(334.77)	(286.98)
	Net cash flows (used in) financing activities (C)	**(280.24)**	**(3222.10)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**1290.23**	**(689.94)**
	Cash and cash equivalents at the beginning of the year	(2921.88)	(2227.32)
	Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**(7.27)**	(4.62)
	Cash and cash equivalents at the end of the year (Refer Note 12(C))	**(1638.92)**	**(2921.88)**
	The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Indian Accounting Standard 7 'Statement of Cash Flows'.		
	See accompanying notes to the Financial Statements		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Saira Nainar
Partner
Membership No: 040081

Place : Mumbai
Date : 25 May, 2023

For and on behalf of the Board of Directors of Bharat Gears Limited

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Hiroo Suresh Advani (DIN : 00265233)
Raman Nanda (DIN : 00078198)
Directors

Notes to the Financial Statements

for the year ended 31 March, 2023

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 of 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 25 May, 2023.

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:

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.

Capital work in progress is stated at cost of acquisition or construction, net of accumulated impairment losses, if any.

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 gain or loss, if any, is reflected in the Statement of Profit and Loss.

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.

Note 2 : Significant accounting policies .... contd.

Estimated useful lives of the assets are as follows:

Buildings	:	3 - 60 years
Plant and equipment (owned/on lease)	:	10-15 years
Office equipment	:	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 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.

Note 2 : Significant accounting policies .... contd.

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.

Financial assets mainly consist of (a) Investment in Mutual funds (b) trade receivables (c) cash and bank balances (d) fixed deposits with bank etc.

(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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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 (FVTPL)) 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 effective interest rate (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 (i.e., transaction price).

(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.

(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.

Note 2 : Significant accounting policies .... contd.

(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 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 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.

Note 2 : Significant accounting policies .... contd.

(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 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

Note 2 : Significant accounting policies .... contd.

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.

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.

Note 2 : Significant accounting policies .... contd.

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 16(B)

(iv) Non-current borrowings - Refer Note 17

(v) Revenue from Contracts with customers - Refer Notes 2.13 & 25

(vi) Retirement and other employee benefits - Refer Notes 2.14 & 35

(vii) Taxes on income - Refer Notes 2.17 & 33

(viii) Leases - Refer Notes 2.16 & 34

Note 4 : Changes in accounting policies and disclosure

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Amendment to existing issued Ind AS:

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose the material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant on the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and there is no impact on the financial statements.

Ind AS 12 - Income Taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and there is no impact on the financial statements.

Note 5(A) : Property, plant and equipment

(₹ in 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:**									
	Balance as at 01 April, 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**
	Additions	-	75.80	2282.12	-	118.84	24.40	-	-	2501.16
	Disposals	-	(0.36)	(49.24)	-	(18.06)	(2.18)	(5.71)	-	(75.55)
	Balance as at 31 March, 2023	**659.81**	**3957.38**	**19576.55**	**176.18**	**563.71**	**486.46**	**0.86**	**-**	**25420.95**
II.	**Depreciation/impairment**									
	Balance as at 01 April, 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**
	Depreciation charge for the year	-	157.68	1483.22	-	46.27	37.81	0.08	-	1725.06
	Eliminated on disposal of assets	-	(0.08)	(16.64)	-	(7.88)	(1.75)	(1.77)	-	(28.12)
	Balance as at 31 March, 2023	**-**	**969.22**	**11619.62**	**167.97**	**384.15**	**342.18**	**0.75**	**-**	**13483.89**
	Net book value (I-II)									
	Balance as at 31 March, 2023	**659.81**	**2988.16**	**7956.93**	**8.21**	**179.56**	**144.28**	**0.11**	**-**	**11937.06**
	Balance as at 31 March, 2022	659.81	3070.32	7190.63	8.21	117.17	158.12	4.13	-	11208.39

(@) 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, 2022: ₹ 500/-).

($) Includes items of Plant and equipment having Net book value of ₹ 8.21 lakhs (As at 31 March, 2022: ₹ 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

(₹ in Lakhs)

	Description of assets	Computer software
I.	**At Cost:**	
	Balance as on 01 April, 2021	303.22
	Additions	0.69
	Disposals	-
	Balance as at 31 March, 2022	**303.91**
	Additions	24.30
	Disposals	(15.20)
	Balance as at 31 March, 2023	**313.01**
II.	**Amortisation:**	
	Balance as on 01 April, 2021	196.58
	Amortisation expense for the year	25.66
	Eliminated on disposal of assets	-
	Balance as at 31 March, 2022	**222.24**
	Amortisation expense for the year	25.90
	Eliminated on disposal of assets	(11.74)
	Balance as at 31 March, 2023	**236.40**
	Net book value (I-II)	
	Balance as at 31 March, 2023	**76.61**
	Balance as at 31 March, 2022	81.67

Note 5(C) : Right-of-use assets

(₹ in Lakhs)

	Description of assets	Land	Buildings	Vehicles	Office equipment	Total
I.	**Gross carrying value**					
	Balance as at 01 April, 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**
	Additions	-	263.94	705.56	7.47	976.97
	Termination	-	(35.48)	-	-	(35.48)
	Eliminated due to expiry of lease tenure	-	(247.14)	(164.44)	-	(411.58)
	Balance as at 31 March, 2023	**2.91**	**836.24**	**763.14**	**63.21**	**1665.50**
II.	**Depreciation/impairment**					
	Balance as at 01 April, 2021	0.12	287.23	99.22	22.11	408.68
	Depreciation charge for the year	0.06	152.88	67.06	10.56	230.56
	Balance as at 31 March, 2022	**0.18**	**440.11**	**166.28**	**32.67**	**639.24**
	Depreciation charge for the year	0.06	160.92	83.13	11.45	255.56
	Eliminated due to expiry of lease tenure	-	(247.14)	(164.44)	-	(411.58)
	Balance as at 31 March, 2023	**0.24**	**353.89**	**84.97**	**44.12**	**483.22**
	Net book value (I-II)					
	Balance as at 31 March, 2023	**2.67**	**482.35**	**678.17**	**19.09**	**1182.28**
	Balance as at 31 March, 2022	2.73	414.81	55.74	23.07	496.35

Footnotes:

(i)	For details of Property, plant and equipment & Intangible assets charged as security for borrowings Refer Note 17 & Note 22.
(ii)	For details of Right-of-use assets Refer Note 34.
(iii)	None of the Company's Property, plant and equipment, Intangible assets & Right-of-use assets was revalued during the year.

Note 5(D) Capital work-in-progress

(i) Ageing

As at 31 March, 2022:

(₹ in 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	-	-	-	-	-

As at 31 March, 2023:

(₹ in 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	190.92	-	-	-	**190.92**
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, 2022:

(₹ in 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	28.95	-	-	39.51

As at 31 March, 2023:

(₹ in Lakhs)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and equipment	-	-	-	-	-

(b) Projects where cost has exceeded as compared to its original plan: Nil

Note 6 : Investments

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investment carried at fair value through profit or loss		
In mutual funds		
Quoted:		
2,20,518 units (As at 31 March, 2022: Nil) of ICICI Prudential Short Term Fund - Growth Option (Refer Footnote below)	111.43	-
Total	**111.43**	-

Footnote:

Lien has been marked towards Debt Service Reserve Account (DSRA) for availing term loan facility from Tata Capital Financial Services Limited (Refer Footnote (ii)(C) of Note 17).

Note 7 : Financial assets - Loans

(A) Non-current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans and advances to employees		
Unsecured, considered good	160.14	178.39
Total	**160.14**	178.39

Footnote:

Loans and advances to Key Managerial Personnel have specific terms and period of repayment.

(B) Current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans and advances to employees Unsecured, considered good	51.37	60.80
Total	**51.37**	60.80

Footnote:

Loans and advances to Key Managerial Personnel have specific terms and period of repayment.

Note 8 : Financial assets - Others

(A) Non-current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposits (Refer Footnote below) Unsecured, considered good	219.74	222.48
Total	**219.74**	222.48

Footnote:

Security deposits include ₹ 8.80 lakhs (As at 31 March, 2022: ₹ 43.87 lakhs) due from a director and ₹ 4.04 lakhs (As at 31 March, 2022: ₹ 2.02 lakhs) due from a private limited company, in which a director of the Company is a director.

Note 8 : Financial assets - Others...Contd.

(B) Current

(₹ in Lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good			
(a)	Security deposits (Refer Footnote (i) below)	66.13	39.51
(b)	Interest accrued on deposits	5.18	4.42
(c)	Contract assets (Refer Note 38(A))	102.85	157.13
(d)	Others (Refer Footnote (ii) below)	31.66	109.33
	Total	**205.82**	**310.39**

Footnote:

(i) Security deposits include ₹ 48.20 lakhs (As at 31 March, 2022: ₹ 9.52 lakhs) due from a director and ₹ Nil (As at 31 March, 2022: ₹ 2.38 lakhs) due from a private limited company, in which a director of the Company is a director.

(ii) Others include ₹ Nil (As at 31 March, 2022: ₹ 1.55 lakhs) due from a related party.

Note 9 : Other non-current assets

(₹ in Lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good			
(a)	Capital advances	131.34	175.78
(b)	Prepaid expenses	68.91	72.28
(c)	Contract Assets - Prepaid tooling expenses (Refer Note 38(A))	339.34	208.23
(d)	Others	46.70	41.79
	Total	**586.29**	**498.08**

Note 10 : Inventories

(₹ in Lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
(a)	Raw materials and components:		
	- Automotive gears	1103.61	1001.60
	- Automotive components	72.47	83.93
		1176.08	**1085.53**
(b)	Work-in-progress:		
	- Automotive gears	**2923.26**	**2662.07**
(c)	Finished goods:		
	- Automotive gears	3394.48	2942.23
	- Automotive components	240.07	197.70
		3634.55	**3139.93**
(d)	Stores and spares	793.42	651.74
(e)	Loose tools	1459.85	1488.65
(f)	Scrap	9.46	18.05
	Total	**9996.62**	**9045.97**

Footnote:

(i) The cost of inventories recognized as an expense includes ₹ 105.01 lakhs (Year ended 31 March, 2022: ₹ 185.51 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 Footnote (i) and (ii) of Note 17 and Note 22.

Note 11 : Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good	12261.79	14441.25
Less: Provision for expected credit loss	8.96	13.34
Total	**12252.83**	**14427.91**

Footnotes:

(i) 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.

(ii) As at 31 March, 2023, the Company had 7 customers (As at 31 March, 2022: 9 customers) that owed the Company more than ₹ 500 lakhs each and accounted for approximately 58.78% of all the receivables outstanding (As at 31 March, 2022: 68.86%).

(iii) 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, 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**
Add: Created during the year	-
Less: Released during the year	4.38
Balance as at 31 March, 2023	**8.96**

(v) Trade receivables ageing:

As at 31 March, 2022:

(₹ in 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 : Trade receivables .... Contd.

As at 31 March, 2023:

(₹ in 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	10328.85	1930.00	2.35	0.59	-	-	**12261.79**
(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	**10328.85**	**1930.00**	**2.35**	**0.59**	**-**	**-**	**12261.79**

Note 12 : Cash and cash equivalents and other bank balances

(A) Cash and cash equivalents

(₹ in Lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
(a)	Cash on hand	5.67	3.43
(b)	Balances with banks:		
	- In current accounts	0.62	0.26
	- Deposit with original maturity of less than three months	-	300.00
	Total	**6.29**	**303.69**

(B) Other bank balances

(₹ in Lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
(a)	In earmarked accounts (Refer Footnote (i) below)		
	- Unpaid dividend accounts	0.85	0.85
	- Unpaid fraction shares account	0.03	-
(b)	Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Footnote (ii) below)	653.30	631.53
	Total	**654.18**	**632.38**

Footnotes:

(i) Balances with banks which have restrictions on utilisation.

(ii) Includes deposits of ₹ 57.69 lakhs (As at 31 March, 2022: ₹ 55.10 lakhs), 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 (Refer Footnote (ii)(B) of Note 17).

Note 12 : Cash and cash equivalents and other bank balances...Contd.

(C) For the purpose of Statement of Cash flows, cash and cash equivalents comprise of the following:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash and cash equivalents as above	6.29	303.69
Loans repayable on demand - from banks (Refer Note 22(a))	(1645.21)	(3225.57)
Total	**(1638.92)**	**(2921.88)**

(D) Changes in liabilities arising from financing activities:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at 01 April, 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**
Acquisition (net)	939.31	4840.00
Cash Flow (net)	(334.77)	(3193.86)
Others	108.86	152.60
Balance as at 31 March, 2023	**1290.18**	**8656.45**

Note 13 : Current tax assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance income tax (net of provision for tax ₹ 466.16 lakhs (As at 31 March, 2022: ₹ Nil)) Unsecured, considered good	149.90	102.94
Total	**149.90**	**102.94**

Note 14 : Other current assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
(a) Prepaid expenses	173.20	135.00
(b) Advances to suppliers	54.49	91.50
(c) Balances with government authorities:		
- Goods and Services Tax receivable	1550.00	1232.91
(d) Export incentives receivable	244.60	477.01
(e) Others	219.72	139.77
Total	**2242.01**	**2076.19**

Note 15 : Non-current asset held for sale

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Freehold Land (Refer Note 43)	12.30	12.30
Total	**12.30**	**12.30**

Note 16 (A) : Equity share capital

	Particulars	As at 31 March, 2023		As at 31 March, 2022	
		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	15355058	1535.51	10236705	1023.67
	Total	**15355058**	**1535.51**	**10236705**	**1023.67**
(c)	**Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:**				
	Opening balance	10236705	1023.67	9306095	930.61
	Add: Rights issue of equity shares (Refer Footnote (iii))	-	-	930610	93.06
	Add: Bonus issue of equity shares (Refer Footnote (iv))	5118353	511.84	-	-
	Closing balance	**15355058**	**1535.51**	**10236705**	**1023.67**

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 as at 31 March, 2022. The proceeds from Rights issue have been utilised for the intended purposes.

(iv) The Board of Directors at their meeting held on 24 August, 2022 had recommended bonus share issue in the ratio of 1:2 i.e. one equity bonus share for two fully paid-up equity shares. This was subsequently approved by the Shareholders at their meeting held on 20 September, 2022. Basis the approval given by its shareholders, the Company had allotted 51,18,353 equity shares of Rs. 10 each as fully paid bonus equity shares to the eligible shareholders on 03 October, 2022 by way of capitalization of reserves. Pursuant to this allotment, the capital redemption reserve stands reduced by ₹ 511.84 lakhs.

(v) Details of shares held by each shareholder holding more than 5% shares:

Class of Shares/Name of Shareholder	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	₹ Lakhs	Number of shares	₹ Lakhs
Equity shares				
Surinder Paul Kanwar	5680989	37.00	3787326	37.00
Ultra Consultants Private Limited	2163193	14.09	1411109	13.78

Note 16 (A) : Equity share capital ...Contd.

(vi) Details of shares held by Promoters:

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**	**-**

Shares held by promoters as at 31 March, 2023:

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	3787326	1893663	5680989	37.00	-
Raunaq Singh	605	302	907	0.01	-
Ultra Consultants Private Limited	1411109	752084	2163193	14.09	0.31
Raunaq EPC International Limited	236097	23109	259206	1.69	(0.62)
Vibrant Reality Infra Private Limited	132804	88996	221800	1.44	0.14
Clip-Lok Simpak (India) Private Limited	95000	73315	168315	1.10	0.17
Total	**5662941**	**2831469**	**8494410**	**55.33**	**-**

Note 16 (B) : Other equity

(₹ in Lakhs)

	Particulars	As at 31 March, 2023	As at 31 March, 2022
(a)	Capital redemption reserve (Refer Footnote (iv) of Note 16(A))	76.66	588.50
(b)	Securities premium (Refer Footnote (iii) of Note 16(A))	3284.69	3284.69
(c)	General reserve	1756.45	1756.45
(d)	Retained earnings	5629.24	4280.75
(e)	Equity component of liability (Refer Footnote (d))	-	-
(f)	Other comprehensive income	(226.56)	(114.84)
	Total	**10520.48**	**9795.55**

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.

Note 16 (B) : Other equity...Contd.

(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 ended 31 March, 2022 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 17 : Non-current borrowings

(₹ in Lakhs)

	Particulars	As at 31 March, 2023	As at 31 March, 2022
(a)	Term loans - Secured		
	From banks (Refer Footnote (i))	440.16	519.00
	Less: Current maturities of long-term debts (Refer Note 22(b))	131.68	85.44
		308.48	**433.56**
	From others (Refer Footnotes (ii) and (iii))	7436.29	6338.71
	Less: Current maturities of long-term debts (Refer Note 22(b))	1073.88	646.67
		6362.41	**5692.04**
(b)	Term loans - Unsecured	780.00	-
	Less: Current maturities of long-term debts (Refer Note 22(b))	360.00	-
		420.00	-
	Total	**7090.89**	**6125.60**

Footnotes:

(i) Term loans from banks:

A. Rupee loan from State Bank of India:

₹ 316.66 lakhs (As at 31 March, 2022: ₹ 363.00 lakhs): Emergency credit line guarantee scheme (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 22(a)), which shall rank second subject and subservient to charges created in respect 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 in respect of loans referred in Footnote (i)(B) and (ii)), which shall rank second subject & subservient to charges created in favour of borrowings referred to in Footnote of Note 22(a). Repayable in monthly installments commencing from 31 October, 2022 and carries an interest rate of 9.25% p.a.

B. Rupee loan from IDBI Bank Limited:

₹ 123.50 lakhs (As at 31 March, 2022: ₹ 156.00 lakhs): 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 22(a)), which shall rank second subject and subservient to charges created in respect 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 in respect of loans referred in Footnote (i)(A) and (ii)), which shall rank second subject & subservient to charges created in favour of borrowings referred to in Footnote of Note 22(a). Repayable in monthly installments commencing from 30 June, 2022 and carries an interest rate of 8.80% p.a.

Note 17 : Non-current borrowings...Contd.

(ii)	Term loans from others: **A. Rupee loan from KKR India Financial Services Limited:** ₹ Nil (As at 31 March, 2022: ₹ 2475.38 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 in respect of loan referred to in Footnote (ii)(B)), and by second pari passu charge over the current assets of the Company (ranking pari passu with charges created in respect of loan referred to 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 22(a). **B. Rupee loan from Aditya Birla Finance Limited:** ₹ 3708.60 lakhs (As at 31 March, 2022: ₹ 3863.33 lakhs): 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 loan referred to in Footnote (ii)(C)), and by second pari passu charge over current assets of the Company (ranking pari passu with charges created in respect of loan referred to in Footnote (i) and (ii)(C), which shall rank second subject & subservient to charges created in favour of borrowings referred to in Footnote of Note 22(a). Repayable in monthly installments will commence from 01 April, 2022 and carries an interest rate of 13.05% p.a. For details of Debt Service Reserve Account (DSRA) refer Footnote (ii) to Note 12(B). **C. Rupee loan from TATA Capital Financial Services Limited:** ₹ 3727.69 lakhs (As at 31 March, 2022: ₹ Nil): 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 loan referred to in Footnote (ii)(B)), and by second pari passu charge over current assets of the Company (ranking pari passu with charges created in respect of loan referred to 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 22(a). Repayable in monthly installments will commence from 10 June, 2022 and carries an interest rate of 12.75% p.a. For details of Debt Service Reserve Account (DSRA) refer Footnote to Note 6.
(iii)	Facility II rupee loan from KKR India Financial Services Limited, referred in Footnote (ii)(A) above, was 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 18 : Lease liabilities

(A) Non-current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Land	2.90	2.91
(b) Buildings	458.46	379.12
(c) Vehicles	556.42	21.52
(d) Office equipment	5.31	12.82
Total	**1023.09**	**416.37**

(B) Current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Land	-	-
(b) Buildings	117.58	109.73
(c) Vehicles	135.54	38.66
(d) Office equipment	13.97	12.02
Total	**267.09**	**160.41**

Footnote

For details on lease agreements Refer Note 34.

Note 19 : Other financial liabilities

(A) Non-current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Voluntary retirement scheme	22.93	196.78
Total	**22.93**	**196.78**

(B) Current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Interest accrued but not due on borrowings	70.38	9.34
(b) Unpaid dividends (Refer Footnote)	0.85	0.85
(c) Unpaid fraction shares (Refer Footnote)	0.03	-
(d) Voluntary retirement scheme	173.85	129.77
(e) Other payables:		
(i) Payables on purchase of property, plant and equipment (Includes ₹ 3.66 lakhs (As at 31 March, 2022: ₹ Nil) payable to micro enterprises and small enterprises) (Refer Note 32.2)	53.92	96.22
(ii) Others	97.00	104.41
Total	**396.03**	**340.59**

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 20 : Provisions

(A) Non-current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Employee benefits:		
(i) Gratuity (net) (Refer Note 35(B))	1816.41	1646.29
(ii) Compensated absences	455.00	413.96
(iii) Other employee benefits (Terminal Ex-gratia) (Refer Note 35(B))	20.32	21.72
Total	**2291.73**	**2081.97**

(B) Current

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Employee benefits:		
(i) Gratuity (net) (Refer Note 35(B))	329.07	267.69
(ii) Compensated absences	108.45	81.26
(iii) Other employee benefits (Terminal Ex-gratia) (Refer Note 35(B))	5.10	5.57
	442.62	**354.52**
(b) Provision for warranty (Refer Note 38(B))	2.41	5.61
	2.41	**5.61**
Total	**445.03**	**360.13**

Note 20 : Provisions...Contd.

(C) Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for tax (net of advance tax ₹ 460.75 Lakhs (As at 31 March, 2022: ₹ 436.17 lakhs))	-	5.28
Total	**-**	**5.28**

Note 21 : Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities (Refer Note 38(A))	486.50	377.40
Total	**486.50**	**377.40**

Note 22 : Current borrowings

(₹ in Lakhs)

	Particulars	As at 31 March, 2023	As at 31 March, 2022
(a)	Loans repayable on demand		
	From banks - Secured (Refer Footnotes below)	1645.21	3225.57
(b)	Current maturities of long-term debts (Refer Note 17):		
	From banks - Secured	131.68	85.44
	From others - Secured	1073.88	646.67
	From others - Unsecured	360.00	-
	Total	**3210.77**	**3957.68**

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 in favour of loans referred to in Footnote (ii) of Note 17 and shall rank pari passu with loans referred to in Footnote (i) of Note 17.
(ii)	Quarterly statements filed by the Company with banks are in agreement with the books of account.
(iii)	As on 31 March, 2022, a part of loan repayable on demand was guaranteed by a Director of the Company.

Note 23 : Trade payables

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of micro enterprises and small enterprises (including acceptances) (Refer Note 32.2)	146.31	324.63
Total outstanding dues of trade payables other than micro enterprises and small enterprises (including acceptances):	-	-
Others (Refer Footnote (ii))	13062.70	14748.53
Total	**13209.01**	**15073.16**

Footnotes:

(i)	Trade payables are non-interest bearing and generally have a payment terms of 30 to 120 days.
(ii)	Others include ₹ 3.37 lakhs (As at 31 March 2022: ₹ 0.01 lakh) due to a related party.

Note 23 : Trade payables ...Contd.

(ii) Trade payables ageing:

As at 31 March, 2022:

(₹ in 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	164.97	-	159.66	-	-	-	324.63
(ii)	Others	9560.21	2039.98	3137.30	0.28	2.18	8.58	14748.53
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
	Total	**9725.18**	**2039.98**	**3296.96**	**0.28**	**2.18**	**8.58**	**15073.16**

As at 31 March, 2023:

(₹ in 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	115.88	-	30.43	-	-	-	146.31
(ii)	Others	9347.97	1408.72	2305.15	0.53	0.16	0.17	13062.70
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
	Total	**9463.85**	**1408.72**	**2335.58**	**0.53**	**0.16**	**0.17**	**13209.01**

Note 24 : Other current liabilites

(₹ in Lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
(a)	Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Goods and Services Tax etc.)	204.12	212.04
(b)	Contract liabilities (Refer Note 38(A))	9.30	219.20
(c)	Trade/security deposits	5.71	8.25
(d)	Others	-	1.27
	Total	**219.13**	**440.76**

Note 25 : Revenue from operations

(₹ in Lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
I	**Revenue from contracts with customers:**		
	(a) Sale of products (Refer Footnotes (i)(a), (ii)(a) & (v))	74447.78	70917.25
	(b) Services rendered (Refer Footnotes (i)(b) & (ii)(b) & (v))	283.38	233.23
	Total - Revenue from contracts with customer	**74731.16**	**71150.48**
II	Other operating revenues (Refer Footnote (iii) below)	1905.47	1793.68
	Revenue from operations (I+II)	**76636.63**	**72944.16**

Note 25 : Revenue from operations...Contd.

Footnotes:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(i) Goods and services transferred at a point in time		
(a) Sale of products comprises:		
Manufactured goods:		
- Automotive gears (Includes processing charges ₹ 1167.21 lakhs (Year ended 31 March, 2022: ₹ 875.13 lakhs))	71381.62	67630.47
- Automotive components	2589.21	2600.97
- Tooling development	348.89	442.07
(b) Services rendered	197.97	146.34
(ii) Goods and services transferred over time (Refer Footnote (iv))		
(a) Sale of products comprises:		
- Industrial furnaces	128.06	243.74
(b) Services rendered	85.41	86.89
Total - Revenue from contracts with customers	**74731.16**	**71150.48**
(iii) Other operating revenues comprises:		
- Sale of scrap	640.48	652.03
- Export incentives (Refer Footnote (vi))	761.07	832.70
- Liabilities/provisions no longer required written back	165.40	70.42
- Miscellaneous income	338.52	238.53
Total - Other operating revenues	**1905.47**	**1793.68**

(iv) Revenue from contracts is recognized as stated in Note 2.13(b)

(v) For disaggregation of revenue by geography Refer Note 39(b) - Segment information

(vi) Merchandise Exports from India Scheme (MEIS) was 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, the 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 had recognised income from RoDTEP scheme for the period 01 January, 2021 to 31 March, 2021 of ₹ 48.73 lakhs during the year ended 31 March, 2022 .

(vii) Reconciliation of revenue recognised with contracted price:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Revenue as per contracted price	74894.90	71093.51
Adjustments for:		
Sales return, volume discount, price incentive, price variation, others	163.74	(56.97)
Revenue from contracts with customers	**74731.16**	**71150.48**

Note 26 : Other income

(₹ in Lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a)	Interest income (Refer Footnote (i) below)	62.82	54.57
(b)	Net gain on foreign currency transactions and translation	796.25	281.77
(c)	Other non-operating income (Refer Footnote (ii) below)	16.73	16.68
	Total	**875.80**	**353.02**

Footnotes:

(₹ in Lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(i)	Interest income comprises :		
	Interest on financial assets at amortised cost:		
	- On bank deposits	6.96	0.10
	- On margin money with banks	29.19	28.02
	- On security deposits and loans to employees	18.77	18.25
	Interest on income tax refund	7.75	5.12
	Others	0.15	3.08
	Total - Interest income	**62.82**	**54.57**
(ii)	Other non-operating income comprises:		
	Rent	2.03	8.33
	Gain on sale of property, plant and equipment	9.24	8.35
	Gain on valuation of mutual funds measured at FVTPL	5.46	-
	Total - Other non-operating income	**16.73**	**16.68**

Note 27(A) : Cost of material and components consumed

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening stock	1085.53	1663.25
Add: Purchases	41732.66	36952.57
	42818.19	38615.82
Less: Closing stock	1176.08	1085.53
Cost of materials and components consumed	**41642.11**	**37530.29**
Material and components consumed comprises:		
Forgings	39605.21	35497.16
Automotive components	1925.87	1866.61
Others	111.03	166.52
Total	**41642.11**	**37530.29**

Note 27(B) : Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the end of the year:		
Finished goods	3634.55	3139.93
Work-in-progress	2923.26	2662.07
	6557.81	**5802.00**
Inventories at the beginning of the year:		
Finished goods	3139.93	1701.81
Work-in-progress	2662.07	3659.59
	5802.00	**5361.40**
Net (increase)/decrease	**(755.81)**	**(440.60)**

Note 28 : Employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries and wages (Refer Footnote below)	9735.04	8823.79
Contributions to provident and other funds	568.98	527.41
Gratuity expenses	272.34	260.69
Staff welfare expenses	999.64	1101.68
Total	**11576.00**	**10713.57**

Footnote:

Includes Voluntary retirement scheme expense of ₹ Nil (for the year ended 31 March, 2022: ₹ 42.13 lakhs).

Note 29 : Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Interest expense on:		
(i) Borrowings (Refer Footnote below)	1228.37	1397.49
(ii) Others		
- Discounting charges	64.22	3.55
- Interest on delayed/deferred payment of income tax	-	5.74
- Interest on delayed payment to micro and small enterprises	1.41	38.10
- Lease liabilities	108.86	82.26
- Others	25.71	37.11
(b) Other borrowing costs (Bank and other financing charges)	279.83	278.23
Total	**1708.40**	**1842.48**

Footnote:

Excludes borrowing cost capitalized during the year ₹ 19.23 lakhs (for the year ended 31 March, 2022: ₹ Nil). The rate used to determine the amount of borrowing costs eligible for capitalization was 5.50% which is the interest rate applicable to the specific borrowing.

Note 30 : Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation on Property, plant and equipment assets	1725.06	1783.22
Depreciation on Right-of-use assets	255.56	230.56
Amortisation of Intangible assets	25.90	25.66
Total	**2006.52**	**2039.44**

Note 31 : Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Consumption of stores and spare parts	2181.47	1935.25
Consumption of loose tools	2141.74	2089.92
Consumption of packing materials	1612.91	1615.57
Processing charges	3104.45	3425.87
Power and fuel	5532.68	4878.21
Rent including lease rentals (Refer Note 34(C))	331.89	272.85
Repairs and maintenance:		
- Buildings	357.80	77.46
- Machinery	694.31	627.32
- Others	1211.39	1127.34
Travelling, conveyance and car expenses	461.99	321.58
Freight, forwarding and other charges (net)	658.80	992.05
Auditors' remuneration (Refer Footnote (i) below)	38.52	34.76
Loss on disposal of property, plant and equipment	18.89	0.37
Allowance for expected credit loss	-	5.09
Miscellaneous expenses (Refer Footnote (ii) below)	1228.68	1161.42
Total	**19575.52**	**18565.06**

Footnotes:

(i) Auditors' remuneration (net of GST):

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
As auditors:		
- Statutory audit	22.00	20.85
- Limited review	11.64	12.40
- Corporate Governance	1.75	1.00
In other capacity:		
- For certification (Refer note below)	0.50	0.45
Reimbursement of expenses	2.63	0.06
Total	**38.52**	**34.76**

Excludes certification charges paid to statutory auditors in relation to issue of equity shares ₹ Nil (for the year ended 31 March, 2022: ₹ 4.06 lakhs - debited to securities premium).

(ii) Includes ₹ 8.91 lakhs incurred on Corporate Social Responsibility expenditure (for the year ended 31 March, 2022: ₹ Nil) (Refer Note 42).

Note 32 : Additional information to the financial statements

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
32.1 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.	0.86	0.86
(iii) The Company has filed a civil suit in Faridabad Civil Court for recovery of damages.	4.91	4.91
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	1406.09	873.18
Intangible assets	1.22	0.63
	1407.31	**873.81**

32.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	149.97	324.63
(ii) Principal amount remaining unpaid beyond 45 days to any supplier as at the end of the accounting year	8.46	181.29
(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	920.62	1377.47
(v) The amount of interest due and payable for the year	1.41	38.10
(vi) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.37	99.29
(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 33 : Income Tax

(A) Major components of income tax expense:

(₹ in Lakhs)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a)	**Statement of Profit and Loss:**		
	(i) Current income tax:		
	- In respect of current year	466.16	441.45
	- In respect of prior years	6.57	(41.39)
	(ii) Deferred tax:		
	Relating to origination and reversal of temporary differences:		
	- In respect of current year	(41.93)	422.54
	- In respect of prior years	(19.60)	-
	Total tax expense recognised in Statement of Profit and Loss	**411.20**	**822.60**
(b)	**Other comprehensive income (OCI):**		
	Deferred tax - Remeasurement of the defined benefits obligations	(37.57)	7.66
	Total tax expense recognised in other comprehensive income	**(37.57)**	**7.66**

(B) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit before tax	**1759.69**	**3406.55**
Applicable tax rate (Refer footnote below)	25.168%	25.168%
Computed tax expense	442.88	857.36
Effect of expenses that is non-deductible in determining taxable profit	5.84	7.17
Effect of income that is not taxable in determining taxable profit	(24.74)	-
Adjustments in respect of current/deferred income tax of previous years	(13.03)	(41.39)
Others	0.25	(0.54)
Income tax expense recognised in Statement of Profit or Loss	**411.20**	**822.60**
Effective tax rate	**23.368%**	**24.148%**

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 33 : Income Tax...Contd.

C) Deferred tax

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023			
	Balance as at 31 March, 2022	Recognised in		Balance as at 31 March, 2023
		Profit and loss	OCI	
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment & intangible assets	207.13	(38.88)	-	168.25
Lease rent	0.31	-	-	0.31
Others	36.40	14.44	-	50.84
(A)	**243.84**	**(24.44)**	**-**	**219.40**
Tax effect of items constituting deferred tax assets:				
Provision for compensated absences, gratuity and other employee benefits	574.86	37.37	-	612.23
Other disallowances under Section 43B of the Income-tax Act, 1961	72.41	1.53	-	73.94
Payments made under Voluntary Retirement Scheme	98.98	(11.93)	-	87.05
Remeasurement of defined benefits obligations	38.38	-	37.57	75.95
Lease	20.25	7.48	-	27.73
Others	22.26	2.64	-	24.90
(B)	**827.14**	**37.09**	**37.57**	**901.80**
Deferred tax liabilities/(assets) (net)	**(583.30)**	**(61.53)**	**(37.57)**	**(682.40)**

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)**

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 34 : Leases

A. Following are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Description of assets	(₹ in Lakhs)
I.	**Right-of-use assets**	
	Balance as at 01 April, 2021	1028.22
	Additions	107.37
	Termination	-
	Balance as at 31 March, 2022	**1135.59**
	Additions	976.97
	Termination	(35.48)
	Eliminated due to expiry of lease tenure	(411.58)
	Balance as at 31 March, 2023	**1665.50**
II.	**Depreciation/impairment**	
	Balance as at 01 April, 2021	408.68
	Depreciation charge for the year	230.56
	Balance as at 31 March, 2022	**639.24**
	Depreciation charge for the year	255.56
	Eliminated due to expiry of lease tenure	(411.58)
	Balance as at 31 March, 2023	**483.22**
	Net book value (I-II)	
	Balance as at 31 March, 2023	**1182.28**
	Balance as at 31 March, 2022	496.35

B. Following are the carrying amounts of lease liabilities recognised and the movements during the year:

	Description of liabilities	(₹ in Lakhs)
I.	**Lease liabilities**	
	Balance as at 01 April, 2021	1042.57
	Additions	107.37
	Termination	-
	Balance as at 31 March, 2022	**1149.94**
	Additions	976.97
	Termination	(37.66)
	Balance as at 31 March, 2023	**2089.25**
II.	**Accretion of interest & lease payments**	
	Balance as at 01 April, 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)**
	Accretion of interest for the year	108.86
	Lease payments for the year	(334.77)
	Balance as at 31 March, 2023	**(799.07)**
	Net book value (I-II)	
	Balance as at 31 March, 2023	**1290.18**
	Current	**267.09**
	Non-Current	**1023.09**
	Balance as at 31 March, 2022	576.78
	Current	160.41
	Non-Current	416.37

Note 34 : Leases .... Contd.

C. Following are the amounts recognised in Statement of Profit & Loss:

	Particulars	(₹ in Lakhs)
	For the year ended 31 March, 2022:	
	Depreciation expense of right-of-use assets	230.56
	Interest expense on lease liabilities	82.26
	Lease payments of short-term leases and low-value assets (included in other expenses) (Refer Note 31)	272.85
	Total amount recognised in Statement of Profit and Loss	**585.67**
	For the year ended 31 March, 2023:	
	Depreciation expense of right-of-use assets	255.56
	Interest expense on lease liabilities	108.86
	Lease payments of short-term leases and low-value assets (included in other expenses) (Refer Note 31)	331.89
	Total amount recognised in Statement of Profit and Loss	**696.31**

D. Total cash outflow for leases

	Particulars	(₹ in Lakhs)
	Cash outflow for the year ended 31 March, 2022	286.98
	Cash outflow for the year ended 31 March, 2023	**334.77**

E. The maturity analysis of lease liabilities is disclosed in Note 40.

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 35 : Employee benefits

(A) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in Lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
-	Employers' contribution to Provident Fund and Family Pension Fund	396.44	348.50
-	Employers' contribution to Superannuation Fund	117.12	109.36

The above amounts are included in Contributions to provident and other funds under Note 28 Employee benefits expense.

Note 35 : Employee benefits ...Contd.

(B) Defined Benefit Plans

A general description of the Employee 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, whichever 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 Life Insurance Corporation of India (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.

(a) Expense recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars		Year ended 31 March, 2023		Year ended 31 March, 2022	
		Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(i)	**Under Statement of Profit and Loss**				
	Current service cost	133.67	1.11	130.55	1.18
	Interest on net defined benefit liability/(asset)	138.67	1.98	130.14	2.06
	Past service cost	-	-	-	-
	Total expense recognised in the Statement of Profit and Loss	***272.34**	****3.09**	***260.69**	****3.24**

Note 35 : Employee benefits ...Contd.

(₹ in Lakhs)

Particulars		Year ended 31 March, 2023		Year ended 31 March, 2022	
		Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(ii)	**Under other comprehensive income**				
	Actuarial (gains)/losses				
	Due to change in demographic assumptions	-	-	-	-
	Due to change in financial assumptions	(36.22)	(0.77)	(77.03)	(0.58)
	Due to change in experience adjustments	186.37	(0.24)	41.05	0.35
	Actual return on plan assets	0.15	-	5.76	-
	Sub-total - Included in Other comprehensive income	150.30	(1.01)	(30.22)	(0.23)
	Total expense	**422.64**	**2.08**	**230.47**	**3.01**
	(* Represented by Gratuity expenses under Employee benefits expense in Note 28).				
	(** Included in 'Salaries and wages' under Employee benefits expense in Note 28).				

Particulars		Year ended 31 March, 2023		Year ended 31 March, 2022	
		Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(b)	**Net liability recognised in the Balance Sheet:**				
	Present value of defined benefit obligation	2177.61	25.42	1953.98	27.29
	Fair value of plan assets	32.13	-	40.00	-
	Funded status (deficit)	(2145.48)	(25.42)	(1913.98)	(27.29)
	Net liability recognised in the Balance Sheet accounted as below:	**(2145.48)**	**(25.42)**	**(1913.98)**	**(27.29)**
	- Provisions non-current (Refer Note 20(A)(i))	(1816.41)	-	(1646.29)	-
	- Provisions current (Refer Note 20(B)(a)(i))	(329.07)	-	(267.69)	-
	- Provisions non-current (Refer Note 20(A)(iii))	-	(20.32)	-	(21.72)
	- Provisions current (Refer Note 20(B)(a)(iii))	**-**	**(5.10)**	-	(5.57)
(c)	**Present value of defined benefit obligation:**				
	Present value of defined benefit obligation at beginning of the year	1953.98	27.29	1945.67	30.23
	Current service cost	133.67	1.11	130.55	1.18
	Interest on defined benefit obligation	141.56	1.98	132.21	2.06
	Remeasurements due to:				
	Actuarial loss/(gain) arising from change in demographic assumptions	-	-	-	-
	Actuarial loss/(gain) arising from change in financial assumptions	(36.22)	(0.77)	(77.03)	(0.58)
	Actuarial loss/(gain) arising on account of experience changes	186.37	(0.24)	41.05	0.35
	Past service cost	-	-	-	-
	Benefits paid	(201.75)	(3.95)	(218.47)	(5.95)
	Present value of defined benefit obligation at the end of the year	**2177.61**	**25.42**	**1953.98**	**27.29**

Note 35 : Employee benefits ...Contd.

(₹ in Lakhs)

Particulars		Year ended 31 March, 2023		Year ended 31 March, 2022	
		Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(d)	**Fair value of plan assets:**				
	Opening fair value of plan assets	40.00	-	30.55	-
	Employer contributions	191.14	-	231.61	-
	Interest on plan assets	2.89	-	2.07	-
	Actual return on plan assets	(0.15)	-	(5.76)	-
	Benefits paid	(201.75)	-	(218.47)	-
	Closing fair value of plan assets	32.13	-	**40.00**	-
(e)	**Movement of net liability recognised in the Balance Sheet:**				
	Opening net defined benefit liability/(asset)	1913.98	27.29	1915.12	30.23
	Expense charged to Statement of Profit and Loss	272.34	3.09	260.69	3.24
	Amount recognised in other comprehensive income	150.30	(1.01)	(30.22)	(0.23)
	Employer contributions	(191.14)	(3.95)	(231.61)	(5.95)
	Closing net defined benefit liability/(asset)	2145.48	25.42	1913.98	27.29
(f)	**The major categories of plan assets as a percentage of the fair value of total plan assets:**				
	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 benefit obligations:**				
(i)	**Financial assumptions:**				
	Discount rate	7.45%	7.45%	7.25%	7.25%
	Salary escalation	7.00%		7.00%	
(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.				

Note 35 : Employee benefits ...Contd.

(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.

Particulars	Year ended 31 March, 2023		Year ended 31 March, 2022	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
Discount rate				
Impact of increase in 50 bps on defined benefits obligations	-3.94%	-2.21%	-4.06%	-2.27%
Impact of decrease in 50 bps on defined benefits obligations	4.28%	2.33%	4.41%	2.39%
Salary escalation				
Impact of increase in 50 bps on defined benefits obligations	4.12%	-	4.24%	-
Impact of decrease in 50 bps on defined benefits obligations	-3.84%	-	-3.99%	-

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 arrangements & 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 ₹ 329.07 lakhs.

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(j) Maturity profile				
Expected benefits for year 1	**361.20**	**5.10**	307.69	5.57
Expected benefits for year 2	**262.36**	**5.47**	185.80	4.18
Expected benefits for year 3	**219.63**	**4.14**	224.94	5.19
Expected benefits for year 4	**240.31**	**4.61**	183.50	3.93
Expected benefits for year 5	**150.56**	**2.23**	200.68	4.37
Expected benefits for year 6	**222.53**	**3.47**	126.26	2.11
Expected benefits for year 7	**210.06**	**2.75**	189.56	3.29
Expected benefits for year 8	**111.49**	**0.89**	179.60	2.60
Expected benefits for year 9	**67.77**	**0.40**	95.12	0.84
Expected benefits for year 10 and above	**3247.91**	**11.06**	2842.89	10.34
The weighted average duration to the payment (years)	**8.30**	**4.33**	8.53	4.43

Note 36 : Related party transactions

(₹ in Lakhs)

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 - Non Executive Independent 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)
	(v)	(Ultra Consultants Private Limited (UCPL)

Note: Related parties have been identified by the Management.

(B) Details of related party transactions during the year ended 31 March, 2023:

(i) Key Management Personnel (KMP):

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Mr. Surinder Paul Kanwar		
- Compensation - Short term employee benefits	263.69	128.26
- Rent paid for premises taken on lease	60.00	60.00
- Reimbursement of maintenance charges paid for premises taken on lease	2.75	2.68
- Repayment of unsecured loan - availed by the Company	-	200.00
- Equity allotment - Rights issue of equity shares	-	440.74
- Equity allotment - Bonus issue of equity shares (by way of capitalization of reserves)	189.37	-

Note 36 : Related party transactions ...Contd.

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(b) Mr. Sameer Kanwar		
- Compensation - Short term employee benefits	169.67	126.84
- Rent paid for premises taken on lease	36.00	36.00
- Reimbursement of maintenance charges paid for premises taken on lease	5.00	4.47
(c) Mr. N.V. Srinivasan		
- Fees for technical advisory services	-	15.48
- Director's sitting fees	2.65	1.70
(d) Mr. Rakesh Chopra		
- Director's sitting fees	5.20	3.10
(e) Mr. Virendra Kumar Pargal		
- Director's sitting fees	4.80	2.60
(f) Mr. Wolfgang Rudolf Schilha		
- Director's sitting fees	2.65	1.50
(g) Mrs. Hiroo Suresh Advani		
- Director's sitting fees	4.50	2.50
(h) Mr. Raman Nanda		
- Director's sitting fees	2.50	0.50

(ii) Enterprises over which KMP is able to exercise significant influence:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Clip-Lok Simpak (India) Private Limited		
- Purchase of packing material	39.56	46.93
- Rent income	0.64	0.64
- Equity allotment - Rights issue of equity shares	-	99.75
- Equity allotment - Bonus issue of equity shares (by way of capitalization of reserves)	4.75	-
(b) Vibrant Reality Infra Private Limited		
- Rent and other expenses	25.20	12.74
- Equity allotment - Bonus issue of equity shares (by way of capitalization of reserves)	6.64	-
(c) Raunaq EPC International Limited		
- Rent and other expenses	1.39	2.38
- Equity allotment - Bonus issue of equity shares (by way of capitalization of reserves)	11.80	-
(d) Xlerate Driveline India Limited (upto 29 November, 2021)		
- Marketing service income	-	62.54
- Rent expense	-	8.99
- Rent income	-	3.82
- Recovery of business promotion expenses	-	6.28
(e) Ultra Consultants Private Limited		
- Equity allotment - Bonus issue of equity shares (by way of capitalization of reserves)	70.56	-

Note 36 : Related party transactions ...Contd.

(C) Outstanding balances (excluding Ind AS fair value adjustments):

(i) Key Management Personnel (KMP):

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Mr. Surinder Paul Kanwar		
Receivable	50.00	50.00
(b) Mr. Sameer Kanwar		
Receivable	10.00	10.00
Payable	3.37	0.01

(ii) Enterprises over which KMP is able to exercise significant influence:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Vibrant Reality Infra Private Limited		
Receivable	5.00	5.00
(b) Raunaq EPC International Limited		
Receivable	-	1.55

(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, 2023 (31 March, 2022: ₹ 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 ₹ Nil (As at 31 March, 2022: ₹ 8313.89 lakhs), was provided by a Director in respect of loans referred to in Footnote (ii)(A) of Note 17 and a part of loan repayable on demand referred to in Note 22(a)) .

Note 37 : Earnings per share

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Basic and diluted:		
Net profit after tax for the year attributable to the equity shareholders	1348.49	2583.95
Weighted average number of equity shares (Nos.) (Refer Footnote below)	15355058	14663784
Face value per share (In ₹)	10.00	10.00
Earnings per share - Basic and diluted (In ₹) (Refer Footnote below)	8.78	17.62

Footnote:

In terms of approval of the Board of Directors at their meeting held on 24 August, 2022, the Company had recommended bonus share issue in the ratio of 1:2 i.e. one equity bonus share for two fully paid-up equity shares. This was subsequently approved by the Shareholders at their meeting held on 20 September, 2022. The record date was 28 September, 2022. Pursuant to the approval given by its shareholders, the Company has allotted 51,18,353 equity shares of Rs. 10 each as fully paid bonus equity shares to the eligible shareholders on 03 October, 2022. Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of bonus shares.

Note 38(A) : Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract Balances:		
Contract assets balance at the beginning of the year	365.36	562.25
Revenue recognised during the year	457.62	589.82
Invoices raised during the year	(511.90)	(757.73)
Created/(consumed) during the year	131.11	(28.98)
Contract assets balance at the end of the year (Refer Note 8(B)(c) and Note 9(c))	**442.19**	365.36

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities balance at the beginning of the year	**596.60**	358.92
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	-	-
Billed in advance in terms of contract	-	3.33
Advance received during the year	**394.90**	984.55
Adjusted against invoices during the year	**(495.70)**	(750.20)
Contract liabilities balance at the end of the year (Refer Note 21 and Note 24(b))	**495.80**	596.60

Note 38(B) : Disclosures in pursuance of the Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets

(₹ in Lakhs)

Provision for Warrants	As at 31 March, 2023	As at 31 March, 2022
Opening balance	**5.61**	13.91
Additional provision	0.75	1.99
Amount utilized	-	-
Unutilized amount reversed	(3.95)	(10.29)
Closing balance (Refer Note 20(B)(b))	**2.41**	5.61

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 39 : 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".

Note 39 : Segment information ...Contd.

Particulars

(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:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
India	46452.17	42282.16
Outside India:		
USA	15404.92	13725.51
Mexico	3612.58	3603.00
Spain	5069.12	6122.03
Other countries	4192.37	5417.78
Total	**74731.16**	**71150.48**

(ii) Other operating revenue:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
India	**1905.47**	1793.68
Total	**1905.47**	1793.68

(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

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Customer A	20960.50	19156.38

No other customer individually contributed 10% or more to the Company's revenue from contracts with customers for the current year ended 31 March, 2023 and previous year ended 31 March, 2022.

Note 40 : 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.

(₹ in Lakhs)

		31 March, 2023	31 March, 2022
Short term borrowing and current portion of long term borrowing		3210.77	3957.68
Long term borrowing		7090.89	6125.60
Total borrowing		10301.66	10083.28
Less:- Cash and cash equivalents including other bank balances (excluding balances in earmarked accounts)		659.59	935.22
Net debt	**A**	**9642.07**	9148.06
Total shareholders' equity as reported in Balance Sheet	**B**	**12055.99**	10819.22
Total capital and debt	**(A+B)**	**21698.06**	19967.28

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, 2023 and 31 March, 2022.

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.

Note 40 : Financial instruments ...Contd.

(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, 2023, the Company had 7 customers (As at 31 March, 2022: 9 customers) that owed the Company more than ₹ 500 Lakhs each and accounted for approximately 58.78% of all the receivables outstanding (As at 31 March, 2022: 68.86%).

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Investment in mutual funds is carried at FVTPL. Carrying value of investment as at 31 March, 2023 is ₹ 111.43 lakhs (As at 31 March, 2022: ₹ Nil). The carrying value represents the Company's maximum exposure to credit risk for investment in mutual funds.

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.

(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.

(₹ in Lakhs)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
31 March, 2023						
Fixed interest rate instruments	533.84	442.94	-	-	976.78	976.78
Variable interest rate instruments	3129.96	3426.17	3250.91	133.33	9940.37	9738.35
Lease liabilities	406.50	574.41	494.63	362.94	1838.48	1290.18
Non-interest bearing	13214.50	-	-	-	13214.50	13214.50
Total	**17284.80**	**4443.52**	**3745.54**	**496.27**	**25970.13**	**25219.81**
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**

Note 40 : Financial instruments ...Contd.

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, 2023 would decrease/increase by ₹ 107.15 lakhs (profit for the year ended 31 March, 2022: decrease/increase by ₹ 107.44 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.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
From banks:		
Fund based:		
Cash credit/packing credit	2854.79	774.43
- Expiring within one year	2854.79	774.43
- Expiring beyond one year	-	-
Non-fund based - letter of credit/bank guarantees	2358.61	56.42
- Expiring within one year	2358.61	56.42
- 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.

Note 40 : Financial instruments ...Contd.

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, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Receivable	USD	52,05,888.88	79,53,963.39	4277.68	6028.11
	EURO	25,14,357.32	30,75,891.60	2247.63	2583.08
Payables	USD	11,09,901.55	7,84,151.18	912.12	594.37
	EURO	12.00	-	0.01	-
	JPY	-	3,20,000.00	-	1.99

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.

(₹ in Lakhs)

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2023	For the year ended 31 March, 2022
USD	+ 5%	168.28	271.69	125.93	203.31
	- 5%	(168.28)	(271.69)	(125.93)	(203.31)
EURO	+ 5%	112.38	129.15	84.10	96.65
	- 5%	(112.38)	(129.15)	(84.10)	(96.65)
JPY	+ 5%	-	(0.10)	-	(0.07)
	- 5%	-	0.10	-	0.07

(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 41 : 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:

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022		Fair value hierarchy
	Carrying value	Fair value	Carrying value	Fair value	
Assets for which fair values are disclosed:					
Investments	111.43	111.43	-	-	Level 1
Loans and advances to employees	211.51	211.51	239.19	239.19	Level 2
Security deposits	285.87	285.87	261.99	261.99	Level 2
Liabilities for which fair values are disclosed:					
Borrowings	8656.45	8656.45	6857.71	6857.71	Level 2
Other non-current financial liabilities	22.93	22.93	196.78	196.78	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 42 : Corporate social responsibility

(₹ in Lakhs)

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(i)	Amount required to be spent during the year	-	-
(ii)	Amount of expenditure incurred (Refer Footnote (i) below)	8.91	-
(iii)	Shortfall/(surplus) at the end of the year	(8.91)	-
(iv)	Total of previous years shortfall/(surplus)	(1.97)	(1.97)
(v)	Total shortfall/(surplus) at the end of current year carried forward (iii + iv) (Refer Footnote (iii) below)	(10.88)	(1.97)
(vi)	Reason for shortfall	Not applicable	Not applicable
(vii)	Nature of CSR activities	Refer Footnote (ii) below	Refer Footnote (ii) below
(viii)	Details of Related Party Transactions	Not applicable	Not applicable
(ix)	Provision made in respect of liability incurred	-	-

Note 42 : Corporate social responsibility ...Contd.

Footnotes:

(i) Details of amount of expenditure incurred:

(₹ in Lakhs)

Particulars			For the year ended 31 March, 2023			For the year ended 31 March, 2022		
			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	8.91	-	8.91	-	-	-

(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.

(iii) In accordance with rule 7(3) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, amount spent in excess of requirement provided under sub-section (5) of section 135 of the Companies Act, 2013, may be set off against the amount required to be spent in immediately succeeding three financial years. Accordingly, this surplus amount spent is eligible for set off.

Note 43 : 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 received compensation amounting to ₹ 513.73 lakhs which was 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), was disclosed as an Exceptional item during the year ended 31 March, 2022. 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 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 (i) below)	Not applicable	28 September, 1972	Not applicable (Refer Footnote (i) below)
Non-current asset held for sale	Land at Mumbra	12.30	Bharat Gears Limited (Refer Footnote (i) below)	Not applicable	28 September, 1972	
Property, plant and equipment	Land at Lonand	234.73	Bharat Gears Limited (Refer Footnote (ii) below)	Not applicable	07 February, 2011	Not applicable (Refer Footnote (ii) below)
Property, plant and equipment	Land at Lonand	297.95	Bharat Gears Limited (Refer Footnote (ii) below)	Not applicable	23 December, 2011	

Footnotes:

(i) 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 the Bombay High Court.

(ii) The name mentioned in the records of the Government (i.e. 7/12 extract in respect of certain part of Company's Land at Lonand, on account of certain mutation entries) do not match with the indenture of the conveyances available with the Company. The Company has initiated necessary action with concerned Government authoritiy.

Note 45 : Ratios

Sr.no.	Particulars	Numerator	Denominator	Unit	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% Change	Reason for variance
(i)	Current ratio	Current assets	Current liabilities	Times	1.44	1.33	8%	
(ii)	Debt-equity ratio	Non-current borrowings + Current borrowings	Total equity	Times	0.85	0.93	9%	
(iii)	Debt service coverage ratio	Profit for the year + Finance costs + Depreciation and amortisation expense + loss on disposal of property, plant and equipment - gain on sale of property, plant and equipment	Finance costs + Current maturities of long-term debts + current lease liabilities	Times	1.43	2.36	39%	Decrease because of drop in profit during the current year and increase in current maturities of long-term debts.
(iv)	Return on equity ratio	Profit for the year	Average total equity	%	12%	28%	57%	Decrease because of drop in profit during the current year.
(v)	Inventory turnover ratio	Revenue from operations	Average inventory	Times	8.05	8.07	0%	
(vi)	Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	5.74	5.82	1%	
(vii)	Trade payables turnover ratio	Purchases	Average trade payables	Times	2.95	2.41	22%	
(viii)	Net capital turnover ratio	Revenue from operations	Current assets - Current liabilities	Times	10	11	9%	
(ix)	Net profit ratio	Profit for the year	Revenue from operations	%	2%	4%	50%	Decrease because of drop in profit during the current year.
(x)	Return on capital employed	Profit before exceptional items and tax + Finance costs	Non-current borrowings + Current borrowings + Total Equity	%	16%	23%	30%	Decrease because of drop in profit during the current year.
(xi)	Return on investment	Investment - Cost of investment	Cost of investment	%	5%	N.A.*	5%	

* The Company had not made any investments for the year ended 31 March, 2022, therefore Return on investment ratio is not applicable.

Notes to the Financial Statements

for the year ended 31 March, 2023

Note 46 : Other statutory information

Particulars

(i) The Company does not have any Benami property. No proceedings have been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does 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 does not have any such transaction which is not recorded in the books of account 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

The comparative financial information of the Company for the year ended 31 March, 2022 is based on Financial Statements audited by predecessor auditor M/s. S R B C & CO LLP, Chartered Accountants vide their report dated 27 May, 2022.

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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
Corporate Head (Legal) & Company Secretary
(PAN : AOQPK8734B)

Place : Mumbai
Date : 25 May, 2023

BHARAT GEARS LIMITED
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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:

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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

BHARAT GEARS LIMITED
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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

BHARAT GEARS LIMITED
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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

Registered Office
20 K.M. Mathura Road, P.O. Amar Nagar,
Faridabad-121 003, Haryana
CIN: L29130HR1971PLC034365
www.bharatgears.com

Concept, Content & Design (info@wyatt.co.in)