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# Deloitte Haskins & Sells

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

We have reviewed the accompanying statement of Unaudited Financial Results of **BHARAT GEARS LIMITED** ("the Company") for the quarter ended June 30, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited financial results prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

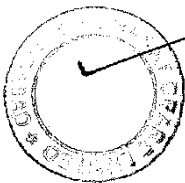
Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the details furnished by the Company's Management and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117365W)



Saira Nainar  
Partner  
(Membership No. 040081)

MUMBAI; July 26, 2012



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<b>BHARAT GEARS LIMITED</b>					
Registered Office : 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad - 121 003. (Haryana).					
<b>STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2012</b>					
(₹. in lacs)					
Sr.No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Previous year ended
		30-Jun-12 (Unaudited)	31-Mar-12 (Unaudited)	30-Jun-11 (Unaudited)	31-Mar-12 (Audited)
1	Income from operations	9,899	11,667	9,725	42,405
	(a) Net Sales/Income from operations (net of excise duty)				
	(b) Other Operating Income	150	222	135	651
	<b>Total income from operations (net)</b>	<b>10,049</b>	<b>11,889</b>	<b>9,860</b>	<b>43,056</b>
2	Expenses	5,084	5,395	5,272	22,613
	(a) Cost of Materials Consumed				
	(b) Changes in inventories of finished goods and work-in-progress	(209)	387	(131)	(632)
	(c) Employees benefits expense	1,444	1,369	1,413	5,542
	(d) Power and Fuel	940	902	781	3,280
	(e) Depreciation and Amortisation expense	281	284	255	1,078
	(f) Other expenses	1,961	2,305	1,747	7,808
	<b>Total expenses</b>	<b>9,501</b>	<b>10,642</b>	<b>8,317</b>	<b>39,699</b>
3	Profit from Operations before Other Income, finance costs and exceptional items (1-2)	548	1,247	543	3,357
4	Other Income	217	21	37	588
5	Profit from ordinary activities before finance costs and exceptional items (3-4)	765	1,268	580	3,945
6	Finance Costs	310	350	280	1,269
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	455	918	300	2,676
8	Exceptional Items	-	-	-	-
9	Profit from Ordinary Activities before tax (7 + 8)	455	918	300	2,676
10	Tax expense	153	322	105	817
11	Net Profit from Ordinary Activities after tax (9 - 10)	302	596	195	1,859
12	Extraordinary Items ( net of tax expense )	-	-	-	-
13	Net Profit ( 11 - 12 )	302	596	195	1,859
14	Paid up equity share capital (Face value ₹. 10/- per share)	782	782	782	782
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				6,054
16.i	Earnings Per Share (before Extraordinary items ) (of ₹ 10/- each (* not annualised))				
	(a) Basic and Diluted	* 3.86	* 7.59	* 2.46	23.63
16.ii	Earnings Per Share (after Extraordinary items ) (of ₹ 10/- each (* not annualised))				
	(a) Basic and Diluted	* 3.86	* 7.59	* 2.46	23.63



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PART II					
SELECTED INFORMATION FOR THE QUARTER ENDED JUNE 30, 2012					
Sr.No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Previous year ended
		30-Jun-12 (Unaudited)	31-Mar-12 (Unaudited)	30-Jun-11 (Unaudited)	31-Mar-12 (Audited)
<b>A PARTICULARS OF SHAREHOLDING</b>					
1	Public shareholding				
	- Number of shares	3,679,330	3,679,330	3,654,330	3,679,330
	- Percentage of shareholding	47.06%	47.06%	49.90%	47.06%
2	Promoters and promoter group shareholding				
	(a) Pledged/ Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares ( as a % of the total shareholding of promoter and promoter group )	-	-	-	-
	- Percentage of shares ( as a % of the total share capital of the company )	-	-	-	-
	(b) Non- encumbered				
	- Number of shares	4,138,503	4,138,503	3,953,503	4,138,503
	- Percentage of shares ( as a % of the total shareholding of promoter and promoter group )	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares ( as a % of the total share capital of the company )	52.94%	52.94%	50.70%	52.94%

Sr.No.	Particulars	Quarter ended
		30-June-12
5	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

## Notes:

- The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on July 26, 2012.
- The auditors of the Company have carried out limited review of the Un-Audited Financial Results for the quarter ended June 30, 2012.
- Employee's benefits expense for the quarter ended June 30, 2012 includes provision of ₹. 5.08 lacs made on the basis of shareholders approval for the remuneration payable to the Joint Managing Director in excess of the limit specified under Section 198 read with Section 209 and Schedule XIII to the Companies Act, 1956 which is subject to approval of the Central Government for which applications have been made by the Company.
- The Company is primarily engaged in the Automotive Gears business. Risks and rewards involved in sales to overseas customers are not significantly different from those attributable to domestic market. As such there is no other separate reportable segment as defined by Accounting Standard - 17 "Segment Reporting."
- The unaudited figures in respect of the results for preceding quarter ended March 31, 2012 are the balancing figures between the audited financial results in respect of the full financial year ended March 31, 2012 and the published year to date figures upto the third quarter ended December 31, 2011, in the financial year ended 31st March 2012.
- Previous year/period's figures have been regrouped / recasted wherever necessary.

For and on behalf of the Board of Directors



SURINDER P. KANWAR  
Chairman & Managing Director

Place: Faridabad  
Date: July 26, 2012

