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# Deloitte Haskins & Sells

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

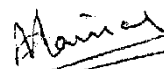
We have reviewed the accompanying statement of Unaudited Financial Results of **BHARAT GEARS LIMITED** ("the Company") for the quarter and nine months ended December 31, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. 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 Standard 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, 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.

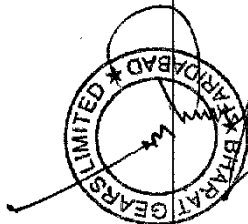
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117365W)



Saira Nainar  
Partner  
(Membership No. 040081)

**CERTIFIED TRUE COPY**

MUMBAI, January 24, 2013




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**BHARAT GEARS LIMITED**

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

Part I

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012**

(₹. in lacs)

	Particulars	Quarter ended		Nine months ended		Previous Year ended	
		(Unaudited)		(Unaudited)		(Audited)	
		31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31-Mar-12
1	Income from operations	8,953	10,015	11,193	28,867	30,738	42,405
	(a) Net Sales/Income from operations (net of excise duty)						
	(b) Other Operating Income	112	153	146	415	429	651
	<b>Total Income from operations (net)</b>	<b>9,065</b>	<b>10,168</b>	<b>11,339</b>	<b>29,282</b>	<b>31,167</b>	<b>43,056</b>
2	Expenses	4,472	4,887	6,100	14,443	17,218	22,613
	(a) Cost of Materials Consumed						
	(b) Changes in inventories of finished goods and work-in-progress	253	385	(198)	429	(1,018)	(632)
	(c) Employees benefits expense (Refer Note 4)	1,387	1,465	1,410	4,296	4,173	5,542
	(d) Power and Fuel	879	879	823	2,698	2,388	3,290
	(e) Depreciation and Amortisation expense	293	289	280	863	794	1,078
	(f) Other expenses	1,514	1,852	1,970	5,327	5,554	7,808
	<b>Total expenses</b>	<b>8,798</b>	<b>9,757</b>	<b>10,385</b>	<b>28,056</b>	<b>29,109</b>	<b>39,699</b>
3	Profit from Operations before Other Income, finance costs and exceptional items (1-2)	267	411	954	1,226	2,058	3,367
4	Other Income (Refer Note 3)	98	(47)	467	268	619	588
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	365	364	1,421	1,494	2,677	3,945
6	Finance Costs	311	287	334	908	919	1,269
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	54	77	1,087	586	1,758	2,676
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary Activities before tax (7 - 8)	54	77	1,087	586	1,758	2,676
10	Tax expense	20	29	267	202	495	817
11	Net Profit from Ordinary Activities after tax (9 - 10)	34	48	820	384	1,263	1,859
12	Extraordinary Items ( net of tax expense )	-	-	-	-	-	-
13	Net Profit ( 11 - 12 )	34	48	820	384	1,263	1,859
14	Paid up equity share capital (Face value ₹. 10/- per share)	782	782	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)) Basic and Diluted	* 0.43	* 0.63	* 10.46	* 4.91	* 16.04	23.63
16.ii	Earnings Per Share (after Extraordinary items ) (of ₹ 10/- each (* not annualised)) Basic and Diluted	* 0.43	* 0.63	* 10.46	* 4.91	* 16.04	23.63

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**BHARAT GEARS LIMITED**

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

Part II						
SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012						
Particulars	Quarter ended		Nine months ended			Previous Year ended
	(Unaudited)		(Unaudited)			(Audited)
	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31-Mar-12
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public shareholding						
- Number of shares	3,679,330	3,679,330	3,854,330	3,679,330	3,854,330	3,679,330
- Percentage of shareholding	47.06%	47.06%	49.30%	47.06%	49.30%	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	3,963,503	4,138,503	3,963,503	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%	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%	50.70%	52.94%

Particulars	Quarter ended 31-Dec-12
<b>B INVESTOR COMPLAINTS</b>	
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 Un-Audited Financial Results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on January 24, 2013.
- The auditors of the Company have carried out limited review of the Un-Audited Financial Results for the quarter and nine months ended December 31, 2012.
- Other Income includes :

Particulars	Quarter ended		Nine months ended			Previous Year ended
	(Unaudited)		(Unaudited)			(Audited)
	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31-Mar-12
Net exchange gain/(loss)	87	(61)	154	222	275	223
Profit on sale/transfer of leasehold rights	-	-	300	-	300	300

- Employees benefits expense for the quarter and nine months ended December 31, 2012 includes provision of ₹ 15.24 lacs and ₹ 35.56 lacs respectively 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 309 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."
- Previous year/period's figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors


SURINDER P. KANWAR  
Chairman & Managing DirectorPlace : Faridabad  
Date: January 24, 2013