BHARAT FORGE

SECT/ May 27, 2014

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 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 FY 2013-14

The Analyst / Investor Conference Call to discuss the financial performance of the Company for FY 2013-14 is being hosted at 4:00 P.M on Tuesday, May 27, 2014.We enclose the Earnings Update issued by the Company for the same.

Thanking you,

Yours faithfully,
For Bharat Forge Limited

P.S. Vaishampayan
Vice President (Legal) &
Company Secretary
Encl: As above.

KALYANI
GROUP COMPANY

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: +91 202670 2777(DID) FAX: +91 2026820699 (Export), 2682 2387 (Sales/Mktg) 2682 2163 (Materials)
Email: bharatforge@bharatforge.com WEBSITE: www.bharatforge.com

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BHARAT FORGE LIMITED
Analyst Update - FY14 Results

BFL 12 MONTH REPORT



"BFL's performance in FY14 has been encouraging with robust operating leverage and cash flows despite sub optimal utilization levels in India caused by significant weakness in the Commercial Vehicle segment.
The uncertain demand environment which prevailed during FY14 is beginning to change positively especially in the external markets and we expect both North America & Europe to grow in FY15. The domestic market might witness demand recovery in 2H FY15."
The highlight of the year is the series of order wins across segments & geographies from new and existing customers and our investments in R&D delivering path breaking solutions to our marquee customers placing us at the forefront to capture demand revival"
We are witnessing strong momentum going into FY15 with topline growth expected to outpace the underlying market growth in all geographies driven by market share gains and new programs coming on stream"
Looking ahead into Q1 FY15, we anticipate demand to be slightly higher compared to Q1 FY14 & Q4 FY14"

B.N. Kalyani, Chairman & Managing Director.

Key Figures (Rs Million)

Particulars	Q4 FY14	Q4 FY13	FY14	FY13
Total Revenues	9,305	6,746	33,992	31,512
EBITDA	2,304	1,525	8,637	7,337
EBITDA %	**24.8%**	**22.6%**	**25.4%**	**23.3%**
PBT before exceptional item	1,683	744	5,835	4,299
PAT	1,190	501	3,999	3,056
EPS	5.11	2.15	17.18	13.13

BHARAT FORGE | KALYANI

STANDALONE FINANCIAL HIGHLIGHTS FY14

TABLE 1 — Rs. Million

Particulars	*Q4 FY14*	*Q3 FY14*	*Q4 FY13*	*FY14*	*FY13*
Shipment Tonnage	**48,015**	**42,702**	**37,119**	**174,808**	**172,030**
Domestic Revenue	3,958	3,289	3,490	14,571	15,025
Export Revenue	5,079	4,797	3,112	18,482	15,867
Other Operating Income	268	235	144	939	620
Total Revenue	**9,305**	**8,321**	**6,746**	**33,992**	**31,512**
EBIDTA	2,304	2,145	1,525	8,637	7,337
EBIDTA %	***24.8%***	***25.8%***	***22.6%***	***25.4%***	***23.3%***
Other Income	353	284	205	1,037	917
PBT	1,710	1,413	851	5,724	4,481
PBT %	***18.4%***	***17.0%***	***12.6%***	***16.8%***	***14.2%***
Exchange Gain/ (loss)	(27)	(30)	(107)	111	(182)
PBT after Ex Gain/ (loss)	1,683	1,383	744	5,835	4,299
Exceptional Items	123	-	-	123	106
PBT after Excp Item	1,806	1,383	744	5,959	4,405
Profit After Tax	1,190	927	501	3,999	3,056

- BFL shipment tonnage increased by 12.4% compared to Q3 FY14 primarily on back of improvement in domestic M&HCV market.
- Total Revenues grew by 11.8% in Q4 FY14 to Rs 9,305 million as compared to Q3 FY14 driven by 20.3% growth in domestic revenues & 5.9% increase in Exports.
- EBITDA margins at 24.8% in Q4 FY14 saw a 100 bps decline compared to Q3 FY14. Excluding New Business Development & certain one off items, EBITDA% for Q4 is comparable to EBITDA% of Q3 FY14.

- PBT before Exchange gain/ (loss) and Exceptional item increased 21.0% in Q4 FY14 to Rs 1,710 million compared to Rs 1,413 million in Q3 FY14.
- Exceptional Item in Q4 FY14 refers to the following items
    - Profit of Rs 432 million on sale of land
    - Impairment charge taken on investments in Indian subsidiaries of Rs 308 million which is non cash in nature.
- PAT increased 28.3% from Rs 927 million in Q3 FY14 to Rs 1,190 million in Q4 FY14.

KEY FINANCIAL PARAMETERS: STANDALONE

TABLE 2 — Rs Million

Particulars	March 31, 2014	March 31, 2013
Debt	19,943	18,737
Equity	26,933	23,111
Cash	9,967	6,520
D/E	**0.74**	**0.81**
D/E (Net)	**0.37**	**0.53**

GEOGRAPHICAL REVENUE BREAK-UP

TABLE 3 — Rs. Million

Particulars	Q4 FY14	Q4 FY13	Growth %	FY14	FY13	Growth %
India	4,226	3,634	***16.3%***	15,510	15,645	***-0.9%***
Americas	2,914	1,604	***81.6%***	9,179	8,954	***2.5%***
Europe	1,756	1,311	***33.9%***	7,847	5,857	***34.0%***
Asia Pacific	409	197	***107.8%***	1,456	1,056	***37.9%***
Total	**9,305**	**6,746**	**37.9%**	**33,992**	**31,512**	**7.9%**

REVIEW OF INDIAN MARKET

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

Particulars	Q4 FY14	Q4 FY13	YOY%	FY14	FY13	YOY %
LCV	116,000	154,457	-24.9%	477,238	551,972	-13.5%
Medium & Heavy CV	62,414	67,653	-7.7%	221,626	280,677	-21.0%
Total CV Market	178,414	222,110	-19.7%	698,864	832,649	-16.1%
Passenger Cars	804,473	874,147	-8.0%	3,065,816	3,231,058	-5.1%
Total Auto Market	982,887	1,096,257	-10.3%	3,764,680	4,063,707	-7.4%

Source: Society of Indian Automobile Manufacturers (SIAM)

FY14 was the 2nd consecutive year of volume decline for the automotive sector in India, recording a 7.4% decrease compared to FY13 with slowdown in economic growth and higher interest rates continuing to weigh in on demand.

BFL's main market, the M&HCV segment witnessed a steep decline of 21% in FY14 compared to FY13 and almost a 45% decline from the highs of FY12. The volume performance was impacted by slowdown in industrial activity resulting in underutilization of fleets.

BFL sales to the M&HCV segment declined by 11.6% in FY14 on a YOY basis better than the underlying market decline. On business development front, BFL won new business from Passenger Vehicle OEM while increasing its market share with the new entrants on the Commercial Vehicle side.

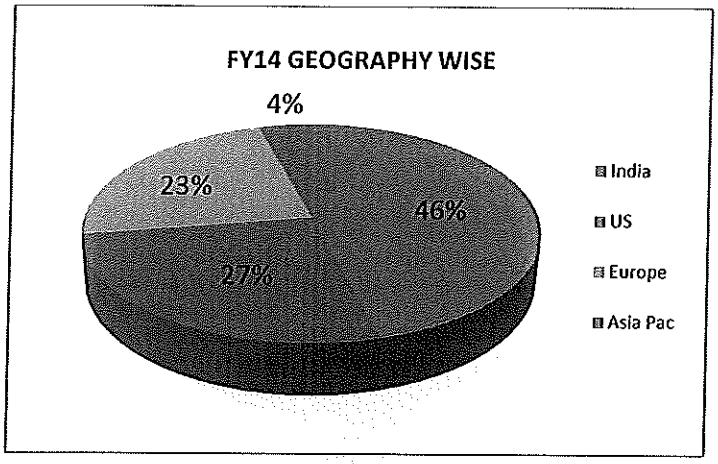
The demand sluggishness was not restricted to the automotive industry. Slowdown in industrial activity & lack of capital investment continues to have an impact on demand for forged components for industrial sector across segments. The only segments which saw moderate growth were the energy sector across sources & orders from Government agencies. During the year, revenues from the industrial segment increased by 10% to Rs 560 crores.

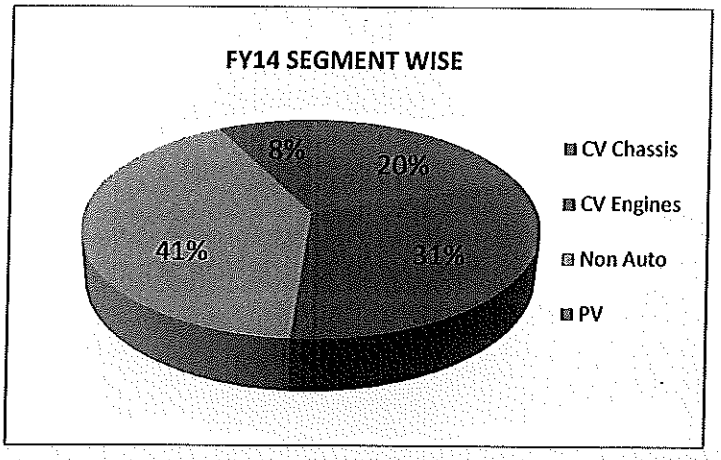
REVIEW OF EXPORT MARKETS

The export markets both in North America & Europe had a strong end to CY13 with the Heavy Truck market in both geographies witnessing volume growth. While the production of Class 8 truck in North America declined by 11.1% to around 243,000 units, net orders in CY13 rose 17% from CY2012 to 267,000 units.

This is a clear sign of robustness in the NA Heavy truck segment which is expected to continue driven by strong US economy & aging of the fleet. The Heavy Truck market is expected to grow by 10 -15% in CY14.

The European Heavy Truck segment witnessed volume increase of 8.3% in CY13 but this was primarily driven by strong growth in Q4 CY13 on account of pre-buy in advance of new emission norms starting from January 2014. Although the sector is expected to be weak in the initial part of the year, there is growth anticipated in 2H CY14 resulting in a flat year for the Heavy truck segment.





CONSOLIDATED FINANCIALS – FY 2014

Table 5

Rs. Million

Particulars	FY14	FY13	YOY %
Total Revenue	67,161	51,665	30.0%
EBITDA	10,423	8,011	30.1%
EBITDA %	**15.5%**	**15.5%**	
PBT before exceptional item	6,250	4,169	49.9%
Exceptional Income/ (Expenditure)	1,037	366	
PBT after Exceptional item	**7,287**	**4,535**	**60.7%**
PAT after Minority Interest	5,215	3,047	
Loss from Discontinued Operations	(230)	(571)	
Profit After Tax	4,985	2,476	101.3%

Key Highlights

- Total Revenue grew by 30.0% from Rs 51,665 in FY13 to Rs 67,161 in FY14
- EBITDA grew by 30.1% from Rs 8,011 million in FY13 to 10,423 million in FY14.
- PBT before exceptional item grew by 49.9% from Rs 4,169 million in FY13 to Rs 6,250 million in FY14.
- Consolidated Net Profit for the year grew from Rs 2,476 million in FY13 to Rs 4,985 million in FY14.

Exceptional Income of Rs 1,037 million in FY14 refers to profit of Rs 432 million on sale of land & Rs 605 million relating to gain on currency translation related to the divestment of stake in the China JV in accordance with Accounting Standard 11.

KEY FINANCIAL PARAMETERS: CONSOLIDATED

TABLE 6 Rs Million

Particulars	*March 31, 2014*	*March 31, 2013*
Debt	25,612	27,845
Equity	26,832	22,564
Cash	11,949	9,427
D/E	**0.95**	**1.23**
D/E (Net)	**0.50**	**0.81**

OVERSEAS SUBSIDIARIES FINANCIALS – CY 2013

The financial statement for CY 2013 for the overseas subsidiaries is as follows. These incorporate the financial results of its wholly owned overseas subsidiaries in Europe.

Table 7 Rs. Million

Particulars	CY 2013	CY 2012	YOY%
Total Revenue	33,500	25,441	31.7%
EBITDA	2,243	1,219	84.0%
EBITDA %	**6.7%**	**4.8%**	
PBT before Exceptional Item	889	391	127.4%
Exceptional item	605	-	
PBT after exceptional item	1,494	391	282.0%
PAT after Minority Interest	1,397	201	
Loss from Discontinued Operations	(230)	(571)	
Profit After Tax	1,167	(370)	

FINANCIALS - INDIAN SUBSIDIARIES – FY 2014

The financial statement for FY 2014 for the Indian subsidiaries is as follows. These incorporate the financial results of its wholly owned subsidiaries and BFL's Joint Venture operations with Alstom & David Brown.

Table 8 — Rs Million

Particulars	FY 2014	FY 2013
Total Income	7,953	1,066
EBITDA*	(156)	(185)
PBT*	(173)	(160)
PAT after Minority Interest	(188)	(109)

* The above financials include onetime Impairment charge of Rs 308 million, non-cash in nature, excluding which the Indian Subsidiaries are profitable for the year with EBITDA of Rs 152 million & PBT of Rs 135 million.

FINANCIALS – OVERSEAS SUBSIDIARIES: JAN-MAR 2014

Table 9 — Rs. Million

Particulars	Jan – March 2014	Oct – Dec 2013	Jan – March 2013
Total Income	6,423	6,774	*5,229*
EBITDA	499	574	*471*
EBITDA %	**7.8%**	**8.5%**	***9.0%***
PBT	188	215	*197*

The Wholly Owned operations have registered EBITDA% of 7.8% as against 8.5% in the previous quarter. The primary reason for decline in topline & margin compression is the softness in the European CV space which declined marginally post the pre-buy in advance of Euro VI emission norms which were implemented from January 1, 2014.

BFAT Order Win

Bharat Forge Aluminumtechnik GmbH & Co KG (BFAT) won a prestigious multi-year contract worth EURO 250 million from a German OEM. A new plant is being set up in the state of Saxony at Brand-Erbisdorf at cost of EURO 31 million funded by way of internal accruals, debt & state subsidies. This order will enhance our presence in the fast growing business of aluminum components, which is finding increasing application in passenger vehicles.