

BHARAT FORGE

FAX MESSAGE

SECT/

May 28, 2012

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)

FAX : 022-22722037 / 22722039 / 22722041
22722061 / 22723121 / 22723719

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

Symbol	BHARATFORG
Series	EQ

FAX : 022 – 26598237 / 38

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

FAX : 020 - 24461227 / 24460082

Meeting of the Board of Directors of the
Company held on May 28, 2012 at 11.30 A.M.

Name of the Company : BHARAT FORGE LIMITED

Dear Sir,

Re : Audited Financial Results for the year ended March 31, 2012.
Ref : Clause 41 of the Listing Agreement.

Further to our letter No. SECT/ dated May 17, 2012 and in pursuance of Clause 41 of the Listing Agreement, we are sending herewith, in duplicate, in the prescribed proforma, the Audited Financial Results of the Company for the year ended March 31, 2012.

Thanking you,

Sincerely,



Ajay Sharma
Vice President (Legal) &
Company Secretary

Encl: As above.



KALYANI
GROUP COMPANY

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: +91202670 2777 (DID) FAX: +91202682 0699 (Export), 2682 2387 (Sales/Mktg) 2682 2163 (Materials)
Email: bharatforge@bharatforge.com WEBSITE: www.bharatforge.com



KALYANI

BHARAT FORGE LIMITED
Regd. Office : Mundhwa, Pune 411 036.

BHARAT FORGE

STATEMENT OF UNAUDITED / AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR
ENDED 31 ST MARCH, 2012

(' In Lacs)

Sr. No.	Particulars	Quarter ended			Year ended		Consolidated Results for the year ended	
		31st March, 2012 (unaudited)	31st December, 2011 (unaudited)	31st March, 2011 (unaudited)	31st March, 2012 (Audited)	31st March, 2011 (Audited)	31st March, 2012 (Audited)	31st March, 2011 (Audited)
	PART I							
	Income from operations:							
1	a) Sales & Income from Operations							
	- Within India	54,411	49,713	47,832	202,085	179,230	202,085	179,230
	- Outside India	45,755	46,441	35,817	173,471	121,951	432,779	335,946
	Total Sales	100,166	96,154	83,649	375,556	301,181	634,864	515,176
	Less : Excise Duty	4,590	4,091	4,032	16,832	15,289	16,832	15,289
	Total Net Sales	95,576	92,063	79,617	358,724	285,892	618,032	499,887
	b) Other Operating Income	2,139	2,054	2,510	9,874	8,808	9,874	8,808
	Total Net Sales / Income from Operations	97,715	94,117	82,127	368,598	294,700	627,906	508,695
2	Total expenditure :							
	a) (Increase) / Decrease in stock in trade	61	(1,121)	(689)	(1,621)	(3,583)	(21,168)	(7,231)
	b) Consumption of raw materials	42,372	42,385	37,216	164,962	136,616	312,453	249,909
	c) Purchase of traded goods	-	-	-	-	-	-	-
	d) Employee Cost	6,336	6,252	5,990	25,426	21,048	78,998	64,585
	e) Depreciation	5,351	5,584	4,783	21,493	19,326	30,185	23,505
	f) Manufacturing Expenses	17,528	16,384	13,861	64,484	49,188	119,161	91,105
	g) Others	6,323	6,326	6,013	23,670	19,468	38,849	31,806
	Total expenditure	77,971	75,790	67,174	298,414	242,063	558,480	455,679
3	Profit from Operations before other Income, Interest and Exceptional Item	19,744	18,327	14,953	70,184	52,637	69,426	53,016
4	Other Income	1,446	1,133	1,622	6,610	4,243	8,931	6,749
5	Profit from Operations before interest and Exceptional Item	21,190	19,460	16,575	76,794	56,880	78,357	59,765
6	Finance Cost	3,442	4,725	2,940	15,046	12,144	18,374	15,342
7	Profit after interest but before Exceptional Items	17,748	14,735	13,635	61,748	44,736	59,983	44,423
8	Exceptional Items							
	- Provision for diminution in value of investment in BF America INC.	(7,042)	-	-	(7,042)	-	-	-
	- Net restructuring & Redundancy cost and Customer claim	-	-	-	-	-	-	(771)
9	Profit / (Loss) from ordinary activities before Tax	10,706	14,735	13,635	54,706	44,736	59,983	43,652
10	Tax Expenses	5,194	4,422	3,570	18,499	13,653	17,961	13,967
11	Net Profit from ordinary activities after Tax	5,512	10,313	10,065	36,207	31,083	42,022	29,685
12	Extraordinary item (net of tax expenses)	-	-	-	-	-	-	-
13	Net Profit / (Loss) for the period / year	5,512	10,313	10,065	36,207	31,083	42,022	29,685
14	Share of Profit in Associate Companies	-	-	-	-	-	(32)	10
15	Loss: Minority Interest	-	-	-	-	-	686	679
16	Income attributable to the consolidated group	-	-	-	-	-	41,304	29,016
17	Paid-up Equity Share Capital (Face Value Rs. 2/- each)	4,657	4,657	4,657	4,657	4,657	4,657	4,657
18	Paid-up Debt Capital of the Company *	-	-	-	77,600	77,600	-	-
19	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	209,653	194,881	213,733	190,637
20	Debenture Redemption Reserve	-	-	-	10,403	6,317	-	-
21	a) Basic Earning per share of Rs. 2/- each before and after extraordinary items (not annualised) (')	2.37	4.43	4.32	15.55	13.39	17.74	12.41
	b) Diluted Earning per share of Rs. 2/- each before and after extraordinary items (not annualised) (')	2.36	4.42	4.23	15.53	13.11	17.72	12.15
22	Debt Equity Ratio **	-	-	-	0.49	0.50	0.78	0.65
23	Debt Service Coverage Ratio ***	-	-	-	6.24	1.04	5.93	1.09
24	Interest Service Coverage Ratio ****	-	-	-	6.87	6.28	6.46	5.52
Additional Information:								
	Profit before tax, before exchange gain / (loss) & exceptional items	18,141	16,349	13,123	63,180	44,241	59,365	47,785





BHARAT FORGE LIMITED
Regd. Office : Mundhwa, Pune 411 036.

BHARAT FORGE

STATEMENT OF UNAUDITED / AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR
ENDED 31 ST MARCH, 2012

Sr No.	Particulars	Quarter ended			Year ended		Consolidated Results for the year ended	
		31st March, 2012	31st December, 2011	31st March, 2011	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
		(unaudited)	(unaudited)	(unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
	PART II							
A	Particulars of shareholding							
1	Total Public Shareholding							
	- Number of Shares	134,887,946	134,882,946	134,882,946	134,887,946	134,882,946	-	-
	- Percentage of shareholding	57.95%	57.94%	57.94%	57.95%	57.94%	-	-
2	Promoters and promoter group Shareholding							
	a) Pledged / Encumbered							
	- No of Shares	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	-	-
	- Percentage of shares (as a % of the total share capital of the company)	0.00	0.00	0.00	0.00	0.00	-	-
	b) Non-encumbered							
	- No. of shares	97,897,170	97,902,170	97,902,170	97,897,170	97,902,170	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	-	-
	- Percentage of shares (as a % of the total share capital of the company)	42.05%	42.06%	42.06%	42.05%	42.06%	-	-

B	Investor Complaints	Quarter ended
		31st March, 2012
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed off during the quarter	1
	Remaining unresolved at the end of the quarter	Nil





KALYANI

BHARAT FORGE LIMITED
Regd. Office : Mundhwa, Pune 411 036.

BHARAT FORGE

Notes to financial results:

1 Disclosure of Assets and Liabilities as per Clause 41(l)(ea) of the Listing Agreement for the year ended 31st March, 2012

(in Lacs)

	Particulars	STANDALONE		CONSOLIDATED	
		As at 31st March, 2012 (Audited)	As at 31st March, 2011 (Audited)	As at 31st March, 2012 (Audited)	As at 31st March, 2011 (Audited)
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share Capital	4,657	4,657	4,657	4,657
	(b) Reserves and Surplus	209,653	194,881	213,733	190,637
	Sub Total- Shareholders' Funds	214,310	199,538	218,390	195,294
2	Share Application Money Pending Allotment	-	-	635	-
3	Minority Interest	-	-	19,572	15,421
4	Non-current Liabilities				
	(a) Long-term borrowings	160,040	139,414	192,089	151,452
	(b) Deferred tax liabilities (net)	12,715	15,562	8,856	13,206
	(c) Other long-term liabilities	72	59	72	59
	(d) Long term- provisions	2,996	2,749	8,475	8,028
	Sub Total- Non-Current Liabilities	175,823	157,784	209,492	172,745
5	Current Liabilities				
	(a) Short-term borrowings	8,409	6,613	49,805	37,203
	(b) Trade payables	66,963	61,643	113,432	97,092
	(c) Other current liabilities	53,758	8,760	105,226	35,533
	(d) Short term provisions	13,554	12,069	16,868	14,193
	Sub Total- Current Liabilities	142,684	89,085	285,331	184,021
	TOTAL - EQUITY AND LIABILITIES	532,817	446,407	733,420	567,481
B	ASSETS				
1	Non-current Assets				
	(a) Fixed assets	208,526	184,170	316,192	265,995
	(b) Goodwill arising on Capital Consolidation	-	-	325	343
	(c) Non-current investments	51,155	57,162	2,032	1,873
	(d) Long-term loans and advances	40,356	34,422	51,114	32,511
	(e) Other non-current assets	7,881	4,174	7,062	3,699
	Sub Total - Non-current Assets	307,918	279,928	376,725	304,421
2	Current Assets				
	(a) Current investments	37,328	24,272	36,667	24,263
	(b) Inventories	50,313	46,843	122,285	81,149
	(c) Trade receivables	49,117	43,132	81,336	75,386
	(d) Cash and bank balances	53,862	23,204	67,177	39,642
	(e) Short-term loans and advances	26,346	21,248	27,383	19,416
	(f) Other current assets	7,933	7,780	21,847	23,204
	Sub Total- Current Assets	224,899	166,479	356,695	263,060
	TOTAL - ASSETS	532,817	446,407	733,420	567,481





UNAUDITED/ AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR
ENDED 31 ST MARCH, 2012

- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on May 28, 2012.
- 3 Directors recommend a final Dividend of Rs. 2.50/- Per Equity Share (125%), subject to approval of shareholders, in addition to Interim Dividend paid of Rs. 1.50/- (75%), totalling to Rs.4.00/- (200%) for the year.
- 4 Company had issued Zero Coupon Foreign Currency Convertible Bonds (FCCB) in two tranches (Viz. Tranche A and Tranche B) amounting to USD 400 lacs and USD 399 lacs due April 2012 and April 2013 respectively optionally convertible at an initial price of Rs.604.03 and Rs.690.32 per share of Rs.2/- each respectively. Company has redeemed outstanding tranche "A" Bonds along with the premium on April 27,2012. Since the Fair value (i.e. preceding 6 months average of market price) of the Company's Equity shares is less than the Floor price in respect of outstanding Tranches ' B' Bonds , the option embedded in the said Bonds to subscribe to Equity shares is, at present, antidilutive.
- 5 In order to recognise the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transaction, in appropriate accounting periods, the company applies the principles of recognition set out in the Accounting Standard 30- Financial Instruments - Recognition and Measurement (AS-30) as suggested by the Institute of Chartered Accountants of India. Accordingly, the unrealised gain/ (loss) (net) consequent to foreign currency fluctuations, in respect of effective hedging instruments, represented by simple forward covers, to hedge future exports, are carried as a Hedging Reserve, and ultimately set off in the profit and loss account when the underlying transaction arises.
The amount outstanding in the Hedge Reserve at the close of the year is Rs.3,816 lacs.
- 6 Previous year/ period's figures are regrouped wherever necessary.
- 7 The Company in June 2005,acquired assets and business of Federal Forge Inc through its wholly owned subsidiary in United States Of America- Bharat Forge America Inc (BFA). BFA is in business of manufacturing and supplying forged auto components to light truck and passenger car segment in North America. As at March 31,2012, the Company has an investment of Rs.987 million in BFA. Operations of BFA were in losses mainly on account of prolonged recessionary conditions in US automotive markets for the products manufactured by BFA. As a counter measure, the Company had taken restructuring initiatives including but not limited to investment in new products, Improvement in processes at BFA and successfully negotiation of Union Labour contract with reduction in wage cost. In spite of these initiatives, due to overall market conditions, it might be difficult for BFA to achieve overall turnaround in immediate future. Though, the Company continues its best efforts and various other measures for protecting its investments, since, there is substantial erosion of net worth of BFA, the Management, has, as a matter of prudence, provided Rs.7,042 lacs towards diminution in the carrying cost of its investments and charge for the same is included under 'exceptional item' in the above financial results. The said provision has no impact on consolidated financials and cash flow of the Company.
- 8 The consolidated financial statements include results of all the subsidiaries of Bharat Forge Limited and their Subsidiaries, and Joint Ventures. 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 2012	Financial year ends on
A Subsidiaries :			
CDP Bharat Forge GmbH :- and its wholly owned subsidiary	Germany	100%	31-Dec-11
i. Bharat Forge Daun GmbH	Germany	100% @	31-Dec-11
ii. BF New Technologies GmbH	Germany	100% @	31-Dec-11
iii. Bharat Forge Holding GmbH and its wholly owned subsidiary Bharat Forge Aluminiumtechnik GmbH & Co KG :- and its wholly owned subsidiary - Bharat Forge Aluminiumtechnik Verwaltungs GmbH	Germany	100% @	31-Dec-11
iv. Bharat Forge Beteiligungs GmbH :- and its wholly owned subsidiary	Germany	100% @	31-Dec-11
I. Bharat Forge Kilsta A.B. Sweden and its wholly owned subsidiary - Bharat Forge Scottish Stampings Ltd.	Sweden	100% @	31-Dec-11
II.Bharat Forge Hong Kong Ltd. and its Joint Venture subsidiary - FAW Bharat Forge (Changchun) Co. Ltd.	Scotland Hong Kong	100% @	31-Dec-11
III.Bharat Forge International Limited	China U.K.	52% @ 100%	31-Dec-11 31-Mar-12
Bharat Forge America Inc.	U.S.A.	100%	31-Dec-11
BF Infrastructure Limited	India	100%	31-Mar-12
BF Infrastructure Ventures Limited	India	100%	31-Mar-12
BF Power Equipments Limited	India	100%	31-Mar-12
Joint Venture Subsidiaries :			
- Kalyani ALSTOM Power Limited	India	51%	31-Mar-12
- BF NTPC Energy Systems Limited	India	51%	31-Mar-12





KALYANI

BHARAT FORGE LIMITED
Regd. Office : Mundhwa, Pune 411 036.

BHARAT FORGE

UNAUDITED/ AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR
ENDED 31 ST MARCH, 2012

B	Associate : -Tecnica UK Limited	U.K.	30% @	31-Dec-11
C	Joint Venture Companies:			
	ALSTOM Bharat Forge Power Limited	India	49%	31-Mar-12
	Impact Automotive Solutions Private Limited	India	50%	31-Mar-12
	David Brown Bharat Forge Gear Systems India Limited	India	50% @	31-Mar-12

@ held through subsidiaries.

* 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 - Miscellaneous Expenditure to the extent not written off or adjusted - Foreign Currency Translation Reserve)

*** Debt Service Coverage Ratio : EBDIT / (Finance Charges + Principal Repayment during the year)

(EBDIT : Profit before Taxes + Finance Charges + Depreciation)

**** Interest Service Coverage Ratio : EBDIT / Finance Charges)

For Bharat Forge Limited

(B. N. KALYANI)

CHAIRMAN & MANAGING DIRECTOR

Certified to be True Copy
For Bharat Forge Ltd.

Ajay Sharma
Vice President (Legal)
& Company Secretary

Mumbai

Dated : May 28, 2012

BHARAT FORGE LIMITED
Regd. Office : Mundhwa, Pune 411 036
CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
FOR THE YEAR ENDED 31ST MARCH 2012

Rs. in Lacs

Sr. No.	Particulars	31st March 2012 Audited	31st March 2011 Audited
1	Segment Revenue		
a	Forgings	625,801	507,469
b	Gen.Engg.,Trading etc.	2,881	1,892
	Total	628,682	509,361
	Less: Inter Segment Revenue	776	666
	Net Sales/Income from Operations	627,906	508,695
2	Segment Results Profit/(Loss) (before tax and interest from each segment)		
a	Forgings	107,737	78,502
b	Gen.Engg.,Trading etc.	1,172	435
	Total	108,909	78,937
	Less:		
1	Interest	18,374	15,342
2	Other un-allocable expenditure net of un-allocable income	30,552	19,172
	Profit before Tax & Exceptional item	59,983	44,423
	Exceptional items		
	- Net Restructuring & Manpower Redundancy cost and Customer claim	-	(771)
	Profit before Tax	59,983	43,652
3	Capital Employed (Segment Assets - Segment Liabilities)		
a	Forgings	322,669	311,864
b	Gen.Engg.,Trading etc.	20,337	12,829
c	Unallocable Assets less Liabilities : -Others including Unutilised Fund raised temporarily deployed	95,333	55,234
		438,339	379,927
4	Secondary information in respect of Geographical segment on the basis of location of customers		
a	Within India	195,127	172,749
b	Outside India	432,779	335,946

The Company has identified its business segments as its primary reporting format which comprises of Forgings and General Engineering. The main segment is Forgings. All products made by the Company essentially emanate from forgings and therefore it is reported as an independent business segment. General Engineering is a fabrication unit which constitute a miniscule portion of the Company's activities.

Above consolidated results for the year includes the result of subsidiary companies viz CDP Bharat Forge GmbH, Bharat Forge America Inc.,U.S.A., BF NTPC Energy Systems Ltd.,Kalyani ALSTOM Power Ltd., BF Infrastructure Ltd., and Impact Automotive Solutions Private Ltd. and share of Joint Venture companies viz,ALSTOM Bharat Forge Power Ltd.and Impact Automotive Solution Private Ltd.

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

For BHARAT FORGE LIMITED

(Signature)

(B. N. KALYANI)

CHAIRMAN & MANAGING DIRECTOR

Mumbai

Dated : May 28, 2012

(Signature)
Ajay Sharma

**Vice President (Legal)
& Company Secretary**

BHARAT FORGE

FAX MESSAGE

SECT/

May 28, 2012

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.

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FAX : 022-22722037 / 22722039 / 22722041
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The Manager,
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'Exchange Plaza', C-1, Block-G,
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Symbol	BHARATFORG
Series	EQ

FAX : 022 – 26598237 / 38

The Secretary,
Pune Stock Exchange Ltd.,
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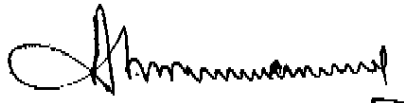
Dear Sir,

Re : Press Release
Ref: Clause 36 of the Listing Agreement.

Enclosed is a Press Release issued by the Company regarding the performance of the Company for the year ended March 31, 2012.

Thanking you,

Sincerely,



Ajay Sharma
Vice President (Legal) &
Company Secretary

Encl: As above.



KALYANI
GROUP COMPANY

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: +91 20 2670 2777 (DID) FAX: +91 20 2682 0699 (Export), 2682 2387 (Sales/Mktg) 2682 2183 (Materials)
Email: bharatforge@bharatforge.com WEBSITE: www.bharatforge.com

BHARAT FORGE LIMITED**Performance for the quarter & Year ended
March 31, 2012****FY12 Consolidated total income registers growth of
23.6% to Rs 63,684 million.****Key Highlights**

- Robust performance of Indian operations driven by export growth of 42.2%.
- Consolidated Net Profit after minority Interest growth of 42.3% to Rs 4,130 million.
- Strong growth of 32% in Non- automotive business.
- Provision of Rs 704 million for Impairment of investments of Bharat Forge America.

Mumbai, May 28th 2012...Bharat Forge Ltd., the flagship company of the USD 2.5 billion Kalyani Group and a global provider of high performance, innovative, safety & critical components to automotive & industrial sectors, today announced its Q4 & FY2012 results.

For Q4 FY12, BFL registered total income growth of 18.4% to Rs 9,916 million driven by 27.7% growth in exports. EBITDA for the quarter improved 24.3% to Rs 2,654 million compared to previous year. EBITDA margins have expanded 1.3% to 26.8% in Q4 FY12. The exceptional item during the year is on account of the provision of Rs 704 million towards impairment of investment in its North American operations. Net profit adjusted for impairment of Rs 704 increased 24.6% from Rs 1,007 million in Q4 FY11 to Rs 1,255 million in Q4 FY12.

At a consolidated level for the full year, the company registered total income of Rs 63,684 million, a growth of 23.6% compared to previous year. The

growth was driven by robust demand from Commercial Vehicle Industry globally & sustained growth in non-auto business from India. EBITDA for the full year came in at Rs 10,851 million, a growth of 27.2%. The consolidated entity posted a Net Profit after minority interest of Rs 4,130 million, growth of 42.3%

For the full year, the company at a standalone level witnessed top line growth of 25.5% to Rs 37,520 million driven by 42.2% growth in Exports to Rs 17,347 million.

EBITDA for the full year grew by 29.0% from Rs 7,619 million in FY 2011 to Rs 9,828 million in FY 2012. EBITDA margins expanded 70 bps to 26.2% in FY 2012.

PBT before exceptional item for the year at Rs 6,174 million grew by 38.0% compared to FY 2011 while Net Profit for the year increased by 16.5% to Rs 3,620 million.

The non-auto business continues to witness strong growth across sectors from marquee domestic & global customers and has increased by 32% in FY 2012 to Rs 12,885 million. Non-Auto contribution to the standalone business is 38% in FY2012. With a strong & ever increasing order pipeline, BFL expects the non-automotive business to continue to grow going forward.

Commenting on the results, Mr. Baba N Kalyani, Chairman and Managing Director of Bharat Forge Ltd., said: "The Company's performance over the past year has clearly benefitted from the de-risking of the business."

"Looking forward in to FY 2013, we are starting to witness relatively higher degree of volatility in demand in Europe & China. However, I am optimistic that BFL with its de-risked business model, strong relationship with customers & focus on technology & innovation will continue on the growth path", he added.



BHARAT FORGE

For further information contact:

Sarita Iyer

Corporate Communications

Bharat Forge Ltd.

Tel: 91 20 2670 2638/2682 4666

Fax: 91 20 2682 2598

Mail: siyer@bharatforge.com

BHARAT FORGE

SECT/

May 28, 2012

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 SCRIIP CODE – 500493)

The Manager,
Listing Department,
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'Exchange Plaza', C-1, Block-G,
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Symbol	BHARATFORG
Series	EQ

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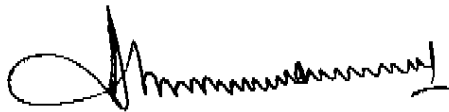
Dear Sir,

Re: Earnings Update for Q4 FY12

Enclosed is an Earnings Update issued today by the Company for Q4 FY12.

Thanking you,

Sincerely,



Ajay Sharma
Vice President (Legal) &
Company Secretary

Encl: As above.



KALYANI
GROUP COMPANY

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Bharat Forge Limited

Q4 FY12 Earnings Update

28th May 2012

Page 1 of 9

Key Highlights: Growth Momentum Continued

FY 2011-12 was a challenging year to operate in, with the Eurozone financial crisis exacerbating the uncertain economic growth outlook globally. Despite weak global macroeconomic fundamentals, strong underlying demand in the automotive industry continued in FY 2011-12 and BFL with its robust business model has been able to deliver credible performance.

Some of the key highlights on a standalone basis of the year gone by are:

- Strong Topline growth of 25.5% in FY12 driven by robust export growth.
- Export growth of 42.2% driven by healthy end market demand, market share gains and continued traction in non-auto.
- EBITDA for the year of Rs 9,828 million, growth of 29.0%.
- PBT before exceptional item for the year of Rs 6,174 million, a growth of 38.0% compared to previous year.
- Exceptional item of Rs 704 million on account of impairment in investments in Bharat Forge America. This has no impact on cash flow & consolidated results.
- PAT adjusted for exceptional item of Rs 4,324 million, a growth of 39.1% compared to previous year.
- Non-Automotive business grew by 32% in FY13 and its contribution to standalone operations has increased marginally to 38% in FY12.

Some of the key highlights on a consolidated basis of the year gone by are:

- Total income grew by 23.6% to Rs.63,684 million
- Profit before tax at Rs 5,995 million, growth of 34.9%
- PAT (after minority interest) of Rs 4,130 million, growth of 42.3%
- Alstom Bharat Forge has been awarded a contract worth Rs 1,570 crores from NTPC for supply of 2X660 MW Turbine Generator.

Bharat Forge Standalone Financials - Q4 & FY 2012
Table 1
Rs. Million

Particulars	Q4 FY12	Q4 FY11	Growth %	FY 2012	FY 2011	Growth %
Shipment Tonnage	57,242	51,267	11.7	219,353	188,166	16.6
Domestic Sales	5,196	4,635	12.1	19,513	17,278	12.9
Export Sales	4,576	3,582	27.7	17,347	12,195	42.2
Net Sales	9,772	8,217	18.9	36,860	29,473	25.1
Other Income	144	158		660	421	
Total Income	9,916	8,375	18.4	37,520	29,894	25.5
EBITDA	2,654	2,135	24.3	9,828	7,619	29.0
EBITDA %	26.8	25.5		26.2	25.5	
PBT before exceptional item	1,775	1,363	30.2	6,174	4,473	38.0
PBT %	17.9	16.3		16.5	15.0	
Exceptional Item: BFA Impairment	(704)	-		(704)	-	
PBT	1,071	1,363	-21.4	5,470	4,473	22.3
PAT	551	1,007	-45.3	3,620	3,108	16.5
PBT before exchange gain/(loss) & exceptional item	1,815	1,312	38.3	6,319	4,423	42.9
Adjusted PAT*	1,255	1,007	24.6	4,324	3,108	39.1

* PAT adjusted for BFA impairment cost.

- Volume growth of 16.6% in FY12 on back of robust demand from North American & European Heavy Truck market & strong off-take from new non automotive facilities. Realizations have improved driven by better product mix and increased value addition.
- Sales in FY12 increased by 25.1% to Rs 36,860 million driven by robust growth in export revenues of 42.2% & a moderate growth of 12.9% in domestic revenues.
- EBITDA margin for the Year has improved from 25.5% to 26.2% while for the quarter, EBITDA margin has expanded from 25.5% in Q4 FY11 to 26.8% in Q4 FY12.
- PBT before exceptional item for the quarter was at Rs 1,775 million as against Rs 1,363 million in the corresponding quarter previous year, a growth of 30.2%. For the full year, PBT before exceptional item was Rs 6,174 million as against Rs 4,473 registering a growth of 38.0%.
- Exceptional Item of Rs. 704 million towards diminution in the carrying cost of its investment in Bharat Forge America. This does not have any impact on cash flow & consolidated results since the losses of BFA have been accounted for in consolidated accounts already.
- PAT adjusted for BFA impairment for the quarter at Rs 1,255 million grew by 24.6% on a Y-o-Y basis while for the full year, PAT adjusted for BFA impairment at Rs 4,324 million registered a growth of 39.1% compared to FY 2011.

Financial highlights - Overseas Subsidiaries - Component Business

The financial statement for CY 2011 for the overseas subsidiaries is as follows. These incorporate the financial results of its wholly owned overseas subsidiaries and the Chinese Joint Venture operations.

Table No 2

Rs Million

	CY 2011	CY 2010	YoY%
Total Income	28,915	21,632	33.7%
EBITDA	1,587	1,048	51.4%
EBITDA %	5.5%	4.8%	
PBT before Exceptional Item	397	111	257.7%
Exceptional Item	-	(77)	
PBT after Exceptional Item	397	34	
PAT after minority Interest	348	(87)	

The Overseas operations registered a strong performance in CY 2011 on back of continued momentum in the commercial vehicle segment globally. The key highlights of the performance of the overseas operations are

1. 33.7% increase in topline on back of improvement in utilization levels.
2. EBITDA of Rs 1,587 million compared to an EBITDA of Rs 1,040 in CY2010, growth of 51.4%.
3. PBT before exceptional item grew almost 3 times in CY11 to Rs 397 million from Rs 111 million in CY2010.
4. The operations have turned around and posted PAT after Minority Interest of Rs 348 million as against a loss of Rs 87 million in CY 2010.

The softness in the Chinese automotive market in 2nd half of CY2011 along with adjustment in production schedules in Europe by OEM during the October - December period in anticipation of lower off-take had a mildly negative impact of the performance of the subsidiaries.

Bharat Forge America

As part of its strategy of expanding its global footprint & enhancing its dual shore manufacturing model, BFL in June 2005, acquired assets and business of Federal Forge Inc. out of bankruptcy proceedings through its wholly owned subsidiary in United States of America - Bharat Forge America Inc. (BFA). BFA manufactures and supplies forged auto components to light truck and passenger car segment in North America.

To improve the performance of BFA, BFL undertook various initiatives including but not limited to investments in new product development, processes at BFA and successful negotiation of Union Labor contract with substantial reduction in wage cost. However, due to prolonged recessionary conditions in US automotive markets for the products manufactured by BFA it might be difficult for BFA to achieve overall turnaround in immediate future.

As at March 31, 2012, the Company has an investment of Rs. 987 million in BFA. Based on uncertain future outlook and substantial erosion of net worth of BFA and the threat that the Company may not be able to recover its investments, the Management has, as a measure of prudent accounting practice, created a provision of Rs. 704 million towards diminution in the carrying cost of its investment and the charge for the same is included under 'exceptional items' in the above financial results. The said provision has no impact on consolidated financials of the Company.

FY12 Consolidated Performance
Table no 3

				Rs Million		
	FY 2012			FY 2011		
	BFL	subs	Total	BFL	subs	Total
Total Income	37,520	28,915	66,435	29,894	21,632	51,526
EBITDA	9,828	1,587	11,415	7,619	1,048	8,667
PBT	6,174	397	6,571	4,473	111	4,584
Less: PBT loss at Capital goods division			(185)			(141)
Less: consolidation adjustment			(392)			-
PBT for BFL consolidated			5,995			4,443
						29%
						32%
						43%
						35%

BFL has set up a subsidiary in UK to route its exports for better supply chain & logistic management. Majority of export sales will be routed thru this subsidiary. Consolidated adjustment includes intercompany sales elimination of Rs 2,776 million & EBITDA and PBT elimination of Rs 392 million.

Financial highlights - Overseas Subsidiaries - Jan - Mar 12

The Key Financial Parameters for Overseas Subsidiaries including China is as below.

Table No 4 Rs Million

Particulars	Jan - Mar 12	Jan - Mar 11	YoY Change
Total Income	7,108	7,094	2.0%
EBITDA	421	396	6.3%
EBITDA %	5.9%	5.6%	
Depreciation	246	195	
Interest	108	76	
PBT	67	125	-46.4%

The performance of the international operations was primarily impacted by the slowdown in China where Commercial vehicle volumes dropped by 10% compared to the corresponding period previous year. This resulted in lower utilization at the Chinese Joint Venture.

Review of Business - Standalone operations

Following table summarizes the geographical distribution of the company's revenue streams in Q4 & FY 2012 against that in the corresponding previous periods.

Table 5 Rs. Million

Particulars	Q4 FY 12	Q4 FY 11	Growth %	FY 2012	FY 2011	Growth %
India	5,196	4,635	12.1	19,513	17,278	12.9
USA	2,338	1,577	48.3	8,127	5,774	40.8
Europe	1,704	1,697	0.4	7,794	5,380	44.9
ROW	534	308	73.1	1,426	1,041	36.9
Total	9,772	8,217	18.9	36,860	29,473	25.1

Review of Indian Market

Table 6: Domestic Automotive Production Data

Particulars	FY 12	FY 11	% Growth
LCV	528,297	414,917	27.3%
Medium & Heavy CV	383,277	345,818	10.8%
Total CV Market (M&HCV + LCV)	911,574	760,735	19.8%
Passenger Cars	3,123,528	2,982,772	4.7%
Total Auto Market	4,035,102	3,743,507	7.8%

Source: SIAM

The Indian automotive industry in FY12 grew by 7.8% in FY12 driven by 27.3% growth in LCV's and 10.9% growth in M&HCV's. The passenger vehicle segment saw a muted performance in FY12 with growth coming in at 4.7% primarily due to industrial unrest at an OEM. The industry performance should be viewed taking in to perspective the numerous headwinds encountered ranging from slowing economic growth, lack of investment in infrastructure, hawkish interest rate regime & unacceptable levels of inflation.

The Commercial vehicle segment is witnessing a lot of interest with global OEM's setting up operations in India and introducing advanced fleets delivering better mileage, lower emissions and capable of hauling more payload per trip. BFL will look at leveraging its excellent relationships with the OEM & the ability to cater to the requirement of technology advanced components for these players.

Review of Export Markets

Europe

European automotive market in CY11 witnessed registration volumes remaining flat compared to CY 2010. Passenger Vehicle registration were down 2% with the major drop seen in volume of mass market passenger vehicle segment while the luxury car segment saw moderate growth. The Commercial vehicles registration grew by 10% with HCV (Heavy Commercial Vehicle) segment registering a 36% growth.

The automotive market is expected to be a soft with volumes expected to decrease 10 - 15% from CY 2011 levels.

North America

The North American heavy truck market continued to witness strong growth with volumes again increasing by more than 50%, fuelled by demand to replace old fleet whose average age is around 8 years or so. Despite the growth in volumes over the past two years, the market is still about 30% below the previous peak of 376,000 in CY 2006.

The market is expected to grow in the foreseeable future driven by replacement demand.

Capacity Expansion

BFL is in the midst of a capacity expansion programme focused on increasing forging capacity & machining capacity for auto & non-auto products.

Forging Capacity Expansion

The forging press being set up at Pune will be operational by the end of the calendar year catering to demand for automotive application more focused on medium duty trucks.

Value Addition

On the value add front, we are witnessing tremendous demand from OEM's, both global & Domestic for supplying value added products for both auto & non auto applications. To cater to this requirement, BFL has initiated expansion of machining capacity for crankshafts for automotive & non- automotive application.

Non Auto Update:

Components Business

For the standalone business, Non-Auto contribution has remained more or less constant at 38% in FY12 to 37% in FY11, albeit growing by 32% in absolute terms from Rs 9,770 million to Rs 12,135 million. This increase has primarily been driven by BFL's concerted efforts as mentioned below.

- **Expansion of product portfolio with existing customers:** Leveraging existing customer relationship and credibility to supply solutions for newer platforms/applications.
- **Moving up the value chain:** Migration from supply of forged components to fully finished parts for sectors such as Oil & Gas where we are witnessing strong traction for shale gas drilling as well as off-shore drilling.
- **Addressing newer segments & Customers:** The new facilities has enabled BFL to address new segments such as Rail, Marine and thermal power to name a few.

The above strategy has played out very well and is clearly visible in the increase in non-auto customers and strong ramp up of the non-automotive facilities at Baramati.

Capital Goods Business

Bharat Forge's foray into the capital good and infrastructure space is through investments into subsidiaries and JVs that are focused on specific aspects of this vast sector. BFL is developing its business by integrating two operations under one platform. On the one hand, it is developing manufacturing capabilities by leveraging BFL's core strength in the engineering of metal formation. On the other hand, it has recruited a specific team to develop EPC (engineering, procurement and construction) capabilities within the organization.

JV with Alstom

The JV is setting up a state-of-the-art integrated plant set up over 120 acres at the SEZ in Mundra (Gujarat). It will be the largest integrated facility for turbine, generators and auxiliaries manufacturing in the country. The facility will have a total capacity of manufacturing 5,000 MW of Turbine Generators annually.

The joint-venture, namely, ALSTOM Bharat Forge Power Ltd. (ABFPL), has bagged a Rs. 15,700 million order from NTPC Ltd. for the engineering, manufacturing, supply, erection and commissioning of 2x660MW supercritical steam 'turbine generator islands' (TG Islands) for the power producer's upcoming project in Solapur in Maharashtra.

Conclusion

- BFL with its diversified business across sectors and strong alignment with marquee customers is cautiously optimistic about continuing on the growth path in both the domestic & exports market.
- Growth in the domestic market might be sluggish on account of macro headwinds. BFL expects to perform better than the underlying market.
- Automotive markets in Europe & China are seeing stress conditions due to European debt crisis while US remain strong. We expect exports in FY13 to grow on back of non-auto business, new product development and higher sales in to USA.
- We expect EBITDA % to improve in FY 13 on back of focus on cost control & increasing value addition.