



KALYANI

BHARAT FORGE LIMITED
 Regd. Office : Mundhwa, Pune Cantonment, Pune 411 036.
 CIN:L25209PN1961PLC012046
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER
ENDED 30TH JUNE, 2014

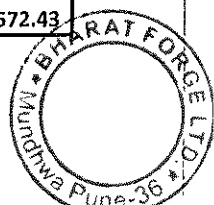
BHARAT FORGE

(₹ in Crores)

| Sr. No. | Particulars | Quarter ended | | | Year ended |
|---------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | | 30th June, 2014 (Unaudited) | 31st March, 2014 (Audited) | 30th June, 2013 (Unaudited) | 31st March, 2014 (Audited) |
| | PART I | | | | |
| 1 | a) Sales and income from operations | | | | |
| | - Within India | 452.88 | 435.47 | 414.64 | 1,607.32 |
| | - Outside India | 551.78 | 507.88 | 397.22 | 1,848.21 |
| | Total sales | 1,004.66 | 943.35 | 811.86 | 3,455.53 |
| | Less : Excise duty | 40.33 | 39.63 | 40.21 | 150.16 |
| | Total net sales | 964.33 | 903.72 | 771.65 | 3,305.37 |
| | b) Other operating income | 23.80 | 26.80 | 19.91 | 93.90 |
| | Total income from operations (net) (a + b) | 988.13 | 930.52 | 791.56 | 3,399.27 |
| 2 | Expenses | | | | |
| | a) Cost of materials consumed | 423.95 | 409.04 | 334.71 | 1,410.55 |
| | b) Changes in inventories of finished goods, work-in-progress and dies | (64.83) | (23.71) | (9.51) | (36.75) |
| | c) Employee benefits expense | 79.54 | 68.96 | 70.70 | 278.85 |
| | d) Depreciation and amortisation expense | 65.75 | 59.81 | 61.07 | 245.31 |
| | e) Manufacturing expenses | 184.93 | 171.95 | 138.48 | 612.51 |
| | f) Other expenses | 81.24 | 73.97 | 61.08 | 270.44 |
| | Total expenses | 770.58 | 760.02 | 656.53 | 2,780.91 |
| 3 | Profit from operations before other income, finance costs and exceptional items (1-2) | 217.55 | 170.50 | 135.03 | 618.36 |
| 4 | Other income | 24.19 | 32.60 | 35.42 | 114.70 |
| 5 | Profit from ordinary activities before finance costs and exceptional items (3+4) | 241.74 | 203.10 | 170.45 | 733.06 |
| 6 | Finance costs | 31.64 | 34.85 | 35.43 | 149.57 |
| 7 | Profit from ordinary activities after finance costs but before exceptional items (5-6) | 210.10 | 168.25 | 135.02 | 583.49 |
| 8 | Exceptional Items | - | 12.35 | - | 12.35 |
| 9 | Profit from ordinary activities before tax (7+8) | 210.10 | 180.60 | 135.02 | 595.84 |
| 10 | Tax expenses | 65.13 | 61.62 | 44.42 | 195.91 |
| 11 | Net profit from ordinary activities after tax (9-10) | 144.97 | 118.98 | 90.60 | 399.93 |
| 12 | Extraordinary Item (net of tax expenses) | - | - | - | - |
| 13 | Net profit for the period / year (11-12) | 144.97 | 118.98 | 90.60 | 399.93 |
| 14 | Paid-up equity share capital (Face Value ₹ 2/- each) | 46.57 | 46.57 | 46.57 | 46.57 |
| 15 | Reserves excluding revaluation reserves as per balance sheet of previous accounting year | | | | 2,646.74 |
| 16 | a) Basic earnings per share of ₹ 2/- each before and after extraordinary item (not annualised for the quarters) (₹) | 6.23 | 5.11 | 3.89 | 17.18 |
| | b) Diluted earnings per share of ₹ 2/- each before and after extraordinary item (not annualised for the quarters) (₹) | 6.23 | 5.11 | 3.89 | 17.18 |

Additional Information :

| | | | | |
|------------------------------------------------------------------------|--------|--------|--------|--------|
| Profit before tax, before exchange gain / (loss) and exceptional items | 217.58 | 170.96 | 117.55 | 572.43 |
|------------------------------------------------------------------------|--------|--------|--------|--------|





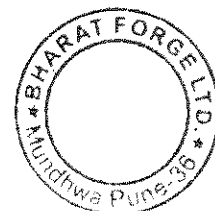
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 CIN:L25209PN1961PLC012046
 SELECT INFORMATION FOR THE QUARTER
 ENDED 30TH JUNE, 2014

BHARAT FORGE

| Sr. No. | Particulars | Quarter ended | | | Year ended |
|---------|------------------------------------------------------------------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| | | 30th June, 2014 (Unaudited) | 31st March, 2014 (Unaudited) | 30th June, 2013 (Unaudited) | 31st March, 2014 (Unaudited) |
| | PART II | | | | |
| A | Particulars of shareholding | | | | |
| 1 | Public shareholding | | | | |
| | - Number of shares | 123,967,196 | 123,967,196 | 134,887,946 | 123,967,196 |
| | - Percentage of shareholding | 53.25% | 53.25% | 57.95% | 53.25% |
| 2 | Promoters and Promoter Group Shareholding | | | | |
| | a) Pledged / Encumbered | | | | |
| | - Number of shares | 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 |
| | - Percentage of shares (as a % of the total share capital of the Company) | 0.00 | 0.00 | 0.00 | 0.00 |
| | b) Non-encumbered | | | | |
| | - Number of shares | 108,817,920 | 108,817,920 | 97,897,170 | 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% |
| | - Percentage of shares (as a % of the total share capital of the Company) | 46.75% | 46.75% | 42.05% | 46.75% |

| B | Investor Complaints | Quarter ended |
|-----|------------------------------------------------|-----------------|
| | | 30th June, 2014 |
| (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 |





BHARAT FORGE LIMITED

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BHARAT FORGE

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER
ENDED 30TH JUNE, 2014

Notes to financial results :

- 1 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 July 30, 2014. The Statutory Auditors of the Company have carried out a "Limited Review" of the results for the quarter ended June 30, 2014.
- 2 Pursuant to the Companies Act, 2013 ("the Act"), the Company has, 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) have been adjusted to general reserves. Further, depreciation charge for the quarter ended June 30, 2014, is higher by ₹ 0.31 crores.
- 3 The Company has identified its business segment as its primary reporting segment. During the quarter ended June 30, 2014, the Company has re-assessed the identification of its business segment and has identified "Steel forging" as the only business segment. In previous years, primary reporting segment comprised of "Steel forging" and "Others". "Others" segment included general engineering and windmill operations etc. General engineering is a fabrication unit and considering the size and volume of activities in general engineering and windmill operations, and in view of the business activities of the Company, management believes that this should not be disclosed as a separate 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.
- 4 Earnings per share have been computed in accordance with the principles laid down by the Accounting Standard (AS) 20 "Earnings Per Share".
- 5 Previous period's / year's figures are regrouped / restated, wherever necessary to conform to current period's presentation.

For BHARAT FORGE LIMITED

(B. N. KALYANI)

CHAIRMAN & MANAGING DIRECTOR

Place : Pune
Dated : July 30, 2014

Certified to be True Copy
For Bharat Forge Ltd.


P. S. Vaiskampayan
Vice President (Legal) &
Company Secretary

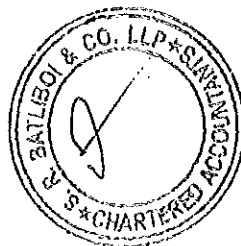
Limited Review Report

**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 ended June 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 provide 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. BATLIBOI & CO. LLP
ICAI Firm registration number: 301003E
Chartered Accountants


per Arvind Sethi
Partner
Membership No.: 89802



Place: Pune
Date: July 30, 2014

BHARAT FORGE LIMITED

EARNINGS Update - Q1FY15 Results

BFL 3 MONTH REPORT

“Q1 FY15 witnessed sequential growth across major product segments and geographies in line with expectation with Industrial segment revenue contribution at 46% for the quarter. The sales improvement coupled with a favorable product mix resulted in improvement in EBITDA % and robust operating cash flow.

We continue to develop newer products at our R&D and innovation center for global markets focusing on improving endurance & product performance. We expect that these products will get introduced in the next two quarters.

Currently we are witnessing a strong order pipeline across all product segments especially with global customers. We are creating a strong foundation towards achieving our medium term target of doubling sales by FY18.

Looking ahead into Q2, we expect demand to improve across all segment with volumes increasing compared to Q1 FY15, except the domestic automotive market where improvement may take some more time.”



B.N. Kalyani, Chairman & Managing Director.

Key Figures (Rs Million)

| Particulars | Q1 FY15 | Q4 FY14 | % Change | Q1 FY14 | % change |
|---------------------------------|---------|---------|----------|---------|----------|
| Total Revenues | 9,881 | 9,305 | 6.2% | 7,915 | 24.8% |
| EBITDA | 2,908 | 2,304 | 26.2% | 1,960 | 48.4% |
| EBITDA % | 29.4% | 24.8% | | 24.8% | |
| PBT before exchange gain/(loss) | 2,176 | 1,710 | 27.3% | 1,175 | 85.2% |
| PAT | 1,450 | 1,190 | 21.8% | 906 | 60.0% |
| EPS | 6.23 | 5.11 | | 3.89 | |

STANDALONE FINANCIAL HIGHLIGHTS Q1FY15

| Particulars | Rs. Million | | | | |
|-------------------------|---------------|---------------|-------------|---------------|--------------|
| | Q1 FY15 | Q4 FY14 | QoQ% | Q1 FY14 | YoY % |
| Shipment Tonnage | 49,123 | 48,015 | 2.3% | 41,279 | 19.0% |
| Domestic Revenue | 4,125 | 3,958 | 4.2% | 3,744 | 10.2% |
| Export Revenue | 5,518 | 5,079 | 8.6% | 3,972 | 38.9% |
| Other Operating Income | 238 | 268 | | 199 | |
| Total Revenue | 9,881 | 9,305 | 6.2% | 7,915 | 24.8% |
| EBIDTA | 2,908 | 2,304 | 26.2% | 1,960 | 48.4% |
| EBIDTA % | 29.4% | 24.8% | | 24.8% | |
| Other Income | 242 | 353 | | 180 | |
| PBT | 2,176 | 1,710 | 27.3% | 1,175 | 85.2% |
| PBT % | 22.0% | 18.4% | | 14.8% | |
| Exchange Gain/ (loss) | (75) | (27) | | 175 | |
| Exceptional Item | - | 123 | | - | |
| PBT | 2,101 | 1,806 | 16.3% | 1,350 | 55.6% |
| Profit After Tax | 1,450 | 1,190 | 21.8% | 906 | 60.0% |

- BFL Q1 shipment tonnage at 49,123 tons grew by 2.3% compared to the previous quarter.
- Revenues increased by 6.2% in Q1 FY15 to Rs 9,881 million as compared to Q4 FY14 driven by 8.6% improvement in export and 4.2% improvement in domestic revenues.
- EBITDA during the quarter grew by 26.2% to Rs 2,908 million on a sequential basis. EBITDA margins expanded by 460 bps on the back of favorable product mix & exchange realization and increased capacity utilization.
- PBT before Exchange gain/ (loss) increased by 27.3% in Q1 FY15 to Rs 2,176 million compared to the previous quarter.
- PAT for the quarter grew 21.8% to Rs 1,450 million sequentially while it rose sharply by 60.0% compared to the corresponding quarter previous year.

KEY FINANCIAL PARAMETERS: STANDALONE

| Particulars | Rs Million | |
|------------------|---------------|----------------|
| | June 30, 2014 | March 31, 2014 |
| Debt | 19,691 | 19,943 |
| Equity | 28,302 | 26,933 |
| Cash | 11,463 | 9,967 |
| D/E | 0.70 | 0.74 |
| D/E (Net) | 0.29 | 0.37 |
| Net Debt /EBITDA | 0.67 | 1.02 |

REVIEW OF INDIAN MARKET

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

| Particulars | Q1 FY15 | Q4 FY14 | QoQ% | Q1 FY14 | YoY % |
|-------------------------------|---------|---------|--------|---------|--------|
| LCV | 102,824 | 116,000 | -11.4% | 129,513 | -20.6% |
| Medium & Heavy CV | 62,327 | 62,414 | -0.1% | 65,629 | -5.0% |
| Total CV Market (M&HCV +LCV) | 165,151 | 178,414 | -7.4% | 195,142 | -15.4% |
| Passenger Cars including Vans | 612,491 | 651,018 | -5.9% | 613,458 | -0.2% |
| Utility Vehicles | 149,046 | 153,455 | -2.9% | 134,504 | 10.8% |
| Total Auto Market | 926,688 | 982,887 | -5.7% | 943,104 | -1.7% |

Source: SIAM

The automotive industry continues to witness depressed demand across segments despite the reduction in the excise duty from 12% to 10% which was expected to act as a catalyst in reviving the sector outlook in the near to medium term.

The CV sector volumes declined 7.4% and 15.4% on a sequential and YoY basis respectively, clearly a sign of the weak freight movement and other headwinds. Hopefully with Industrial growth starting to show signs of revival as visible from the past few month data and GDP growth expected to head northbound in a steady manner, the sector outlook for the rest of the year is looking positive.

Despite the unfavorable demand environment, BFL performance continues to outshine the underlying market performance. Automotive revenue in Q1 FY15 grew by 5.3% on a sequential basis and 1.8% in compared to Q1 FY14.

REVIEW OF EXPORT MARKETS

| Particulars | Rs. Million | | | | |
|--------------|-------------|---------|----------|---------|----------|
| | Q1 FY15 | Q4 FY14 | Growth % | Q1 FY14 | Growth % |
| Americas | 3,296 | 2,914 | 13.1% | 1,869 | 76.3% |
| Europe | 1,887 | 1,756 | 7.5% | 1,827 | 3.3% |
| Asia Pacific | 335 | 409 | -18.2% | 276 | 21.0% |
| Total | 5,518 | 5,079 | 8.6% | 3,972 | 38.9% |

The CV market in North America continues to be robust on back of sustained levels of construction activity & improving economic activity. It is also being aided by the replacement of older fleets with more fuel efficient models. The EU markets has been soft in 6 months till June 2014 due to the pre buy effect however OEM's are indicating a revival in the 2nd half. Overall, we expect the NA truck market to register a strong double digit growth while EU is expected to witness volumes similar to CY 2013. BFL continues to focus on enhancing its presence outside of its traditional market and simultaneously focusing on increasing share of business with our existing marquee clients and new client additions.

As part of our strategy of focusing on the global passenger vehicle segment, we are starting to witness early signs of growth on that front. In Q1 FY15, Revenues from the passenger vehicle segment have grown by 27% on sequential and on an annual basis to Rs 747 million. As the past order wins start ramping up, we expect the share of passenger vehicle in the standalone business to grow further. We expect more traction in terms of order wins from both global & domestic OEM as we enhance our presence and product offering in this space.

Industrial Sector Update

The industrial side of the business is starting to witness demand improvement from the domestic market, on back of improved sentiment and anticipated recovery in infrastructure spending while the export market continues to perform well driven by the company's de-risked business model ensuring that any sluggishness in a particular segment is compensated by the other sectors.

Industrial segment in Q1 FY15 has grown by around 10% on a sequential basis to Rs 4,176 million. Industrial sector now account for 46% of standalone revenues up from 39% in the corresponding period previous year.

All segments (construction & mining, General Engineering, Power, and Oil & Gas) are contributing to the improvement in off –take but clearly sectors which were impacted by depressed economic conditions over the past few quarters are seeing strong off-take.

FINANCIAL HIGHLIGHTS – OVERSEAS SUBSIDIARIES

Table 6

Rs Million

| Particulars | April – June 2014 | April – June 2013 |
|-----------------------------|-------------------|-------------------|
| Total Revenue | 6,250 | 6,173 |
| EBITDA | 456 | 541 |
| EBITDA % | 7.3% | 8.8% |
| PBT before exceptional item | 151 | 256 |

The performance of the overseas operations has been in-line with subdued demand development on the truck side in Q2 CY14.

OUTLOOK

Indicative demand outlook across various geographies on a sequential basis

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