

# BHARAT FORGE

May 17, 2016

The General Manager,  
Corporate Relationship Deptt., (BSE SCRIP CODE – 500493)  
Bombay Stock Exchange Ltd.,  
1st Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001.

The Secretary,  
National Stock Exchange of India Ltd.,  
'Exchange Plaza',  
Bandra-Kurla Complex,  
Bandra (East),  
Mumbai 400 051.

Symbol	BHARATFORG
Series	EQ

Dear Sirs,

**Re: Audited Financial Results for the quarter/year ended on March 31, 2016**

In continuation of our letter dated May 06, 2016, we wish to inform you that at its meeting held today, the Board of Directors of the Company approved the Audited Financial Results (Standalone and Consolidated) for the quarter/year ended March 31, 2016.

Pursuance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- Audited Financial Results for the quarter and year ended on March 31, 2016;
- Form A (for Audit Report with Un-Modified opinion) - Standalone and Consolidated;

We request you to kindly bring the above information to the notice of your member.

Thanking you,

Yours faithfully,  
For Bharat Forge Limited,



Anand Daga  
Vice President (Legal) &  
Company Secretary

Encl.: As above



**KALYANI**  
GROUP COMPANY



**BHARAT FORGE LIMITED**  
 Regd. Office : Mundhwa, Pune Cantonment, Pune 411 036.  
 CIN: L25209PN1961PLC012046  
 Ph. No. : 91-20-6704 2777 / 2476, Fax No. : 91-20-2682 2163  
 Email : secretarial@bharatforge.com, Website : www.bharatforge.com  
**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR**  
**ENDED 31ST MARCH, 2016**

**BHARAT FORGE**

(₹ in Crores)

Sr. No.	Particulars	Quarter ended			Year ended		Consolidated Results for the year ended	
		31st March, 2016 (Audited)	31st December, 2015 (unaudited)	31st March, 2015 (Audited)	31st March, 2016 (Audited)	31st March, 2015 (Audited)	31st March, 2016 (Audited)	31st March, 2015 (Audited)
1	a) Sales and income from operations							
	- Within India	508.84	449.68	503.82	1,943.34	1,854.30	2,839.17	2,442.28
	- Outside India	526.29	628.95	737.95	2,460.17	2,720.67	4,903.32	5,204.40
	Total sales	1,035.13	1,078.63	1,241.77	4,403.51	4,574.97	7,742.49	7,646.68
	Less : Excise duty	48.06	49.28	46.41	191.66	164.31	192.41	164.58
	Total net sales	987.07	1,029.35	1,195.36	4,211.85	4,410.66	7,550.08	7,482.10
	b) Other operating income	20.96	22.67	28.53	93.56	137.39	96.45	140.10
	Total income from operations (net) (a+b)	1,008.03	1,052.02	1,223.89	4,305.41	4,548.05	7,646.53	7,622.20
2	Expenses							
	a) Cost of materials consumed	330.77	364.30	413.31	1,528.66	1,755.86	2,749.12	2,864.79
	b) Changes in Inventories of finished goods, work-in-progress, dies and stock in trade	30.83	(4.18)	64.53	(1.74)	(15.96)	(147.38)	17.78
	c) Project cost	-	-	-	-	-	750.59	497.46
	d) Employee benefits expense	92.93	94.73	88.88	372.16	331.93	945.58	904.48
	e) Depreciation and amortisation expense	64.43	67.36	49.71	261.38	250.51	418.72	362.33
	f) Manufacturing expenses	157.73	180.29	186.13	702.59	771.65	1,223.79	1,270.60
	g) Other expenses	97.56	99.63	111.34	420.72	374.59	703.56	626.35
	Total expenses	774.25	802.13	913.90	3,283.77	3,468.58	6,643.98	6,543.79
3	Profit from operations before other income, finance costs and exceptional items (1-2)	233.78	249.89	309.99	1,021.64	1,079.47	1,002.55	1,078.41
4	Other Income	22.48	23.11	20.03	99.87	93.32	133.55	136.66
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	256.26	273.00	330.02	1,121.51	1,172.79	1,136.10	1,215.07
6	Finance costs	20.16	22.64	22.42	86.32	111.84	140.26	135.58
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	236.10	250.36	307.60	1,035.19	1,060.95	995.84	1,079.49
8	Exceptional items (see note 4)	-	(4.22)	0.49	(4.22)	(3.63)	(5.47)	42.76
9	Profit from ordinary activities before Tax (7+8)	236.10	246.14	308.09	1,030.97	1,057.32	990.37	1,122.25
10	Tax expense							
	(a) Tax expenses for the period / year	71.58	79.98	104.91	329.91	338.34	340.84	358.69
11	Net Profit from ordinary activities after Tax (9-10)	164.52	166.16	203.18	701.06	718.98	649.53	763.56
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
13	Net Profit for the period/year (11-12)	164.52	166.16	203.18	701.06	718.98	649.53	763.56
14	Share of profit/(loss) of associate companies	-	-	-	-	-	0.00	0.00
15	Minority interest	-	-	-	-	-	(2.96)	(2.98)
16	Net profit/(loss) after taxes, minority interest from continuing operations (13+14-15)	-	-	-	-	-	652.49	766.54
17	Net (loss) from discontinued operations	-	-	-	-	-	(2.50)	(4.00)
18	Income attributable to the consolidated group (16 - 17)	-	-	-	-	-	649.99	762.54
19	Paid-up equity share capital (Face Value ₹ 2/- each)	46.57	46.57	46.57	46.57	46.57	46.57	46.57
20	Paid-up debt capital of the Company *	-	-	-	136.15	281.08	-	-
21	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	3,593.89	3,449.11	3,529.20	3,397.60
22	Debt redemption reserve	-	-	-	106.50	106.50	-	-
23	a) Basic earning per share of ₹ 2/- each before and after extraordinary items (not annualised for the quarters) (₹)	7.07	7.13	8.73	30.11	30.88	27.92	32.76
	b) Diluted earning per share of ₹ 2/- each before and after extraordinary items (not annualised for the quarters) (₹)	7.07	7.13	8.73	30.11	30.88	27.92	32.76
24	Debt Equity Ratio **	-	-	-	0.20	0.21	0.47	0.39
25	Debt Service Coverage Ratio ***	-	-	-	5.96	2.21	4.81	2.35
26	Interest Service Coverage Ratio ****	-	-	-	15.97	12.69	11.05	11.95

Additional information:

Profit before tax, before exchange gain / (loss) & exceptional items	242.35	263.25	315.40	1,082.04	1,087.24	1,049.08	1,110.65
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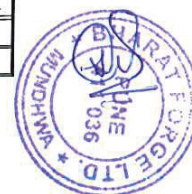
**BHARAT FORGE**

Notes to financial results:

1 Standalone / Consolidated Statement of Assets and Liabilities

(₹ in Crores)

Sr. No.	Particulars	STANDALONE		CONSOLIDATED	
		As at 31st March, 2016 (Audited)	As at 31st March, 2015 (Audited)	As at 31st March, 2016 (Audited)	As at 31st March, 2015 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	Shareholders' funds				
	(a) Share capital	46.57	46.57	46.57	46.57
	(b) Reserves and surplus	3,593.89	3,449.11	3,529.20	3,397.60
	<b>Sub total- Shareholders' funds</b>	<b>3,640.46</b>	<b>3,495.68</b>	<b>3,575.77</b>	<b>3,444.17</b>
3	Non-current liabilities				
	(a) Long-term borrowings	1,414.10	1,574.49	2,061.41	1,981.51
	(b) Deferred tax liabilities (net)	180.74	163.91	183.09	163.77
	(c) Other long-term liabilities	61.00	0.53	124.10	59.54
	(d) Long term- provisions	21.74	25.28	117.41	119.69
	<b>Sub total- Non-current liabilities</b>	<b>1,677.58</b>	<b>1,764.21</b>	<b>2,486.01</b>	<b>2,324.51</b>
4	Current Liabilities				
	(a) Short-term borrowings	47.35	77.98	456.47	383.03
	(b) Trade payables	431.70	628.62	1,157.54	1,139.13
	(c) Other current liabilities	507.87	249.89	1,180.24	766.12
	(d) Short term provisions	62.85	159.40	95.61	178.95
	<b>Sub Total- Current liabilities</b>	<b>1,049.77</b>	<b>1,115.89</b>	<b>2,889.86</b>	<b>2,467.23</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>6,367.81</b>	<b>6,375.78</b>	<b>8,951.64</b>	<b>8,235.91</b>
<b>B</b>	<b>ASSETS</b>				
1	Minority interest	-	-	3.61	2.04
2	Non-current assets				
	(a) Fixed assets	2,439.46	2,163.77	4,062.76	3,444.61
	(b) Goodwill on consolidation	-	-	55.37	53.72
	(c) Non-current investments	707.78	648.79	81.67	38.89
	(d) Long-term loans and advances	226.48	184.70	251.19	240.25
	(e) Trade receivables	2.08	-	2.08	-
	(f) Other non-current assets	48.24	23.25	59.13	23.25
	<b>Sub total - Non-current assets</b>	<b>3,424.04</b>	<b>3,020.51</b>	<b>4,512.20</b>	<b>3,800.72</b>
3	Current assets				
	(a) Current investments	722.04	454.95	722.04	456.65
	(b) Inventories	525.43	537.18	1,182.57	1,033.89
	(c) Trade receivables	576.53	559.47	1,146.42	853.47
	(d) Cash and bank balances	374.69	591.81	475.51	681.99
	(e) Short-term loans and advances	341.13	474.40	436.83	561.20
	(f) Other current assets	403.95	737.46	472.39	845.85
	(g) Assets held for sale	-	-	0.07	0.10
	<b>Sub total- Current assets</b>	<b>2,943.77</b>	<b>3,355.27</b>	<b>4,435.83</b>	<b>4,433.15</b>
	<b>TOTAL - ASSETS</b>	<b>6,367.81</b>	<b>6,375.78</b>	<b>8,951.64</b>	<b>8,235.91</b>



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KALYANI

**BHARAT FORGE LIMITED**

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**BHARAT FORGE**

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR  
ENDED 31ST MARCH, 2016**

- 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 May 17, 2016.
- 3 Directors recommend a final dividend of ₹ 0.50 per equity share of ₹ 2/- each (25%), subject to approval of shareholders at the ensuing Annual General Meeting.
- 4 **Exceptional items represent:**
  - (i) **Provision for Statutory employee cost**

Exceptional item represents certain statutory employee costs that have become applicable retrospectively from the financial year 2014-15.
  - (ii) **Loss on sale of investment**

During the year, the Company divested its 50% stake in David Brown Bharat Forge Gear Systems India Limited, which was formed in the year 2011 as a joint venture (JV). The stake was held through the 100 % subsidiary viz. BF Infrastructure Ventures Limited and was sold to the other JV partner, resulting in a loss of ₹ 1.24 Crore in the consolidated financial results of the Company.
- 5 Auditors of one of the JV Company viz. ALSTOM Bharat Forge Power Private Limited (ABFPPL) in their audit report included emphasis of matter to state that;
  - the Company had incurred an amount of ₹ 255.67 crores on setting up manufacturing facilities at Mundhra location . Currently, the JV Company is in the process of exploring alternate use of the said sites. The future outcome of the matter cannot presently be determined and hence no impact of the same has been considered in the financial statements.
- 6 **Restructuring of subsidiaries:**

During the year, CDP Bharat Forge GmbH, Germany (CDP BF) (now known as Bharat Forge Global Holding GmbH), a direct subsidiary of the Company in Germany, has undertaken a corporate reorganization along with its subsidiaries. This restructuring did not have any adverse impact on the consolidated financial statements of the Company.
- 7 The figures for the quarter ended March 31, 2016 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, being the date of the end of third quarter of the financial year, which were subjected to a limited review.
- 8 Previous year/ period's figures are regrouped/ restated wherever necessary to make them comparable with those of current period/year. In consolidated results, as per the requirements of AS-24 " Discontinuing operations" the prior year numbers have been restated with respect to BF Infrastructure Ventures Limited on account of disposal of its investment in JV David Brown Bharat Forge Gear Systems India Limited.



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**BHARAT FORGE**

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR  
 ENDED 31ST MARCH, 2016**

9 The consolidated financial statements include results of all the subsidiaries of Bharat Forge Limited and their Subsidiaries, Joint Ventures and Associates. The names, country of incorporation or residence, proportion of ownership interest and reporting dates are as under:

Name of the company	Country of incorporation	Parent's ultimate holding as on 31st March, 2016	Financial year ends on
<b>A Subsidiaries :</b>			
Bharat Forge Global Holding GmbH :- (erstwhile CDP Bharat Forge GmbH.) and its wholly owned subsidiary	Germany	100%	31-Dec-15
i. Bharat Forge CDP GmbH and its wholly owned subsidiary	Germany	100% @	31-Dec-15
Bharat Forge Daun GmbH	Germany	100% @	31-Dec-15
ii. Bharat Forge Holding GmbH and its wholly owned subsidiary	Germany	100% @	31-Dec-15
Bharat Forge Aluminiumtechnik GmbH	Germany	100% @	31-Dec-15
iii. Mecanique Generale Langroise	France	100% @	31-Dec-15
iv. Bharat Forge Kilsta AB.	Sweden	100% @	31-Dec-15
v. Bharat Forge Hong Kong Limited	Hong Kong	100% @	31-Dec-15
vi. Bharat Forge International Limited	U.K.	100% @	31-Mar-16
Bharat Forge America Inc.	U.S.A.	100%	31-Dec-15
BF Infrastructure Limited	India	100%	31-Mar-16
BF Infrastructure Ventures Limited	India	100%	31-Mar-16
Kalyani Strategic Systems Limited and its wholly owned subsidiary	India	51%	31-Mar-16
Kalyani Rafael Advanced Systems Private Limited	India	100%	31-Mar-16
Kalyani Polytechnic Private Limited ( not consolidated as per AS-21)	India	100%	31-Mar-16
BF Elbit Advanced Systems Private Limited	India	74%	31-Mar-16
Analogic Controls India Limited	India	60%	31-Mar-16
BF NTPC Energy Systems Limited	India	51%	31-Mar-16
<b>B Associate :</b>			
-Talbahh GmbH ( not consolidated )	Germany	35% @	31-Dec-15
-Ferrovia Trans Rail Solutions Private Limited	India	49% @	31-Mar-16
<b>C Joint Venture Companies:</b>			
ALSTOM Bharat Forge Power Private Limited	India	49%	31-Mar-16
David Brown Bharat Forge Gear Systems India Limited	India	50% @	Refer note 4 (ii)
BFIL- CEC ( AOP)	India	74% @	31-Mar-16
BF Premier Energy systems Private Limited	India	50% @	31-Mar-16

@ held through subsidiaries.

During the quarter, Bharat Forge Global Holding GmbH, has incorporated a limited liability company viz. Bharat Forge CDP Trading, in Russia. Since the accounts will be drawn for the first time in December 2016, it is not included in above consolidated financial results.

\* Paid up Debt Capital represents Non-Convertible Debentures

\*\* Debt to Equity : Net Debt/ Net Worth

( Net Debt : Secured Loan + Unsecured Loan - Cash and Bank - Current Investments )

( Net Worth : Equity Share Capital + Reserves and Surplus - Miscellaneous Expenditure to the extent not written off or adjusted - Foreign Currency Translation Reserve)

\*\*\* Debt Service Coverage Ratio : EBDIT / ( Finance Charges [as per the statement of profit and loss] + Principal Repayment during the year)

( EBDIT : Profit before Taxes + Finance Charges [as per the statement of profit and loss] + Depreciation )

For calculation of ratios, profits from continuing operations has been considered for current and previous year.

\*\*\*\* Interest Service Coverage Ratio : EBDIT / Finance Charges [as per the statement of profit and loss] )

For Bharat Forge Limited

(B. N. KALYANI)

CHAIRMAN & MANAGING DIRECTOR  
DIN:00089380

Place : Pune  
Dated : May 17, 2016

**Certified to be True Copy  
For Bharat Forge Ltd.**

Anand C. Daga  
Vice President (Legal) &  
Company Secretary





**BHARAT FORGE LIMITED**  
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 Email : secretarial@bharatforge.com, Website : www.bharatforge.com  
**CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**  
**FOR THE YEAR ENDED 31ST MARCH, 2016**

**BHARAT FORGE**

(₹ in Crores)

Sr. No.	Particulars	31st March 2016 Audited	31st March 2015 Audited
1	<b>Segment Revenue</b>		
a	Forgings	6,744.34	7,027.73
b	Projects (Capital goods)	885.77	585.41
	<b>Net Sales/Income from Operations</b>	<b>7,630.11</b>	<b>7,613.14</b>
2	<b>Segment Results</b>		
	<b>Profit/(Loss) (before tax and finance cost from each segment)</b>		
a	Forgings	1,460.66	1,505.60
b	Projects (Capital goods)	83.73	20.38
	<b>Total</b>	<b>1,544.39</b>	<b>1,525.98</b>
	<b>Less:</b>		
1	Finance costs	140.26	135.58
2	Other un-allocable expenditure net of un-allocable income	408.29	310.91
	<b>Profit before Tax &amp; Exceptional Items</b>	<b>995.84</b>	<b>1,079.49</b>
	<b>Add:</b>		
	Exceptional items	(5.47)	42.76
	<b>Profit before Tax from continuing operations</b>	<b>990.37</b>	<b>1,122.25</b>
	<b>(Loss) before Tax from discontinued operations (before minority interest)</b>	<b>(2.58)</b>	<b>(4.03)</b>
3	<b>Capital Employed (Segment Assets - Segment Liabilities )</b>		
a	Forgings	4,417.96	3,978.32
b	Projects (Capital goods)	584.91	460.14
c	Unallocable Assets less Liabilities Including Unutilised Fund temporarily deployed	1,660.10	1,656.05
		<b>6,662.97</b>	<b>6,094.51</b>
4	<b>Secondary Information in respect of revenue</b>		
	<b>Geographical segment on the basis of location of customers</b>		
a	Within India	2,743.21	2,417.80
b	Outside India	4,903.32	5,204.40
	<b>Total</b>	<b>7,646.53</b>	<b>7,622.20</b>

The Company has identified its business segment as its primary reporting segment which comprises of "forgings" and "Projects (Capital goods)". Secondary information is reported geographically.

The "Forgings" segment produces and sells forging products comprising of forgings, finished machined crankshafts, front axle assembly & components and ring rolling etc. The "Projects (Capital goods)" includes engineering, procurement and commissioning business for power and Infrastructure related projects.

Total segment revenue from operations does not includes some of the other business lines which has been considered as unallocable revenue and that relating to discontinuing operations. Further capital employed relating to discontinuing operations has not been considered.

For BHARAT FORGE LIMITED

Certified to be True Copy  
For Bharat Forge Ltd.

Place : Pune  
Dated : May 17, 2016

(B. N. KALYANI)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00089380

**Anand C. Daga**  
Vice President (Legal) &  
Company Secretary



# BHARAT FORGE

## FORM A

(For audit report with unaudited opinion)

[Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1.	Name of the Company	<b>Bharat Forge Limited</b> Mundhwa, Pune Cantonment, Pune -411036, Maharashtra, India
2.	Annual Financial Statements for the year ended	March 31, 2016 (Standalone)
3.	Type of Audit observations	Unqualified
4.	Frequency of observation	Not Applicable

For and on behalf of Bharat Forge Limited



**B.N. Kalyani**  
Chairman &  
Managing Director



**P.G. Pawar**  
Audit Committee Chairman



**Kishore Saletore**  
Chief Financial Officer

Pune: May 17, 2016

For S R B C & CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants



Per **Arvind Sethi**  
Partner

Pune: May 17, 2016



**KALYANI**  
GROUP COMPANY

# BHARAT FORGE


## FORM A

(For audit report with unaudited opinion)

[Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1.	Name of the Company	<b>Bharat Forge Limited</b> Mundhwa, Pune Cantonment, Pune -411036, Maharashtra, India
2.	Annual Financial Statements for the year ended	March 31, 2016 (Consolidated)
3.	Type of Audit observations	Unqualified
4.	Frequency of observation	Not Applicable

For and on behalf of Bharat Forge Limited



**B.N. Kalyani**  
Chairman &  
Managing Director



**P.G. Pawar**  
Audit Committee Chairman



**Kishore Saletore**  
Chief Financial Officer

Pune: May 17, 2016

For S R B C & CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants



Per **Arvind Sethi**  
Partner

Pune: May 17, 2016



**KALYANI**  
GROUP COMPANY