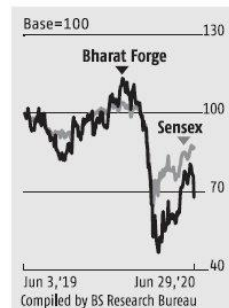


Bharat Forge Posts Loss of ₹69 crore in Q4

MUMBAI: Leading automotive and industrial components supplier Bharat Forge reported a consolidated loss of ₹69 crore for the March quarter as revenue declined sharply due to weak demand across sectors in India and overseas, reports **Our Bureau**. The company had reported a profit of ₹324 crore during the corresponding quarter in the preceding year.

Bharat Forge skids on weak sales, low crude prices

Analysts expect the M&HCV segment to fall by another 13-15% in FY21



RAM PRASAD SAHU

The Bharat Forge stock slipped over 10 per cent on weak March quarter (Q4) results and a muted outlook for its key business segments. Falling demand in end-user sectors and the impact during the second half of March because of Covid-19 led to a fall in revenues by 47 per cent, while operating profit fell by nearly 70 per cent year-on-year (YoY) in Q4.

The company indicated a ₹200-crore impact on the top line and ₹90 crore on profitability in the quarter because of the pandemic.

The company, which reported a profit before tax in the year-ago quarter of ₹300

crore and ₹128 crore in the December quarter, could generate a pre-tax profit of just ₹21 crore in Q4 this year.

However, it reported a loss of ₹73 crore because of a ₹94-crore impairment of investments in the UK-based Tevva Motors and a voluntary retirement scheme.

The biggest drag for Bharat Forge is the medium- and heavy-commercial vehicle (M&HCV) segment.

After recording a 47 per cent decline in FY20 sales in India, the first two months of the financial year saw vehicle sales decline by over 90 per cent over the year-ago period.

Despite the sharply lower base, analysts expect the M&HCV segment to fall by

another 13-15 per cent in FY21 before recovering next year. In the North American market, a key export destination, Class 8 truck orders declined 60 per cent in CY19 and a further 20 per cent till date this year.

In the industrial segment, the crash in crude oil prices has led to a stoppage of drilling activities (fracking) in the US market, thus impacting its component business. The company indicated that revenue from this segment, which was at ₹1,000 crore in FY19, fell by half to less than ₹500 crore in FY20.

This is expected to come down further in FY21. Aryn Pirani of CLSA believes that a 20 per cent decline in the US-based construction

machinery and equipment maker Caterpillar's retail sales in CY20 is an indication of Bharat Forge's non-auto revenues.

The company, however, said that it has gained market share in multiple segments including passenger vehicles and has won new customers in aerospace and oil & gas.

It is hopeful of a demand uptick in the US, given the infra push in that geography.

While the company indicated a sales dip in FY21, it guided that it will make profits at the net level. The is expected to be led by cost-cutting efforts, market share gains, new customer wins, and de-risking by expanding into new areas.

Bharat Forge reports Q4 loss of ₹73.29 crore

A COMBINATION of factors impacted the financial performance of Bharat Forge hard in the March quarter. The lockdown, coupled with a slowdown in its automotive and industrial segments both in India and globally, led to the company posting a loss of ₹73.29 crore during Q4FY20, compared to a profit of ₹299.50 it made in the comparable quarter last year.

Bharat Forge reports Rs 68.6 cr net loss for Mar quarter

NEW DELHI: Auto components major Bharat Forge Ltd on Monday reported a consolidated net loss of Rs 68.59 crore in the fourth quarter ended March 31, on account of lower revenue and impairment of its investment in associate firm Tevva Motors Jersey Ltd due to the coronavirus pandemic.

નાણાકીય વર્ષ ૨૦૨૦ના ચોથા ત્રિમાસિકગાળામાં ભારત ફોર્જની યોજ્ઞા ખોટ રૂ ૭૩.૨૯ કરોડ

મુંબઈ: ગત ૩૧ માર્ચ ૨૦૨૦ના અંતે પૂરા થયેલા ચોથા ત્રિમાસિકગાળામાં ભારત ફોર્જ લિ.એ રૂ. ૭૩.૨૯ કરોડની યોજ્ઞા ખોટ કરી છે, જ્યારે ગત સાલના સમાનગાળામાં કંપનીએ રૂ. ૨૯૯.૫૦ કરોડનો યોજ્ઞો નફો કર્યો હતો. સમીક્ષા હેઠળના સમયગાળામાં કંપનીની કુલ આવક રૂ. ૯૧૨.૬૫ કરોડ થઈ છે, જે ગત વર્ષના સમાનગાળાના અંતે રૂ. ૧૭૧૮.૭૨ કરોડ થઈ હતી.■

ભારત ફોર્જની ત્રિમાસિક સંગઠિત ચોખ્ખી ખોટ ₹68.6 કરોડ નોંધાઈ

નવી દિલ્હી: અગ્રણી ઓટો કોમ્પોનન્ટ ઉત્પાદક કંપની ભારત ફોર્જ સોમવારે માર્ચ ૨૦૨૦ના અંતે પૂરા થયેલા ત્રિમાસિક ગાળા માટે ₹૬૮.૫૯ કરોડની સંગઠિત ચોખ્ખી ખોટ નોંધાવી હતી. કંપનીએ એક વર્ષ અગાઉ સમાન ગાળા માટે ₹૩૨૪.૦૯ કરોડનો ચોખ્ખો નફો નોંધાવ્યો હતો તેમ બીએસઈ ફાઈલિંગમાં જણાવ્યું હતું. સમીક્ષા હેઠળના ગાળા માટે કંપનીની કુલ વેચાણની આવક ઘટીને ₹૧,૭૪૧.૯૨ કરોડ નોંધાઈ હતી જે એક વર્ષ અગાઉના સમાન ગાળા માટે ₹૨,૬૭૦.૭૮ કરોડ હતી. કંપનીએ સંપૂર્ણ નાણાકીય વર્ષ માટે ૩૧ માર્ચના રોજ પૂરા થયેલા વર્ષ માટે ઘટાડા સાથે ₹૩૪૯.૨૫ કરોડનો ચોખ્ખો નફો નોંધાવ્યો હતો, જે એક વર્ષ અગાઉ સમાન ગાળા માટે ₹૧,૦૩૨.૬ કરોડ નોંધાયો હતો. સમીક્ષા હેઠળના ગાળા માટે કંપનીની કુલ આવક ઘટીને ₹૮,૦૫૫.૮૪ કરોડ નોંધાઈ હતી એક વર્ષ અગાઉના સમાન ગાળા માટે ₹૧૦,૧૪૫.૭૩ કરોડ હતી. સોમવારે બીએસઈ પર કંપનીનો શેર ૧૦.૨૫ ટકા ગગડીને ₹૩૧૬.૫૦ બંધ નોંધાયો હતો.

ભારત ફોર્જે નીચી આવકને કારણે રૂ. ૬૮.૫૯ કરોડની ખોટ નોંધાવી

પીટીઆઇ

નવી દિલ્હી, તા. ૨૯

કોરોના વાયરસ મહામારીને કારણે આવક નીચી રહેવાને પગલે વાહનોના પૂર્ણ બનાવતી ભારત ફોર્જ લિમિટેડે ૩૧ માર્ચ, ૨૦૨૦ના અંતે પૂરા થયેલા ચોથા ત્રિમાસિક ગાળા માટે રૂ. ૬૮.૫૯ કરોડની સંકલિત ચોખ્ખી ખોટ નોંધાવી છે. કંપનીએ પાછલા નાણાંકીય વર્ષના સમાન સમયગાળા દરમિયાન રૂ. ૩૨૪.૦૯

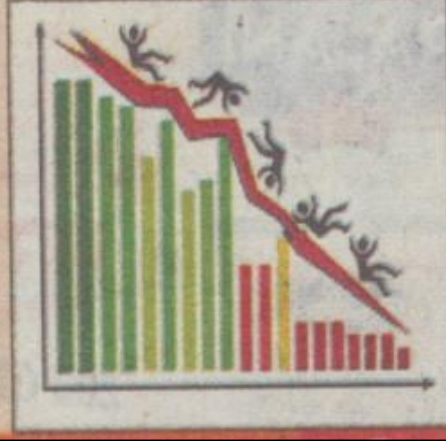
કરોડનો સંકલિત ચોખ્ખો નફો નોંધાવ્યો હતો, તેમ ભારત ફોર્જ એક નિયમનકારી યાદીમાં જણાવ્યું હતું. સમીક્ષા હેઠળના સમય ગાળા દરમિયાન કંપનીની કામગીરીમાંથી સંકલિત આવક રૂ. ૧.૨,૬૭૦.૭૮ કરોડથી ઘટીને રૂ. ૧,૭૩૪૧.૯૨ કરોડ થઈ છે. કંપનીનો સંકલિત ચોખ્ખો નફો સંપૂર્ણ નાણાંકીય વર્ષ ૨૦૧૯-૨૦માં રૂ. ૧,૦૩૨ કરોડથી ઘટીને રૂ. ૩૪૯.૨૫ કરોડ થયો છે. કંપનીની

કામગીરીમાંથી આવક રૂ. ૧.૧૦,૧૪૫.૭૩ કરોડથી ઘટીને રૂ. ૮,૦૫૫.૮૪ કરોડ થઈ છે. કંપનીએ જણાવ્યું હતું કે માર્ચના અંતમાં તેની ઓફિસો અને ઉત્પાદન એકમો કોવિડ-૧૯ના પ્રસારને નિયંત્રિત કરવા માટે બંધ રખાઈ હતી અને ગ્રાહકો સહિત કર્મચારીઓ અને હિસ્સાધારકોની સુખાકારી જાળવી હતી. દેશવ્યાપી લોકડાઉનને લંબાવવામાં આવ્યું હતું અને એપ્રિલ અને મે

૨૦૨૦માં યથાવત રાખવામાં આવ્યું હતું. ઉત્પાદનનો સમય ગાળો અને સપ્લાય ચેઇન વિશ્લેષ અને તેમના સંબંધિત નાણાંકીય અસરોનો આ સમયમાં અંદાજ મૂકવામાં આવી શકે નહીં. દેખાવ અંગે કંપનીએ જણાવ્યું હતું કે નાણાંકીય વર્ષ ૨૦૨૦-૨૧ મુશ્કેલીભરી નોંધ પર શરૂ થવાની સાથે લોકડાઉનને માગને અસર કરી છે. વિશ્વમાં પેસેન્જર અને કોમર્શિયલ વિકલ્પના ઉત્પાદનને ગંભીર અસર થઈ છે.

ભારત ફોર્જ રૂ69 કરોડની ખોટ દર્શાવી

ઓટો કમ્પોનન્ટ ઉત્પાદક ભારત ફોર્જ
માર્ચના ક્વાર્ટરમાં રૂ68.59 કરોડની
ચોખ્ખો ખોટ દર્શાવી હતી. તેની આવક
ઘટીને રૂ1741.92 કરોડ થઈ હતી.



BHARAT FORGE LIMITED Analyst Update

FY 2020 Results BFL 12 MONTH REPORT

Chennai, June 30, 2020: "The unprecedented events over the past few months and the subsequent lockdown has completely reversed the positive momentum we had started witnessing across some of our key verticals especially in India. On the heels of robust growth over past 3 years, a routine cyclical correction in CV markets in US and Europe was forecasted for CY 2020. This was further

accentuated with the Covid lockdowns from early March 2020.

The full year performance, especially H2 was impacted by the severe slump across sectors in India & globally as well. Despite the weak operating performance, we have continued to maintain a strong balance sheet which will further strengthen going forward.

All our facilities in India and globally have resumed operations in a phased manner since early May 2020, however, with utilization at sub-

optimal levels. We continue to support our customers demand globally while also ensuring the safety and well-being of our employees. FY21 has started on a difficult note with the lockdown impacting demand.

Automotive production across Commercial & Passenger Vehicles Globally have been severely impacted. However, we expect the PV business to outperform underlying markets. We expect to see good demand traction in several industrial segments barring Oil & Gas sector. We are hopeful that sequentially things will start to improve from H2 FY21, as economies open up & stabilize. Although the current scenario is very different from what we have ever seen before, we are very confident that the company will come out from these difficult times stronger than before.

Throughout FY21, the company will concentrate efforts on being nimble yet



addressing dynamic demands of our customers, but, with a razor sharp focus on Cash, Cash flow, winning new business and structural cost optimization across, both - fixed and variable costs. The cost optimization initiatives are over and above the steps taken in FY20, benefit of which will be visible from Q2 FY21 onwards. We have used the lockdown to accelerate the process of digitalization across the plant which will

result in sharp productivity improvement as we get back to normal production levels.

Over the past few years, the company invested over Rs 1,300 Crores in setting up new capacities across forging and machining. Our focus will be on filling up these capacities and generate Free Cash Flow which will be utilized for bringing down gross debt levels over the next 3-5 years.

Headline: [After a disappointing Q4FY20, gradual recovery awaits Bharat Forge](#)

Domain: Mint

Date: June 30, 2020

Journalist: Pallavi Pengonda

- Bharat Forge to go through prolong downturn and the business moderation is likely to last till FY22, say analysts
- The company estimates sales loss at ₹200 crore owing to the lockdown

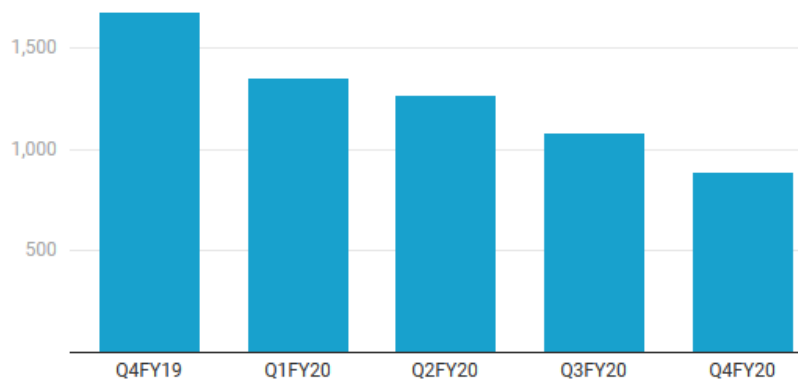
Shares of Bharat Forge Ltd continued on the downward path on Tuesday as well, trading about 1% lower on the NSE in early deals. On Monday, when the company's March quarter results disappointed on the Street on many counts, the shares had fallen by a sharp 10%.

Following the weak earnings, analysts have slashed earnings estimates for this fiscal. Bharat Forge said FY21 has started on a difficult note with the lockdown impacting demand. As such, investors can expect recovery to be slow going ahead.

"We remain concerned about a potential slowdown in cyclical segments such as trucks and oil & gas (accounts for 60% of standalone revenues), slower ramp-up in newer business segments and expensive valuations," wrote analysts from Kotak Institutional Equities in a report on 29 June.

Rocky road

Covid-19 led disruptions weighed on Bharat Forge's revenues in Q4FY20; recovery expected to be slow going ahead



Standalone revenues (In Rs crore)

Source: Emkay Global Financial Services • [Get the data](#) • Created with [Datawrapper](#)

Currently, the stock trades at about 19 times estimated earnings for fiscal year 2022, based on Bloomberg data.

Bharat Forge manufactures and exports automotive components. It also manufactures specialized components for railways, construction equipment, oil & gas, and other industries.

Some expect tougher times ahead. "Contrary to street assumption that worst for Bharat Forge's key business is behind, we expect the company to go through prolong downturn and the business moderation is likely to last till FY22," point out analysts from Antique Stock Broking Ltd. The broking firm added, "Prolong weakness in operation is also likely to lever the balance sheet from Mar-20 levels meaningfully."

Coming to the March quarter results, standalone revenues declined as much as 47% year-on-year to ₹881 crore during the last quarter. Within this, domestic revenues declined by 44% whereas export revenues fell by 49%. In India, commercial vehicles and industrial revenues saw relatively more pain than passenger vehicles. The overseas business was impacted more by the 67% lower industrial revenues.

Of course, the lockdown in the month of March impacted performance. The company estimates sales loss at ₹200 crore owing to the lockdown. Earnings before interest, tax, depreciation, and amortization (Ebitda) declined by a striking 79% to 110 crore. This was way below many analysts' estimates. After accounting for depreciation and finance costs, pre-tax and exceptional items earnings declined nearly 97% to ₹15.6 crore.

After the drop in the stock price post-March quarter results, Bharat Forge shares are around 41% lower than its 52-week high seen on 16 January.

Headline: BRIEF-Bharat Forge Sees Overseas Ops Post Cash Loss Of About EUR 5 Mln In Jan-Jun 2020	Domain: Reuters
Date: June 29, 2020	Journalist: Bureau

* OVERSEAS OPERATIONS EXPECTED TO POST CASH LOSS OF ABOUT EUR 5 MILLION IN JAN -JUN 2020

Source text for Eikon: Further company coverage

Headline: [Bharat Forge Q4 results: Reports Rs 68.6 crore net loss](#)

Domain: The Economic Times

Date: June 29, 2020

Journalist: PTI

Auto components major Bharat Forge Ltd on Monday reported a consolidated net loss of Rs 68.59 crore in the fourth quarter ended March 31, on account of lower revenue and impairment of its investment in associate firm Tevva Motors Jersey Ltd due to the coronavirus pandemic.

The company had posted a consolidated net profit of Rs 324.09 crore in the corresponding quarter of the previous financial year, Bharat Forge said in a regulatory filing.

Its consolidated revenue from operations during the period under review stood at Rs 1,741.92 crore, compared with Rs 2,670.78 crore in the year-ago period, it added.

For the full financial year 2019-20, the company's consolidated net profit stood at Rs 349.25 crore, against Rs 1,032.6 crore in the previous year.

The firm's revenue from operations in 2019-20 was at Rs 8,055.84 crore, against Rs 10,145.73 crore in 2018-19, the company said.

Bharat Forge said it has provided an amount of Rs 89 crore towards impairment of its investment in associate Tevva Motors Jersey Ltd, which is a start-up company for modular electrification systems for medium-duty commercial vehicles.

"Like several other start-ups, Tevva too has been severely affected due to the COVID-19 crisis. While Tevva's technology platform is evolving, its financing and commercial outlook remains uncertain now," the company said.

Consequently, the company said it has provided Rs 89 crore in standalone financial results. It has an impact of Rs 47.59 crore in the consolidated financial results after adjusting the losses already considered, it added.

Bharat Forge Ltd Chairman and Managing Director B N Kalyani said, "On the heels of robust growth over the past three years, a routine cyclical correction in CV (commercial vehicle) markets in the US and Europe was forecast for the calendar year 2020. This was further accentuated with the coronavirus-induced lockdowns."

He further said, "The unprecedented events over the past few months and the subsequent lockdown have completely reversed the positive momentum we had started witnessing across some of our key verticals especially in India."

Kalyani said the full-year performance, especially the second half, was impacted by the severe slump across sectors in India and globally.

"All our facilities in India and globally have resumed operations in a phased manner since early May 2020, however, with utilisation at sub-optimal levels," he added.

The company said that from the end of March, its offices and manufacturing facilities were shut down to contain the spread of COVID-19 and maintain the wellbeing of employees and stakeholders, including customers.

These closures expanded and continued into April and May 2020. The duration of the production and supply chain disruptions and their related financial impacts cannot be estimated at this time, it added.

On the outlook, Kalyani said, "The financial year 2020-21 started on a difficult note with the lockdown impacting demand. Automotive production across commercial and passenger vehicles (PVs) globally have been severely impacted. However, we expect the PV business to outperform underlying markets."

The company also expects to see good demand traction in several industrial segments barring the oil and gas sector, he added.

"We are hopeful that sequentially, things will start to improve from the second half of 2020-21, as economies open up and stabilise. Although the current scenario is very different from what we have ever seen before, we are confident that the company will come out from these difficult times stronger than before," Kalyani said.

Headline: [Bharat Forge reports Rs 68.6 cr net loss in Q4, sales drop to Rs 1,742 cr](#)

Domain: Business Standard

Date: June 29, 2020

Journalist: PTI

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Kalyani said the full-year performance, especially the second half, was impacted by the severe slump across sectors in India and globally.

"All our facilities in India and globally have resumed operations in a phased manner since early May 2020, however, with utilisation at sub-optimal levels," he added.

The company said that from the end of March, its offices and manufacturing facilities were shut down to contain the spread of Covid-19 and maintain the wellbeing of employees and stakeholders, including customers.

These closures expanded and continued into April and May 2020. The duration of the production and supply chain disruptions and their related financial impacts cannot be estimated at this time, it added.

On the outlook, Kalyani said, "The financial year 2020-21 started on a difficult note with the lockdown impacting demand. Automotive production across commercial and passenger vehicles (PVs) globally have been severely impacted. However, we expect the PV business to outperform underlying markets."

The company also expects to see good demand traction in several industrial segments barring the oil and gas sector, he added.

"We are hopeful that sequentially, things will start to improve from the second half of 2020-21, as economies open up and stabilise. Although the current scenario is very different from what we have ever seen before, we are confident that the company will come out from these difficult times stronger than before," Kalyani said.

Headline: [Bharat Forge shares slip 10% on weak March quarter earnings](#)

Domain: Business Standard

Date: June 29, 2020

Journalist: Bureau

Shares of Bharat Forge slipped 10 per cent to Rs 317 in the intra-day trade on the BSE on Monday after the company reported a consolidated net loss of Rs 68.59 crore for the quarter ended March 2020 (Q4FY20), due to lower sales and one-time exceptional loss. The company had posted a net profit of Rs 324 crore in year-ago quarter.

Consolidated revenue from operations declined 34.8 per cent year-on-year (YoY) at Rs 1,742 crore against Rs 2,671 crore in the previous year quarter.

On the heels of robust growth over the past 3 years, a routine cyclical correction in commercial vehicle markets in the US and Europe was for forecast for the calendar year (CY) 2020. This was further accentuated with the Covid lockdowns from early March 2020. The company estimates that sales loss was to the tune of Rs 200 crore and impact on the profitability was Rs 90 crore.

The management said FY21 has started on a difficult note with the lockdown impacting demand. Automotive production across commercial & passenger vehicles globally has been severely impacted.

“We are hopeful that sequentially things will start to improve from H2 FY21, as economies open up & stabilise. Although the current scenario is very different from what we have ever seen before, we are very confident that the company will come out from these difficult times stronger than before,” it said.

On a standalone basis, Bharat Forge posted a net loss of Rs 73.20 crore against a profit of Rs 299.50 crore. Total revenues declined by 47.2 per cent in Q4FY20 to Rs 881 crore as compared to Rs 1,669 crore in Q4FY19. EBITDA (earnings before interest, taxes, depreciation, and amortisation) margins contracted sharply to 16.8 per cent from 29.1 per cent in the year-ago quarter.

Exceptional item of Rs 94 crore consists of Rs 89 crore towards impairment of investments in Tevva Motors & Rs 4.9 million towards voluntary retirement scheme (VRS).

Headline: [Bharat Forge share price declines 11% on Q4 loss](#)

Domain: Business Today

Date: June 29, 2020

Journalist: Bureau

Bharat Forge stock price has lost 15% in one week, 3% in one month and 34% since the beginning of the year. Market capitalisation of the firm stood at Rs 16,196.00 crore as of today's closing session

Bharat Forge share price dropped over 11% intraday after the company reported a loss in Q4 FY20, due to lower sales and one-time exceptional loss

Bharat Forge reported a consolidated net loss of Rs 68.59 crore for the quarter ended March 2020 against net profit of Rs 324 crore in the year-ago quarter.

Following the result update, shares of Bharat Forge touched an intraday low of Rs 311.55, falling 11.65% against the previous close of Rs 352.65.

Earlier, the stock opened at Rs 353 and touched an intraday high of Rs 353.40 on BSE.

Bharat Forge stock price has lost 15% in one week, 3% in one month and 34% since the beginning of the year. Market capitalisation of the firm stood at Rs 16,196.00 crore as of today's closing session.

Bharat Forge shares trade higher than 50-day moving averages but lower than 5, 20, 100 and 200-day moving averages.

For the quarter ended March 2020, consolidated net sales were down 34.78% to Rs 1741.92 crore in Q4 FY20 from Rs 2670.78 crore in Q4 FY19.

"We are hopeful that sequentially things will start to improve from H2 FY21, as economies open up and stabilise. Although the current scenario is very different from what we have ever seen before, we are very confident that the company will come out from these difficult times stronger than before," company's management said in the regulatory filing.

Company's EBITDA stood at Rs 148.11 crore in Q4FY20, registering a fall of 75.08% YoY as against posted EBITDA of Rs 594.45 crore in Q4FY19. EBITDA margins came in at 8.5% as of Q4FY20, down 13.76% YoY against the same quarter last year.

For the financial year FY20, company reported a net loss of Rs 73.3 crore in FY20 against a profit of Rs 299.5 crore in FY19. Its revenue fell 47.2% at Rs 881.1 crore against Rs 1,668.6 crore YoY.

Headline: [Bharat Forge share price declines 11% on Q4 loss](#)

Domain: Moneycontrol

Date: June 29, 2020

Journalist: Bureau

The company reported net loss at Rs 73.3 crore against profit of Rs 299.5 crore YoY. Revenue went down 47.2 percent at Rs 881.1 crore against Rs 1,668.6 crore YoY.

Bharat Forge share price tumbled over 7 percent intraday after the company reported a loss in Q4 FY20 against a profit in the year-ago period.

The company reported a net loss of Rs 73.3 crore against a profit of Rs 299.5 crore in Q4 FY19. Revenue went down 47.2 percent at Rs 881.1 crore against Rs 1,668.6 crore.

Bharat Forge's consolidated net sales were down 34.78 percent in Q4 FY20 at Rs 1741.92 crore from Rs 2670.78 crore in Q4 FY19.

EBITDA was down 78.7 percent at Rs 110.3 crore against Rs 517.3 crore in the year-ago period. EBITDA margin stood at 12.5 percent against 31 percent.

The stock price has shed over 12 percent in the last 5 days and was trading at Rs 327, down Rs 25.65, or 7.27 percent. It has touched an intraday high of Rs 353.40 and an intraday low of Rs 324.

It witnessed a spurt in volume by more than 1.75 times and was trading with volumes of 282,355 shares, compared to its five day average of 110,912 shares, an increase of 154.57 percent.

Headline: [Bharat Forge writes off its investment in e-truck maker Tevva Motors](#)

Domain: Autocar Professional

Date: June 29, 2020

Journalist: Bureau

Bharat Forge has provided Rs 89 crore towards impairment of its investment in Tevva Motors (Jersey) Ltd, the company said in a regulatory filing today.

In June 2018, Bharat Forge had taken a strategic stake in the UK-based Tevva Motors, a provider of electric powertrain solutions for commercial vehicles for 10 million pounds (about Rs 90.30 crore). The technology has its application on 7- or 14-tonne buses for use in city transport, e-commerce or school buses, amongst others. The deal provided Bharat Forge the rights to commercial usage of technologies developed by Tevva Motors within India.

"Like several other start-ups, Tevva too has been severely affected due to COVID crisis. While Tevva's technology platform is evolving, its financing and the commercial outlook remains uncertain now. Consequently, as a matter of prudence, the company has provided Rs 890.00 million in standalone financial results," the company said in its regulatory filing.

Bharat Forge management in a conference call with analysts revealed that two recent developments backed its decision to write off the investments in Tevva. The first is that Tevva is at an advanced stage of receiving a grant from the UK government for the development of EV technologies. Secondly, a large US-based company had shown serious interest in commercialising Tevva's technologies. However, after the emergence of the pandemic, the talks with the American firm did not fructify. At the same time, there is still no clarity over technology grants from the UK government.

According to Amit Kalyani, deputy MD, Bharat Forge, the company's investment in Tevva helped it in save a crucial 3-4 years by leveraging the technologies licensed from Tevva Motors. The company now hopes to use it in servicing its Indian customers.

Restructuring international operations

Bharat Forge management added that its foreign subsidiaries have been severely affected by the sudden shutdown. However, the move by Germany and Sweden to offer a significant percentage of wages to short-term workers helped the company in negating the impact of fixed cost. Bharat Forge is now under the process of restructuring and expects a double-digit reduction in fixed cost over the next two years.

Covid19 hits Q4 performance

The ongoing pandemic has affected the performance of Bharat Forge, which is arguably the world's largest forging company. The global major estimates the sales loss during Q4 and FY2020 to the tune of Rs 200 crore, and the impact on profitability at Rs 90 crore.

Bharat Forge's total revenues declined by 47.2 percent in Q4 FY2020 to Rs 881 crore as compared to Rs 1,668 crore in Q4 FY2019. For FY2020, the company recorded total revenues of Rs 4,563.9 crore, a decline of 30 percent as compared to FY2019. PBT before exchange gain/ (loss) for Q4 FY2020 declined by 87.3 percent to Rs Rs 53.5 crore as compared to Q4 FY2019, while for FY2020 the same declined by 55.4 percent on a yearly basis.

Baba Kalyani, CMD, Bharat Forge said, "Over the past few years, the company invested over Rs 1,300 crore in setting up new capacities across forging and machining. Our focus will be on filling up these

capacities and generate free cash flow which will be utilised for bringing down gross debt levels over the next 3-5 years.”

Headline: [Bharat Forge shares tank over 10 pc on earnings disappointment](#)

Domain: Outlook India

Date: June 29, 2020

Journalist: PTI

Shares of auto components major Bharat Forge Ltd tumbled over 10 per cent on Monday after the company reported a consolidated net loss of Rs 68.59 crore in the fourth quarter ended March 31.

The scrip plunged 10.25 per cent to close at Rs 316.50 on the BSE. During the day, it tanked 11.65 per cent to Rs 311.55.

At the NSE, it tumbled 9.98 per cent to close at Rs 317.30.

In terms of volume, 6.09 lakh shares were traded on the BSE, while 98 lakh shares changed hands on the NSE during the day.

The company on Monday reported a consolidated net loss of Rs 68.59 crore in the fourth quarter ended March 31, on account of lower revenue and impairment of its investment in associate firm Tevva Motors Jersey Ltd due to the coronavirus pandemic.

It had posted a consolidated net profit of Rs 324.09 crore in the corresponding quarter of the previous financial year, Bharat Forge said in a regulatory filing.

Its consolidated revenue from operations during the period under review stood at Rs 1,741.92 crore as compared with Rs 2,670.78 crore in the year-ago period, it added.

For financial year 2019-20, the company's consolidated net profit stood at Rs 349.25 crore as against Rs 1,032.6 crore in the previous year.

The firm's revenue from operations in 2019-20 was at Rs 8,055.84 crore as against Rs 10,145.73 crore in 2018-19, the company said.

Bharat Forge said it has provided an amount of Rs 89 crore towards impairment of its investment in Tevva Motors Jersey Ltd, which is a start-up company for modular electrification systems for medium-duty commercial vehicles.

"Like several other start-ups, Tevva too has been severely affected due to the COVID-19 crisis. While Tevva's technology platform is evolving, its financing and commercial outlook remains uncertain now," the company said.

Headline: [Bharat Forge reports Rs 68.6 cr net loss for Mar quarter](#)

Domain: Outlook India

Date: June 29, 2020

Journalist: PTI

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Its consolidated revenue from operations during the period under review stood at Rs 1,741.92 crore, compared with Rs 2,670.78 crore in the year-ago period, it added.

For the full financial year 2019-20, the company's consolidated net profit stood at Rs 349.25 crore, against Rs 1,032.6 crore in the previous year.

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Consequently, the company said it has provided Rs 89 crore in standalone financial results. It has an impact of Rs 47.59 crore in the consolidated financial results after adjusting the losses already considered, it added.

Bharat Forge Ltd Chairman and Managing Director B N Kalyani said, "On the heels of robust growth over the past three years, a routine cyclical correction in CV (commercial vehicle) markets in the US and Europe was forecast for the calendar year 2020. This was further accentuated with the coronavirus-induced lockdowns."

He further said, "The unprecedented events over the past few months and the subsequent lockdown have completely reversed the positive momentum we had started witnessing across some of our key verticals especially in India."

Kalyani said the full-year performance, especially the second half, was impacted by the severe slump across sectors in India and globally.

"All our facilities in India and globally have resumed operations in a phased manner since early May 2020, however, with utilisation at sub-optimal levels," he added.

The company said that from the end of March, its offices and manufacturing facilities were shut down to contain the spread of COVID-19 and maintain the wellbeing of employees and stakeholders, including customers.

These closures expanded and continued into April and May 2020. The duration of the production and supply chain disruptions and their related financial impacts cannot be estimated at this time, it added.

On the outlook, Kalyani said, "The financial year 2020-21 started on a difficult note with the lockdown impacting demand. Automotive production across commercial and passenger vehicles (PVs) globally have been severely impacted. However, we expect the PV business to outperform underlying markets."

The company also expects to see good demand traction in several industrial segments barring the oil and gas sector, he added.

"We are hopeful that sequentially, things will start to improve from the second half of 2020-21, as economies open up and stabilise. Although the current scenario is very different from what we have ever seen before, we are confident that the company will come out from these difficult times stronger than before," Kalyani said.

Headline: [Bharat Forge reports Rs 68.6 cr net loss for Mar quarter](#)

Domain: Yahoo Finance

Date: June 29, 2020

Journalist: PTI

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