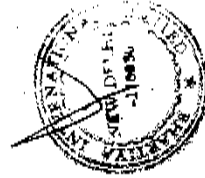


**BHARTIYA INTERNATIONAL LIMITED**  
Registered. Office:- E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi - 110030

**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012.**

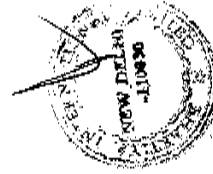
Sr. No.	Particulars	STANDALONE				CONSOLIDATED	
		QUARTER ENDED		YEAR ENDED		YEAR ENDED	
		31.03.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2011 (Unaudited)	31.03.2012 (Audited)	31.03.2011 (Audited)	31.03.2011 (Audited)
1	Income from Operations	3967.92	6571.27	2712.43	20737.51	16733.43	19523.02
	a) Net Sales/ Income from Operations (Net of excise duty)						
	b) Other Operating Income	3967.92	6571.27	2712.43	20737.51	16733.43	19523.02
	Total Income from operations (net)						
2	Expenses	1555.97	3861.85	1753.97	10025.94	9258.41	8630.81
	a) Cost of materials consumed	324.75	182.91	250.28	1625.43	1154.94	3014.54
	b) Purchases of stock-in-trade	288.06	16.00	(735.15)	539.17	(747.43)	(897.98)
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	305.20	201.53	108.88	902.25	663.53	1127.83
	d) Employees benefits expense	30.91	44.59	30.36	162.95	143.32	281.25
	e) Depreciation and amortisation expense	(28.37)	160.02	36.87	154.45	7.43	207.54
	f) Foreign Exchange Loss/(Gain), Net	1226.57	1671.35	1158.78	5861.79	5206.08	5791.20
	g) Other Expenses	3703.09	6138.25	2603.99	19271.98	15686.28	18155.19
	Total Expenses	264.83	433.02	108.44	1465.53	1047.15	1367.83
3	Profit/(Loss) from Operations before Other Income, finance costs and exceptional items (1-2)	64.31	52.64	51.03	232.35	199.61	246.16
4	Other Income	329.14	485.66	159.47	1697.88	1246.76	1613.99
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	117.66	218.21	105.63	556.03	397.70	612.39
6	Finance Costs	211.48	267.45	53.84	1141.85	849.06	1001.60
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)						
8	Exceptional Items:						
9	Profit/(Loss) from Ordinary activities before Tax (7-8)	211.48	267.45	53.84	1141.85	849.06	1001.60
10	Tax Expense	70.00	90.00	5.50	320.00	215.50	251.61
	(a) Current Tax	44.14	44.14	41.75	44.14	41.75	48.49
	(b) Deferred Tax	40.80	40.80	37.58	40.80	37.58	37.58
	(c) Prior period Income Tax						



11	Net Profit/(Loss) from ordinary activities after Tax (9-10)	56.54	177.45	(30.99)	736.91	554.23	1155.74	663.92
12	Extra Ordinary Items (Net of tax expense)	-	-	-	-	-	-	663.92
13	Net Profit/(Loss) for the period (11-12)	56.54	177.45	(30.99)	736.91	554.23	1155.74	26.38
14	Share of loss of associate:	-	-	-	-	-	1.82	(0.34)
15	Minority interest	-	-	-	-	-	8.72	637.88
16	Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates(13-14-15)	56.54	177.45	(30.99)	736.91	554.23	1145.20	946.38
17	Paid up Equity Share Capital (Face Value Rs.10/- each)	1046.38	1006.38	946.38	1046.38	946.38	1046.38	10697.23
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	11829.77	10823.45	12007.26	-
19	Earnings per share (before and after extraordinary items)(of Rs.10/-each).							
	(a) Basic	0.56*	1.76*	(0.36)	7.33	6.39	11.39	7.36
	(b) Diluted	0.56*	1.76*	(0.35)	7.33	6.21	11.39	7.15
A	PARTICULARS OF SHAREHOLDING							
1	Public Shareholding	5931212	5831212	5431212	5931212	5431212	5931212	5431212
	Number of shares	56.68	57.94	57.39	56.68	57.39	56.68	57.39
	Percentage of shareholding							
2	Promoters and Promoter Group Shareholding							
	a) Pledged/ Encumbered							
	Number of shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non- Encumbered							
	Number of shares	4532636	4232636	4032636	4532636	4032636	4532636	4032636
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Percentage of Shares (as a % of the total share capital of the Company)	43.32	42.06	42.61	43.32	42.61	43.32	42.61

\* EPS not annualised

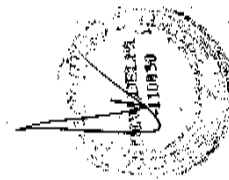
Particulars	3 Months Ended (31.03.2012)
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	Nil
Received during the quarter	10
Disposed off during the quarter	10
Remaining unresolved at the end of the quarter	Nil



## SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED.

Sr. No.	Particulars	STANDALONE				CONSOLIDATED	
		QUARTER ENDED		YEAR ENDED		YEAR ENDED	
		31.03.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2011 (Unaudited)	31.03.2012 (Audited)	31.03.2011 (Audited)	31.03.2012 (Audited)
1	Segment Revenue	3612.07	6455.45	2339.68	19386.78	15493.86	18000.57
	Leather Products	355.85	115.82	323.49	1350.73	1150.93	1433.82
	Textile Apparels	-	-	49.26	55.45	88.64	88.63
	Others	3967.92	6571.27	2712.43	20792.96	16733.43	19523.02
	Total	3967.92	6571.27	2712.43	20737.51	16733.43	19523.02
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Net Sales/ Income from Operations	3967.92	6571.27	2712.43	20737.51	16733.43	19523.02
2	Segment Results						
	Profit before Tax and Interest	308.78	707.74	240.17	2355.38	1881.51	2434.51
	Leather Products	21.25	14.11	(45.69)	181.05	109.79	198.42
	Textile Apparels	(0.06)	(18.45)	(0.67)	(68.88)	(58.79)	(61.76)
	Others	329.97	703.40	193.81	2467.55	1932.51	2571.17
	Total	64.31	52.64	51.03	232.35	199.61	246.16
	Add: Other Income	117.66	218.21	105.63	556.03	397.70	612.39
	Less: Interest	65.14	270.38	85.37	1002.02	885.36	1208.34
	Less: Other Unallocable Expenditure	211.46	267.45	53.84	1141.85	849.06	1001.60
	Profit before Tax	4412.37	4253.71	3476.83	4412.37	3476.83	4847.29
	Capital Employed	111.86	91.86	40.01	111.86	40.01	122.34
	(Segment Assets- Segment Liabilities)	14.87	21.10	149.28	14.87	149.28	149.28
	Leather Products	8427.05	8341.52	8361.71	8427.05	8361.71	6682.70
	Textile Apparels	12966.15	12708.19	12027.83	12966.15	12027.83	13143.64
	Others						
	Unallocated						
	Total Capital Employed						





## Statements of Assets and Liabilities :-

Sr. No.	Particulars	STANDALONE YEAR ENDED		CONSOLIDATED YEAR ENDED	
		31.03.2011		31.03.2011	
		Audited	Audited	Audited	Audited
(Rs. In Lacs)					
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	Shareholders' Funds :				
	(a) Share Capital	1046.38	946.38	1046.38	946.38
	(b) Reserves and Surplus	11829.77	10823.45	12007.26	10597.23
	(c) Money Received against Share Warrants	90.00	64.50	90.00	64.50
	Sub-total-Shareholders' funds	12966.15	11834.33	13143.64	11608.11
2	Share application money pending allotment	-	193.50	-	193.50
3	Minority interest	-	-	157.06	148.34
<b>4</b>	<b>Non-Current Liabilities</b>				
	(a) Long-term borrowings	883.00	619.89	887.54	621.00
	(b) Deferred tax liabilities (net)	213.35	169.21	170.92	134.64
	(c) Other long-term liabilities	145.26	145.26	145.26	145.26
	(d) Long-term provisions	99.58	52.76	109.15	57.64
	Sub-total-Non-current liabilities	1341.19	987.12	1312.87	958.54
<b>5</b>	<b>Current Liabilities</b>				
	(a) Short-term borrowings	5743.66	5345.00	6569.67	5634.15
	(b) Trade Payables	2799.19	2167.59	2645.44	1517.42
	(c) Other current liabilities	377.72	507.24	706.83	784.15
	(d) Short-term provisions	466.37	545.70	493.59	618.81
	Sub-total-Current liabilities	9386.94	8565.53	10415.53	8554.53
	Total Equity and Liabilities	23694.28	21580.48	25029.10	21463.02
<b>B</b>	<b>ASSETS</b>				
1	Non-Current Assets				
	(a) Fixed Assets	4789.96	3980.62	5729.65	4906.96
	(b) Goodwill on consolidation	-	-	25.25	25.25
	(c) Non-current investments	6851.61	6881.47	4000.77	4032.45
	(d) Deferred tax assets (net)	1000.72	950.57	176.01	133.87
	(e) Long-term loans and advances	3.22	-	12.53	10.92
	(f) Other non-current assets	12645.51	11812.66	9944.21	9109.45
	Sub-total-Non-current assets	13691.02	13625.32	10764.22	9218.85
2	Current Assets				
	(a) Current investments	137.31	243.55	137.31	243.55
	(b) Inventories	7443.07	5532.30	9486.33	7659.03
	(c) Trade receivables	702.31	827.02	2494.55	1346.00
	(d) Cash and cash equivalents	709.00	744.70	1138.03	963.68
	(e) Short-term loans and advances	2056.68	2420.25	1826.45	2139.50
	(f) Other current assets	0.40	-	2.22	1.81
	Sub-total-Current assets	11048.77	9767.82	15084.89	12353.57
	TOTAL- ASSETS	23694.28	21580.48	25029.10	21463.02

**Notes:**

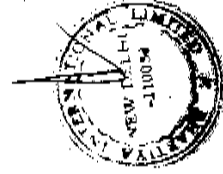
- 1 The above financial results have been taken on record by the Board of Directors of the Company in their Meeting held on 30<sup>th</sup> May, 2012.
- 2 The Board of Directors have recommended a dividend @ 10% i.e. ₹ 1/- per Equity Share of ₹ 10/- each for the financial year ended 31.03.2012.
- 3 The Auditor's observations on the audited financial results for the year ended 31.03.2012 for non-provision of diminution in investment of subsidiary companies and the Company response thereto:-  
As per the practice followed in past, the Company has not provided for diminution in un-quoted investments in its subsidiary companies, since in the opinion of the Board, the investments are long term strategic investment and such diminution in their value is temporary in nature.
- 4 The Company has converted 1000000 warrants into Equity Shares during the year on exercising the right by warrant holders belonging to Promoter & Non - Promoters Group. The funds raised through conversion/ exercise of right attached to the warrants have been utilized for the stated purposes.
- 5 Previous period figures have been regrouped / re-arranged wherever necessary.
- 6 Basic and Diluted earning per share has been calculated in accordance with the Accounting Standard (AS-20).

Place: New Delhi  
Date: 30.05.2012

For Bhartiya International Ltd

Sd/-

Snehdeep Aggarwal  
( Managing Director)





**SUSHIL PODDAR & CO.**  
**CHARTERED ACCOUNTANTS**

**AUDITORS' REPORT**

To,  
The Members of  
Bhartiya International Ltd.

1. We have audited the attached Balance Sheet of M/s Bhartiya International Ltd. as on 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date attached thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2005 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have 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 accounts as required by law have been kept by the company so far as appears from our examination of these books;



- c) The Balance Sheet, Statement of Profit and Loss and Cash flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- e) Based on the representations made by all the Directors of the company as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors of the company and in accordance with the information and explanations as made available, the Directors of the company do not, prima facie, have any disqualification as referred to in clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet and Statement of Profit and Loss subject to:

*Note No. 14.01 regarding non provision for diminution in value of Long Term Investments in subsidiary companies, since in the opinion of the Board, these investments are long term in nature and such diminution is only temporary (amount unascertainable),*  
and read together with significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the State of affairs of the company as at 31<sup>st</sup> March, 2012.
- ii) In the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date and
- iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For Sushil Poddar & Co.

Firm Registration No. 014969N

Chartered Accountants

S. K. Poddar

Membership No: 094479

New Delhi, 30<sup>th</sup> May, 2012.



**ANNEXURE TO AUDITORS' REPORT**  
(Referred to in paragraph 3 of our Report of even date)

- i.
  - (a) In our opinion, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
  - (c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern concept of the company.
- ii.
  - (a) As explained to us, physical verification of inventory, except material lying with third parties and in transit, has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.
- iii.
  - (a) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act. Hence the provision of clause (f) and (g) of paragraph 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - (b) There are two wholly owned subsidiary companies covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted unsecured loans. The maximum amount involved during the year was Rs 9,12,02,431/- and the year end balance of loan granted to them was Rs . 8,98,00,090/-.





(c) The company has granted an interest free unsecured loan of Rs 8,98,00,090/- to its wholly owned subsidiaries . In our opinion, having regard to the long term involvement with the wholly owned subsidiaries and according to the explanations given to us in this regard , the terms and conditions of the loans granted are prima facie not prejudicial to the interest of the company.

(d) There is no stipulation as to the repayment of the principal amount.

(d) In view thereof the clause pertaining to the overdue amount being more than Rs 1 Lakh is not applicable.

- iv. In our opinion and according to the information and explanation given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. (a) According to the information and explanations given to us, during the year under review the contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance to contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information given to us, the company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the Companies ( Acceptance of Deposits) Rules, 1975 apply.
- vii. In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by Central Government under section 209(1)(d) of the



Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. (a) According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues referred to above were in arrears, as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.

(c) Following are the amounts which are disputed and not paid by the Company :

Nature of Demand	Amount in Rs	Period to which the Amount Relates.		Forum where appeal has been filed
Income Tax(Tax& Interest)	1,18,39,722 & 5,86,060	A.Y 2003-04 & 2004-05	A.Y	High Court

- x. The company does not have accumulated losses and has not incurred cash losses in the current financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- xii. During the year, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is neither a club fund nor nidhi/mutual benefit fund/ society and hence provisions of paragraph 4 (xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
- xiv. In our opinion and according to the information and explanations given by the management, the company is not a dealer or trader in shares, securities, debentures and other investments. However in respect of transactions relating to investment in shares/ mutual funds. The company has maintained



- proper records and timely entries have been made and the investments are held in the name of the company
- xv. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by its wholly owned subsidiaries from banks or financial institutions are not prima-facie prejudicial to the interest of the company.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments.
- xviii. In our opinion and based on the information and explanations given to us, during the year the Company has made preferential allotment of shares on conversion of Preferential Share Warrants on private placement basis to a company covered in the register maintained under section 301 of the Companies Act 1956, and shares have been issued at a price which is not prejudicial to the interest of the Company.
- xix. The company has not issued any debentures. Accordingly the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are applicable to the company.
- xx. During the year under review, no money was raised by public issue and as such disclosure of end use of money raised is not applicable.
- xxi. Based upon the audit procedure performed and information and explanation given by the management we report that during the year no fraud on or by the company has been noticed or reported by the management.

For Sushil Poddar & Co.  
Firm Registration No. 014969N  
Chartered Accountants

S. K. Poddar  
Membership No: 97479  
New Delhi, 30<sup>th</sup> May, 2012

