



KALYANI

BHARAT FORGE LIMITED
 REGD. OFFICE : MUNDHWA, PUNE CANTONMENT, PUNE 411 036.
 CIN:L25209PN1961PLC012046
**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND
 HALF YEAR ENDED 30TH SEPTEMBER, 2014**

BHARAT FORGE

(₹ in Crores)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30th September 2014 (Unaudited)	30th June, 2014 (Unaudited)	30th September 2013 (Unaudited)	30th September 2014 (Unaudited)	30th September 2013 (Unaudited)	31st March, 2014 (Audited)
	PART I						
1	a) Sales and income from operations						
	- Within India	450.56	452.88	395.23	903.44	809.87	1,607.32
	- Outside India	697.47	551.78	463.38	1,249.25	860.60	1,848.21
	Total sales	1,148.03	1,004.66	858.61	2,152.69	1,670.47	3,455.53
	Less : Excise duty	39.15	40.33	37.23	79.48	77.44	150.16
	Total net sales	1,108.88	964.33	821.38	2,073.21	1,593.03	3,305.37
	b) Other operating income	29.39	23.80	23.73	53.19	43.64	93.90
	Total income from operations (net) (a + b)	1,138.27	988.13	845.11	2,126.40	1,636.67	3,399.27
2	Expenses						
	a) Cost of materials consumed	453.32	423.95	326.66	877.27	661.37	1,410.55
	b) Changes in inventories of finished goods, work- in-progress and dies	3.11	(64.83)	17.04	(61.72)	7.53	(36.75)
	c) Employee benefits expense	80.74	79.54	69.48	160.28	140.18	278.85
	d) Depreciation and amortisation expense	66.35	65.75	62.77	132.10	123.84	245.31
	e) Manufacturing expenses	192.73	184.93	141.99	377.66	280.47	612.51
	f) Other expenses	83.64	81.24	67.16	164.88	128.24	270.44
	Total expenses	879.89	770.58	685.10	1,650.47	1,341.63	2,780.91
3	Profit from operations before other income, finance costs and exceptional items (1-2)	258.38	217.55	160.01	475.93	295.04	618.36
4	Other income	29.98	24.19	21.29	54.17	56.71	114.70
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	288.36	241.74	181.30	530.10	351.75	733.06
6	Finance costs	31.36	31.64	39.35	63.00	74.78	149.57
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	257.00	210.10	141.95	467.10	276.97	583.49
8	Exceptional Items [credit / (charge)] (See Note 4)	(4.12)	-	-	(4.12)	-	12.35
9	Profit from ordinary activities before tax (7+8)	252.88	210.10	141.95	462.98	276.97	595.84
10	Tax expenses	78.39	65.13	45.57	143.52	89.99	195.91
11	Net profit from ordinary activities after tax (9-10)	174.49	144.97	96.38	319.46	186.98	399.93
12	Extraordinary item (net of tax expenses)	-	-	-	-	-	-
13	Net profit for the period / year (11-12)	174.49	144.97	96.38	319.46	186.98	399.93
14	Paid-up equity share capital (Face Value ₹ 2/- each)	46.57	46.57	46.57	46.57	46.57	46.57
15	Paid-up Debt capital of the Company *				451.90	776.00	688.50
16	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						2,646.74
17	Debenture redemption reserve				191.40	165.33	185.27
18	a) Basic earnings per share of ₹ 2/- each before and after extraordinary item (not annualised for the quarters) (₹)	7.49	6.23	4.14	13.72	8.03	17.18
	b) Diluted earnings per share of ₹ 2/- each before and after extraordinary item (not annualised for the quarters) (₹)	7.49	6.23	4.14	13.72	8.03	17.18
19	Debt equity ratio **				0.25	0.58	0.35
20	Debt service coverage ratio ***				2.20	1.63	1.48
21	Interest service coverage ratio ****				10.45	6.48	6.62

Additional Information :

Profit before tax, before exchange gain / (loss) and exceptional Items	263.47	217.58	142.67	481.05	260.22	572.43
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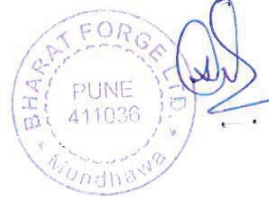


BHARAT FORGE LIMITED
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SELECT INFORMATION FOR THE QUARTER AND HALF
YEAR ENDED 30TH SEPTEMBER, 2014

BHARAT FORGE

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30th September, 2014 (Unaudited)	30th June, 2014 (Unaudited)	30th September, 2013 (Unaudited)	30th September, 2014 (Unaudited)	30th September, 2013 (Unaudited)	31st March, 2014 (Unaudited)
	PART II						
A	Particulars of shareholding						
1	Public shareholding						
	- Number of shares	123,967,196	123,967,196	123,967,196	123,967,196	123,967,196	123,967,196
	- Percentage of shareholding	53.25%	53.25%	53.25%	53.25%	53.25%	53.25%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	0.00	0.00	0.00	0.00	0.00	0.00
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00	0.00	0.00	0.00	0.00	0.00
	- Percentage of shares (as a % of the total share capital of the Company)	0.00	0.00	0.00	0.00	0.00	0.00
	b) Non-encumbered						
	- Number of shares	108,817,920	108,817,920	108,817,920	108,817,920	108,817,920	108,817,920
	- 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)	46.75%	46.75%	46.75%	46.75%	46.75%	46.75%

	Quarter ended 30th September, 2014
B	Investor Complaints
(a) Pending at the beginning of the quarter	Nil
(b) Received during the quarter	1
(c) Disposed off during the quarter	1
(d) Remaining unresolved at the end of the quarter	Nil





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**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND
HALF YEAR ENDED 30TH SEPTEMBER, 2014**

BHARAT FORGE

Notes to financial results :

1 Standalone statement of assets and liabilities

(₹ in Crores)

Particulars		As at half year ended on 30th September, 2014 (Unaudited)	As at year ended on 31st March, 2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	46.57	46.57
	(b) Reserves and surplus	3,038.42	2,646.74
	Sub total - Shareholders' funds	3,084.99	2,693.31
2	Non-current liabilities		
	(a) Long-term borrowings	1,331.94	1,359.99
	(b) Deferred tax liabilities (net)	149.30	179.10
	(c) Other long-term liabilities	0.27	0.46
	(d) Long-term provisions	30.05	30.33
	Sub total - Non-current liabilities	1,511.56	1,569.88
3	Current liabilities		
	(a) Short-term borrowings	86.29	107.01
	(b) Trade payables	640.66	562.50
	(c) Other current liabilities	508.02	661.65
	(d) Short-term provisions	56.31	104.15
	Sub total - Current liabilities	1,291.28	1,435.31
	TOTAL- EQUITY AND LIABILITIES	5,887.83	5,698.50
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	2,079.72	2,156.84
	(b) Non-current investments	565.24	570.35
	(c) Long-term loans and advances	176.02	151.69
	(d) Other non-current assets	20.63	26.14
	Sub total - Non-current assets	2,841.61	2,905.02
2	Current assets		
	(a) Current investments	710.39	770.54
	(b) Inventories	602.64	508.41
	(c) Trade receivables	576.92	525.21
	(d) Cash and bank balances	260.77	251.66
	(e) Short-term loans and advances	433.44	346.58
	(f) Other current assets	462.06	391.08
	Sub total - Current assets	3,046.22	2,793.48
	TOTAL - ASSETS	5,887.83	5,698.50

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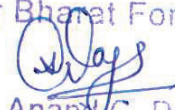
BHARAT FORGE

Notes to financial results (Contd.) :

- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on November 10, 2014. The Statutory Auditors of the Company have carried out a "Limited Review" of the results for the quarter and half year ended September 30, 2014.
 - 3 Pursuant to the Companies Act, 2013 ("the Act"), the Company had, during the quarter ended June 30, 2014, revised depreciation rates on certain fixed assets as per the useful life specified in Schedule II of the Act or as re-assessed by the Company. Due to this, based on transitional provision as per note 7(b) of the Schedule II, an amount of ₹ 35.48 crores (net of deferred tax of ₹ 18.27 crores) was adjusted to general reserves.
 - 4 Exceptional Item :

During the quarter, the Company has divested its 50% stake in Impact Automotive Solutions Limited, which was formed in the year 2010 as a Joint Venture (JV). The stake was sold by the Company to the other JV Partner, resulting in loss of ₹ 4.12 crores on sale of Investments.
 - 5 The Company has identified its business segment as its primary reporting segment where "Steel forging" is the only business segment. As a result, the disclosure requirement of primary reporting segment as per Accounting Standard (AS-17) "Segment Reporting" is not applicable to the Company on standalone results.
 - 6 Earnings per share have been computed in accordance with the principles laid down by the Accounting Standard (AS) 20 "Earnings Per Share".
 - 7 Previous period's / year's figures are regrouped / restated, wherever necessary to conform to current period's presentation.
- * Paid up Debt Capital represents Non-Convertible Debentures
- ** Debt to Equity : Net Debt / Net Worth
(Net Debt : Secured Loan + Unsecured Loan - Cash & Bank - Current Investments)
(Net Worth : Equity Share Capital + Reserves & Surplus - Foreign Currency Monetary Item Translation Difference Account [FCMITDA])
- *** Debt Service Coverage Ratio : EBDIT / (Finance Costs + Principal Repayment during the period/year)
(EBDIT : Profit before Taxes + Finance Costs + Depreciation)
- **** Interest Service Coverage Ratio : EBDIT / Finance Costs

Certified to be True Copy
For Bharat Forge Ltd.


Anand C. Daga

Vice President (Legal) &
Company Secretary

For BHARAT FORGE LIMITED



(B. N. KALYANI)

CHAIRMAN & MANAGING DIRECTOR

Place : Pune

Dated : November 10, 2014

Making in India for the World

Limited Review Report

**Review Report to
The Board of Directors
Bharat Forge Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Bharat Forge Limited ('the Company') for the quarter and half year ended September 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. 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.
2. We conducted our review 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 misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & CO. LLP
ICAI Firm registration number: 324982E
Chartered Accountants


per Arvind Sethi
Partner
Membership No.: 89802

Place: Pune
Date: November 10, 2014



BHARAT FORGE

SECT/

November 10, 2014

The General Manager,
Corporate Relationship Deptt.,
Bombay Stock Exchange Ltd.,
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001.

(BSE SCRIP CODE – 500493)

The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
'Exchange Plaza', C-1, Block-G,
Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051.

Symbol	BHARATFORG
Series	EQ

The Secretary,
Pune Stock Exchange Ltd.,
Shivleela Chambers,
752, Sadashiv Peth,
R. B. Kumthekar Marg,
Pune 411 030.

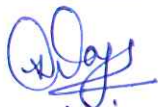
Dear Sir,

Re: Earnings Update for Q2 FY 2014-15

Please find enclosed the Earnings Update issued by the Company for Q2 FY 2014-15.

Thanking you,

Yours faithfully,
For Bharat Forge Limited



Anand Daga
Vice President (Legal)
& Company Secretary

Encl: As above.



KALYANI
GROUP COMPANY

BHARAT FORGE LIMITED EARNINGS Update - Q2 FY15 Results

BFL 3 MONTH REPORT

"Q2 FY15 performance has been better than expected on the back of continued robust export growth, in particular from North American Industrial & Commercial Vehicle market.

Leveraging our in-house R&D and Innovation capabilities, we developed new products and technologies enabling us to win our maiden order from SAFRAN and two other global OEM's in the Aerospace sector for supply of mission critical forgings. We expect to achieve more significant order wins in the coming quarters.

We have generated strong operating cash flows in H1 FY15 which has been used to repay high cost debts further strengthening our balance sheet.

Looking ahead into Q3, we expect demand to improve across all segment with volumes increasing compared to Q2 FY15. We expect North America demand to increase while Europe is expected to soften a bit.

We expect the domestic industrial sector to increase in the next two quarters largely driven by "MAKE IN INDIA" initiatives of the government of India. The domestic automotive market is showing signs of stability but the CV segment could take some more time depending on the overall economic conditions"



Table 1: Key Figures

(Rs Million)

Particulars	Q2 FY15	Q1 FY15	% Change	Q2 FY14	% change
Total Revenues	11,383	9,881	15.2%	8,451	34.7%
EBITDA	3,313	2,908	13.9%	2,228	48.7%
EBITDA %	29.1%	29.4%		26.4%	
PBT before exchange gain/(loss)	2,635	2,176	21.1%	1,426	84.8%
PAT	1,745	1,450	20.3%	964	81.0%
EPS	7.49	6.23		4.14	

STANDALONE FINANCIAL HIGHLIGHTS Q2FY15

Table 2	Rs. Million				
Particulars	Q2 FY15	Q1 FY15	QoQ%	Q2 FY14	YoY %
Shipment Tonnage	52,560	49,123	7.0%	42,812	22.8%
Domestic Revenue	4,114	4,125	-0.3%	3,580	14.9%
Export Revenue	6,975	5,518	26.4%	4,634	50.5%
Other Operating Income	294	238		237	
Total Revenue	11,383	9,881	15.2%	8,451	34.7%
EBIDTA	3,313	2,908	13.9%	2,228	48.7%
EBIDTA %	29.1%	29.4%		26.4%	
Other Income	300	242		220	
PBT	2,635	2,176	21.1%	1,426	84.8%
PBT %	23.1%	22.0%		16.9%	
Exchange Gain/ (loss)	(65)	(75)		(7)	
Exceptional Item	(41)	-		-	
PBT	2,529	2,101	20.4%	1,419	78.2%
Profit After Tax	1,745	1,450	20.3%	964	81.0%

- BFL Q2 shipment tonnage at 52,560 tons grew by 7.0% compared to the previous quarter.
- Total revenue increased by 15.2% in Q2 FY15 to Rs 11,383 million as compared to Q1 FY15 driven by 26.4% increase in export on account of industrial sector growth and robust North American Truck market.
- EBITDA during the quarter grew by 13.9% to Rs 3,313 million on a sequential basis.
- PBT before Exchange gain/ (loss) increased by 21.1% in Q2 FY15 to Rs 2,635 million compared to the previous quarter while PAT for the quarter witnessed sequential growth of 20.3% to Rs 1,745 million.

KEY FINANCIAL PARAMETERS: STANDALONE

TABLE 3		Rs Million	
Particulars	September 30, 2014	March 31, 2014	
Debt	17,742	19,943	
Equity	30,850	26,933	
Cash	9,615	9,967	
D/E	0.58	0.74	
D/E (Net)	0.26	0.37	
Net Debt /EBITDA	0.61	1.02	
ROCE	21.5%	16.0%	
RONW	21.0%	15.0%	

We have had strong operating cash flows during H1 FY15 which have been used to repay Rs 236 crores of high cost term loans. The debt portion will further reduce in H2 FY15 by Rs 290 crores due for repayment.

REVIEW OF INDIAN MARKET

Table 4: Domestic Automotive Production Data (No's)

Particulars	Q2 FY15	Q1 FY15	QoQ%	Q2 FY14	YoY %
LCV	110,825	102,824	7.7%	116,248	-4.6%
Medium & Heavy CV	62,933	62,327	0.9%	52,355	20.2%
Total CV Market (M&HCV +LCV)	173,758	165,151	5.2%	168,603	3.0%
Passenger Cars including Vans	656,161	612,491	7.1%	651,794	0.6%
Utility Vehicles	165,214	149,046	10.8%	131,809	25.3%
Total Auto Market	995,133	926,688	7.3%	952,206	4.5%

Source: SIAM

With the overall business confidence improving in the country, Automobile industry is showing signs of some recovery with overall demand increasing. However, demand across segments continue to be volatile and yet to stabilize.

The auto sector volumes improved by 7.3% and 4.5% on a sequential and YoY basis respectively primarily driven by strong growth in the Passenger Vehicle segment, a sign of improved consumer sentiment.

The medium and heavy commercial vehicle (M&HCV) industry which witnessed negative growth for the last 30 months has started showing improvement in market performance with volumes increasing, albeit off a low base.

Government policy initiatives in terms of project implementation, infrastructure development, revival in mining activity as well as continuation of the excise duty concessions and softening crude prices will hopefully provide a positive trigger for volume growth in the coming months.

BFL performance continues to outperform the underlying market. Revenues in the Commercial Vehicle sector in Q2 FY15 grew by 29% compared to Q2 FY14 as against the volume growth of 20%.

REVIEW OF EXPORT MARKETS

Table 5 : Export Revenue

Rs. Million

Particulars	Q2 FY15	Q1 FY15	Growth %	Q2 FY14	Growth %
Americas	4,285	3,296	30.0%	2,096	104.4%
Europe	2,293	1,887	21.5%	2,159	6.2%
Asia Pacific	397	335	18.6%	379	4.8%
Total	6,975	5,518	26.4%	4,634	50.5%

The CV market in North America continues to be healthy on the back of sustained levels of improving economic indicators. Customer confidence in the U.S. economy continues to grow along with freight demand and construction activity. The gradual demand recovery in the European M&HCV sector that was visible during the first half of the year has leveled off due to increasing concerns about the Eurozone economy.

However, BFL's exports into Europe continue to remain robust and have grown by 21.5% in Q2 FY15 compared to Q1 FY15 due to our constant emphasis on a de-risked business model.

We will continue to focus on our de-risking strategy and enhance our presence outside of traditional geographies and sectors while simultaneously focusing on adding new customers and increasing share of business with our existing marquee clients.

In the coming quarter, we expect continuation of growth in the North American truck market while demand in Eurozone is expected to remain sluggish with some downward risk.

Industrial Sector Update

Revenue contribution from the industrial side of the business has been increasing consistently, primarily from the export market. Industrial sector now contributes around 47% of the total standalone revenues up from 37% in the corresponding period previous year. Industrial segment in Q2 FY15 has grown by around 19% on a sequential basis and by 72% on an annual basis.

BFL has made successful foray into the aerospace segment with the commencement of a long-term partnership to supply critical high integrity forged and machined components to SAFRAN global affiliates for commercial aircraft applications. This initial order will be addressed by utilizing the existing facilities at Baramati and Pune, emphasizing our stated intent of sweating our existing assets and constant improvement of the product mix.

We have signed on two more customers in addition to SAFRAN, a reflection of our technical capabilities to address the stringent requirement of global aerospace majors.

Although all segments (Construction & Mining, General Engineering, Power, and Oil & Gas) are contributing to the improvement in off –take, clearly sectors which were impacted by depressed economic conditions over the past few quarters are seeing stronger off-take.

FINANCIAL HIGHLIGHTS – OVERSEAS SUBSIDIARIES

Table 6

Rs Million			
Particulars	July-September 2014	July-September 2013	% change
Total Revenue	5,432	6,122	(11.2)%
EBITDA	312	493	(36.7)%
EBITDA %	5.7%	8.1%	
PBT before exceptional item	10	141	

The performance of the overseas operations has declined in the quarter, in line with the demand decline witnessed in Europe across Medium & heavy Commercial Vehicles and Passenger Vehicles. Passenger vehicles sales for the July – September period declined by 13% while Medium & Heavy Commercial vehicles witnessed 8% decline in sales.

OUTLOOK

Indicative demand outlook across various geographies on a sequential basis

Particulars	India	North America	Europe
Commercial Vehicles	↓	↑	↓
Passenger Vehicles – High End	—	↑	↑
Passenger Vehicles – Mass Market	↑	↑	↓
Oil & Gas	—	↑	—
Construction & Mining	↑	↔	↓

The North American market across automotive & industrial segment is expected to remain strong in the coming quarter on back of strong underlying macro- economic factors while we are a bit cautious on the European CV market which is showing signs of weakness due to various economic & political factors. The Indian CV market is starting to see some stability in demand but the lack of improvement in economic data suggests that a sustainable and robust CV recovery will take a few more quarters.

The industrial segment in India has been impacted by economic de-growth, lack of investment in core infrastructure sector for the past few years. The best thing that has happened for the industrial sector is the “**Make in India**” initiative of the honorable Prime Minister which is being implemented extremely well by the government. BFL with its manufacturing & metallurgical expertise and R&D capabilities will play a major role in “**Make in India**” across multiple sectors (Rail, Power (Thermal, wind & hydro), construction & mining and general engineering) including Defense.

BFL is focused on achieving its target of doubling sales from India by FY 2018 primarily driven by market share gain in the passenger vehicle & industrial sector, new product development across businesses and by leveraging our strengths in R&D and innovation capabilities to provide pioneering solutions to our clients across the globe.

