

RAMKRISHNA FORGINGS LIMITED

REGD. & CORPORATE OFFICE:

"RAMKRISHNA CHAMBERS"
72 SHAKESPEARE SARANI,
KOLKATA 700017
WESTBENGAL, INDIA

PHONE : (+91 33) 3984 0900 / 0999
FAX : (+91 33) 3984 0998

EMAIL : info@ramkrishnaforgings.com
WEBSITE : www.ramkrishnaforgings.com

CIN NO. : L74210WB1981PLC034281

Date: 21st September 2017

The Listing Department Bombay Stock Exchange PJ Towers Dalal Street Mumbai – 400 001 BSE SCRIP CODE: 532527	The Listing Department National Stock Exchange of India Limited "Exchange Plaza" C-1, Block G Bandra- Kurla Complex, Bandra (E) Mumbai- 400051 NSE SYMBOL: RKFORGE
--	---

Dear Sir / Madam,

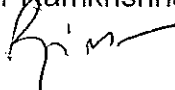
Sub: Submission of Annual Report in Compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 35th Annual Report of the Company alongwith the notice of the 35th Annual General Meeting.

Kindly take the same into records.

Thanking You,

Yours truly,
For Ramkrishna Forgings Limited


Rajesh Mundhra
Company Secretary

Encl. As above

WORKS

PLANT- I: PLOT NO. M-6, PHASE VI, GAMARIA, JAMSHEDPUR -832108, JHARKHAND (INDIA); FAX: (+91 657) 2202814
PH: (+91 657) 3984900, 3204242, 3204249
EMAIL: forgings-division@ramkrishnaforgings.com

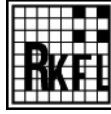


PLANT- III & IV: PLOT NO. M-15, 16 & NS-26, PHASE VII, INDUSTRIAL AREA, ADITYAPUR, JAMSHEDPUR -832109, JHARKHAND (INDIA) FAX: (+91 657) 3984998
PH: (+91 657) 3984900/999, EMAIL: cnc-division@ramkrishnaforgings.com



PLANT- II: 7/40, DUFFER STREET, LILUAH, HOWRAH – 711204 WEST BENGAL (INDIA)
PH: (+91 33) 2654 8062/063

PLANT- V: VILL: BALIGUMA, P.O.: KOLABERA, THANA: SARAİKELA, DIST.: SARAİKELA KHARSWAN; JAMSHEDPUR -833220, JHARKHAND (INDIA) PH: (+91657) 3984900
EMAIL: pressplant5@ramkrishnaforgings.com



RAMKRISHNA FORGINGS LIMITED

CIN No: L74210WB1981PLC034281

"RAMKRISHNA CHAMBERS", 72 SHAKESPEARE SARANI, KOLKATA - 700 017

Email - neha.gupta@ramkrishnaforgings.com

Phone : 033-39840900. Fax-033-39840998

Website : www.ramkrishnaforgings.com

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of Ramkrishna Forgings Limited will be held on Saturday the 16th day of September, 2017 at 11:00 A.M. at "Satyajit Ray Auditorium" Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata-700071 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Audited Financial Statements) of the Company for the year ended 31st March, 2017 together with the Director's Report and the Auditor's Report thereon.
2. To declare Dividend of ₹ 1/- per Equity Share of ₹ 10/- each for the Financial Year 2016-17.
3. To appoint a Director in place of Mr. Pawan Kumar Kedia (DIN 00375557) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint statutory auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, and pursuant to the recommendation made by the Audit Committee and the Board of Directors of the Company, M/s. S.R.Batliloi & Co. LLP, Chartered Accountants (Firm Regn.No. 301003E/E300005) be and are hereby appointed as the Statutory Auditors of the Company, in place of M/s. Singhi & Co., Chartered Accountants, (Firm Regn. No.302049E) whose tenure expires at the conclusion of this Annual General Meeting and M/s. Jitendra K. Agarwal & Associates (Firm Regn. No.318086E) who have resigned as the Statutory Auditors, to hold office for a term of consecutive five years from the conclusion of the 35th Annual General Meeting till conclusion of the 40th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) at such remuneration as may be determined by the Board in consultation with the Auditors, plus taxes and reimbursement of out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company".

SPECIAL BUSINESS.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. U. Sharma & Associates, Cost Accountants (FRN 100596/Membership no. 9240), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 at a remuneration of ₹ 3,50,000 (Rupees Three Lakhs Fifty Thousand Only) plus travelling, local conveyance and out of pocket expenses not exceeding 20% of the remuneration respectively for the year 2017-18 be and is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

Place : Kolkata

Dated : 12th August, 2017

Registered Office:

"Ramkrishna Chambers"

72, Shakespeare Sarani

Kolkata - 700 017

Rajesh Mundhra

Company Secretary

Membership No. ACS 12991

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as proxy on behalf of member or members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. Corporate members intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, and Secretarial Standard- 2 on General Meeting in respect of Special Business to be transacted at the meeting is annexed hereto.

In accordance with Section 139 of the Act, read with the Companies (Audit and Auditors), Rules, 2014, the term of M/s. Singhi & Co., Chartered Accountants, (Firm Regn. No.302049E) expires at the conclusion of the ensuing Annual General Meeting and M/s. Jitendra K. Agarwal & Associates (Firm Regn. No.318086E) Chartered Accountants, being the Joint Statutory Auditors of the Company have resigned as statutory auditors of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors), Rules, 2014, the Board of Directors has, on the recommendation of the Audit Committee, recommended the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Regn. No. 301003E/E300005) as the statutory Auditors for a term of five(5) years i.e. to hold office from the conclusion of this Annual General meeting till the conclusion of 40th Annual General Meeting of the Company, subject to ratification of their appointment by the shareholders at each Annual General Meeting to be held hereafter, on such remuneration including applicable taxes and out-of-pocket expenses as may be decided by the Board of Directors of the Company.

Consent and certificate under section 139 and 141 of the Companies Act 2013, have been obtained from M/s.S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Regn. No. 301003E/E300005) to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

4. The Register of Members and the Share Transfer books of the Company will remain close from 9th September, 2017 to 16th September, 2017 (both days inclusive) for the purpose of Annual General Meeting and determining the entitlement to the dividend for F.Y. 2016-17.
5. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).
 - a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.
 - b) Members holding shares in dematerialized form, their DP and Client ID number(s).
 - c) Members holding shares in physical form, their folio number(s).
 - d) Annual Report (2016-17).
6. The dividend as recommended by the Board, if declared at the meeting, will be paid to those Members:
 - a) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrars and Transfer agent as on 9th September, 2017 (Saturday), and
 - b) Whose names appear as Beneficial Owners in the list of Beneficial Owners as on 9th September 2017, furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
7. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars and Share Transfer Agents viz. M/s Karvy Computershare Pvt. Ltd.
8. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unclaimed in the unpaid dividend Account of the Company for a period of seven (7) years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The due date of transfer of unclaimed dividend for financial year 2009-10 is 12th September 2017. The Members who have not encased their dividend warrant(s) so far for the financial year 2009-10 or any subsequent financial year are requested to approach the Registrars and Share Transfer Agents viz. M/s Karvy Computershare Pvt. Ltd., Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad,

Telangana - 500 032.

The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 24th September 2016 (date of last Annual General Meeting) on the website of the Company <http://www.ramkrishnaforgings.com/unpaid-dividend.html> and also on the website of the IEPF (www.iepf.gov.in). No claim shall lie against the Company in respect of the amount(s) so credited to the IEPF.

9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. Details under Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic copy of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address physical copies of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form and the Annual Report for Financial Year 2016-17 is being sent through the permitted mode.
12. A route map and prominent landmark or easy location of the venue of the meeting is enclosed with this Notice.
13. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for the financial year 2016-2017 will also be available on the Company's website www.ramkrishnaforgings.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: neha.gupta@ramkrishnaforgings.com.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (1.00 PM to 5.00 PM) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company and also at the meeting.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act 2013, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act 2013 will be available for inspection at the Annual General Meeting.
16. The Certificate from the statutory auditors of the Company for the Company's Employee Stock Option Scheme 2015 (ESOP Scheme 2015) will be available for inspection at the AGM.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/transposition, deletion of name etc.
18. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to inform that all the resolutions as stated in the notice may be transacted by electronic voting system and the company has provided its members facility to exercise their right through remote e-voting services provided by Karvy Computershare Private Limited. The instruction for e-voting has been enclosed and sent along with the notice. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting.
19. The Facility for voting through polling papers shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting. However the members who have cast their vote by remote e-voting prior to the Meeting, may also attend the meeting but shall not be entitled to cast their votes again.
20. The remote e-voting period shall commence on 13th September 2017 (9.00 A.M.) and ends on 15th September 2017 (5.00 P.M.) The remote e-voting module shall be disabled for voting after 5:00 P.M. on 15th September 2017 and no e-voting will be allowed thereafter. All other relevant information is available in the instruction sheet for e-voting.
21. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 9th September, 2017 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the Annual General Meeting. A person who is not a member as on cut off date should treat this Notice for information purpose only.

22. Those who become Members of the Company after dispatch of the AGM Notice but on or before 9th September, 2017 (cut-off date) may obtain login ID and password by contacting Karvy to C. Shobha Anand, at Karvy Computershare Pvt Ltd, Unit: Ramkrishna Forgings Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 having contact no. 040-67162222 and having email id: einward.ris@karvy.com. However, those Members already registered with Karvy for remote e-voting can login to website <https://evoting.karvy.com> and exercise their votes.
23. The Board of Directors of the Company at their meeting held on 12th August, 2017 has appointed Mrs. Asha Banthia, Practising Chartered Accountant, as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner, whose e-mail address is: ashambanthia@gmail.com
- The scrutinizer shall after the conclusion of Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses, not in the employment of the Company. The scrutinizer shall submit the consolidated scrutinizer's report not later than 48 hours of conclusion of the Meeting to the Chairman or any other person authorized by the Board, who shall countersign the same and declare the result of the voting forthwith. The declared results, along with consolidated Scrutinizer's Report, will be available forthwith on the website of the company www.ramkrishnaforgings.com and also be displayed on the Notice board of the Company at its registered office and on the website of Karvy(www.karvy.com), such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.
- Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 16th September, 2017.
24. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item no.5

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. U. Sharma & Associates, Cost Accountants(FRN 100596/Membership no. 9240) as the Cost Auditor in the Board Meeting held on 12th August, 2017 to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2018 at a remuneration of Rs. 350,000 (Rupees Three Lakh Fifty Thousand) plus Travelling, Local Conveyance and out of pocket expenses not exceeding 20% of the remuneration.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be approved by the members of the Company.

M/s. U. Sharma & Associates, Cost Accountants have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

By order of the Board

Rajesh Mundhra

Company Secretary

Membership No. ACS 12991

Place : Kolkata

Dated : 12th August, 2017

Registered Office:

"Ramkrishna Chambers"

72, Shakespeare Sarani

Kolkata - 700 017

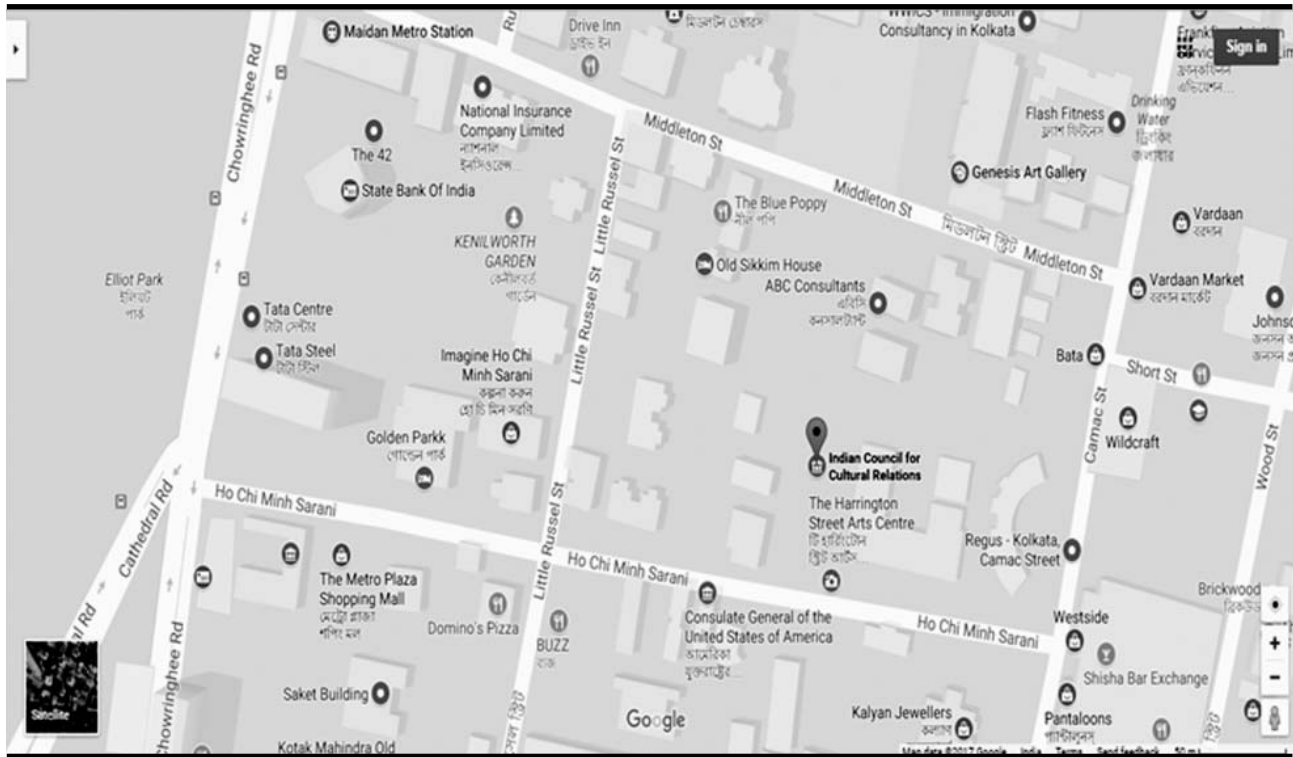
Details of Directors seeking appointment/re-appointment at the AGM

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard- 2 on General Meeting issued by the Institute of Company Secretaries of India]

Name of the Director	PAWAN KUMAR KEDIA
DIN	00375557
Date of Birth/Age	16-09-1957/59 Years
Brief Resume:	He started his career as an Article in M/s. C.L. Saraf & Co. before joining this Company he worked M/s. Khaitan India Limited as Internal Auditor.
Expertise in Specific Functional Area	He is the Director of the Company and leads the Accounts, Commercial, Taxation, Export and Import activities of the Company.
Qualification	B.Com (Calcutta University) & Diploma in Taxation.
Experience	He possesses experience of more than 29 years in various companies.
Date of first appointment on the Board	15/09/2003
Terms & Conditions of appointment	He retires by rotation and seeks reappointment
Details of remuneration sought to be paid.	There is no change in his remuneration which has been approved by the Shareholder in the 34 th Annual General Meeting of the Company.
Remuneration last drawn.	₹ 34.35 Lakhs
Number of Board meeting attended during the year	4
Directorship in other companies	1. Riddhi Portfolio Private Limited 2. Globe Forex & Travels Limited 3. Ramkrishna Rail & Infrastructure Private Limited
Chairman/ Member of the Committees of the Board of Directors of the Company	Nil
Chairman/ Member of the Committee of Directors of other Companies of which he is a director	Nil
Shareholding in the Company	13629 equity shares
Inter-se Relationship between Directors/ KMP	Not Related

In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India, route map for the location of the venue of the 35th Annual General Meeting is given below:

ROUTE MAP



📍 “Satyajit Ray Auditorium” Indian Council for Cultural Relations (ICCR),
9A, Ho Chi Minh Sarani, Kolkata-700071



RAMKRISHNA FORGINGS LIMITED

CIN No: L74210WB1981PLC034281

Registered Office : "Ramkrishna Chambers", 72, Shakespeare Sarani, Kolkata - 700 017

Email - neha.gupta@ramkrishnaforgings.com • Phone : 033-39840900. Fax-033-39840998 • Website : www.ramkrishnaforgings.com

ATTENDANCE SLIP

Regd. Folio/DP ID & Client ID	
Name & Address of the Shareholder	

- I hereby record my presence at the 35th Annual General Meeting of the Company, to be held on the 16th day of September, 2017 (Saturday) at 11.00 A.M. at "Satyajit Ray Auditorium" Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata-700071.
- Signature of the Shareholder/Proxy Present.
- Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule (19) of the Companies (Management and Administration Rules 2014)

CIN No.	:	L74210WB1981PLC034281
Name of the Company	:	RAMKRISHNA FORGINGS LIMITED
Registered Office	:	Ramkrishna Chambers, 72, Shakespeare Sarani, Kolkata - 700 017

Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No / Client ID	:	
DP ID	:	

I/We, being the member(s) of _____ equity shares of the above named Company, hereby appoint:

- Name.....Address.....
Email ID
Signature or failing him/her
- Name.....Address.....
Email ID
Signature or failing him/her
- Name.....Address.....
Email ID
Signature or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be

held on the 16th day of September, 2017 (Saturday) at 11:00 A.M. at "Satyajit Ray Auditorium" Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata- 700071 or any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No.	Resolution	Sl. No.	Resolution
1	Adoption of Audited Financial Statement as at 31st March, 2017 (including Consolidated Audited Financial Statements) of the Company for the year ended 31 st March, 2017 together with the Director's Report and the Auditor's Report thereon.	2	Declaration of Dividend of ₹ 1/- per Equity Share of ₹ 10/- each for financial year 2016-17.
3	Appointment of Director in place of Mr. Pawan Kumar Kedia(DIN: 00375557) who retires by rotation and being eligible offers himself for reappointment.	4	Appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as statutory auditors from the conclusion of the 35 th AGM until the conclusion of the 40 th AGM of the Company.
5	Ratification of the Remuneration to be paid to M/s. U. Sharma & Associates, Cost Accountants, as the Cost Auditors for the financial year ending 31 st March, 2018.		

Signed thisday of 2017

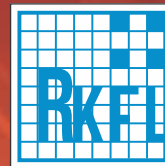
Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Ramkrishna Forgings Limited

ANNUAL REPORT 2016-17



For more information
Log on to www.ramkrishnaforgings.com

Corporate Information

CIN

L74210WB1981PLC034281

DIRECTORS

Mr. Mahabir Prasad Jalan
Mr. Naresh Jalan
Mr. Pawan Kumar Kedia
Mr. Padam Kumar Khaitan
Mr. Ram Tawakya Singh
Mr. Yudhisthir Lal Madan
Mr. Amitabha Guha
Ms. Aditi Bagri
Mr. Sandipan Chakravorty

- Chairman
- Managing Director
- Director (Finance)
- Non-Executive, Independent Director
- Non-Executive, Independent Director
- Non-Executive, Independent Director
- Non-Executive, Independent Director
- Non-Executive, Independent Director
- Non-Executive, Independent Director
- Non-Executive, Independent Director (Appointed w.e.f. 21.05.2016)
- Non-Executive, Independent Director (Appointed w.e.f. 21.05.2016)

Mr. Partha Sarathi Bhattacharyya

COMPANY SECRETARY

Mr. Rajesh Mundhra

CHIEF FINANCIAL OFFICER (CFO)

Mr. Sikander Yadav
(Appointed w.e.f. 02.06.2017)

REGISTERED AND CORPORATE OFFICE

Ramkrishna Chambers,
72, Shakespeare Sarani,
Kolkata - 700017
Telephone: 033-39840900
Fax: 033-39840998
Email id - neha.gupta@ramkrishnaforgings.com
Website: www.ramkrishnaforgings.com

WORKS

- (i) Plot No. M-6, Phase-VI, Gamaria, Jamshedpur - 832 108
- (ii) 7/40, Duffer Street, Liluah, Howrah, West Bengal - 711 204
- (iii) Plot No. M-15, 16 & NS-26, Phase VII,
Adityapur Industrial Area, Jamshedpur - 832109
- (iv) Baliguma, kolabira, Saraikela, Kharsawan - 833220

STATUTORY AUDITORS

M/s Singhi & Co.
161, Sarat Bose Road
Kolkata- 700026

COST AUDITORS

M/s. U. Sharma & Associates
Cost & Management Accountants
Hotel Mayur Building, 1st Floor
Diagonal Road, Bistupur
Jamshedpur - 831001

SECRETARIAL AUDITORS

M/s. MKB and Associates
Company Secretary in practice
Shantiniketan Building, 5th Floor, Room no. 511
8 Camac Street, Kolkata - 700017

PRINCIPAL BANKERS

State Bank of India
IDBI Bank Limited
Export Import Bank of India
DBS Bank Limited
DCB Bank Limited
ICICI Bank Limited
Standard Chartered Bank
RBL Bank Limited
Karur Vyasa Bank Limited
Federal Bank Limited
International Finance Corporation
Landesbank Baden, Wurttemberg

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Karvy Computershare (P) Ltd.
Karvy Selenium Tower B,
Plot No. 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad- 500 032
Tel: +91 40 6716 1565
E mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

FOCUS ON UPCOMING PAGES

Directors' Report **1** Annexure to Directors' Report **9** Management Discussion and Analysis **33** Corporate Governance Report **47**
Independent Auditors' Report **71** Balance Sheet **76** Statement of Profit and Loss **77** Cash Flow Statement **78**
Notes to Financial Statement **80** Consolidated Accounts **106**

Report of the Directors

Dear Shareholders

Your Directors are pleased to present this Thirty Fifth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2017.

Financial Highlights 2016-17

(Amount ₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Sales and Operating Income (Net)	87,551.05	89,715.37	89,041.95	91,285.77
Other Income	252.58	342.96	193.70	231.96
Profit before Interest, Depreciation & Tax (incl. Exceptional Item)	16,707.04	18,014.22	17,012.88	18,260.80
Finance Cost	7,315.88	5,238.62	7,541.38	5,432.59
Depreciation	6,904.35	5,302.62	6,933.59	5,332.14
Profit Before Tax (before Exceptional Items)	2,486.81	7,473.35	2,537.91	7,496.07
Exceptional Items	-	-	-	-
Profit Before Tax	2,486.81	7,473.35	2,537.91	7,496.07
Provision for taxation:				
- Current Tax	531.00	1,595.00	558.33	1,599.33
- MAT Credit Entitlement	(531.00)	(1,595.00)	(558.33)	(1,599.33)
- Deferred Tax	582.78	1,983.00	609.63	2,040.70
- Tax adjustments for earlier years (Net)	0.13	1.41	0.13	1.41
Profit After Tax	1,903.90	5,488.94	1,928.15	5,453.96
Add: Surplus Brought Forward	19,795.41	15,749.85	19,603.19	15,592.61
Surplus available	21,669.31	21,238.79	21,531.34	21,046.57
Appropriations :				
- Transfer to General Reserve	250.00	750.00	250.00	750.00
- Dividend	-	573.40	-	573.40
- Tax on Distributed profits	-	119.98	-	119.98
Balance carried to Balance Sheet	21,449.31	19,795.41	21,281.34	19,603.19

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Financial Performance.

- Net Sales declined by 2.41 percent from ₹ 89,715.37 lakhs in 2015-16 to ₹ 87,551.05 lakhs in 2016-17.
- Export Sales declined by 35.92 percent from ₹ 40,147.63 Lakhs in 2015-16 to ₹ 25,725.13 Lakhs in 2016-17.
- EBITDA (excluding other income) decreased by 6.89 percent from ₹ 17,671.25 lakhs in 2015-16 to ₹ 16,454.46 lakhs in 2016-17.
- PAT showed a decline of 65.31 percent from ₹ 5,488.94 Lakhs in 2015-16 to ₹ 1,903.90 Lakhs in 2016-17.

After a decent growth in the first quarter, the M&HCV industry suffered due to weak replacement demand and deferment of purchase by fleet operators on uncertainty related to the impact of GST on vehicle prices. The M&HCV (Truck) segment registered healthy growth during the last quarter of 2016-17, as the impact of demonetisation was offset by a pick-up on account of subdued pre-buying related to BS IV implementation. On an overall basis, M&HCV Production increased by 0.42 % from 3,41,287 vehicles in 2015-16 to 3,42,733 vehicles in 2016-17. The sales of M&HCV increased 0.04 % from 3,02,397 vehicles in 2015-16 to 3,02,529 vehicles in 2016-17. However, the exports of the M&HCV vehicles registered an increase of 24.21 % from 35,197 vehicles in 2015-16 to 43,719 vehicles in 2016-17.

Operational Highlights

Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 36,098 tons during the year under review as compared to 36,989 tons last year registering a fall of about 2.41 %. The Company has the state-of-art of CNC Machining and Gear Cutting Facilities in which it has achieved accuracies of DIN 3962 (Class 8 to 9) in Hobbing Stage, DIN 3962 (Class 7) in Shaving Stage, DIN 3962 (Class 9) in Hard Stage. The Company has made 87 new product development in the CNC Turning and 37 new development in Gear Cutting, which has helped to enhance the product basket with existing clients and add new clients in the domestic market and export.

Ring Rolling Line

Ring rolling is a cost-effective and efficient production process for production of ring-shaped components like crown wheels, bearing rings etc. The equipment is fully capable of meeting the requirements of the automobile industry, especially that of commercial vehicles.

The Company has produced 22,799 tons during the year as compared to 25,179 tons last year thus registering a decrease of about 9.45 percent. It has achieved around 95 percent capacity utilisation during the year as compared to a full capacity utilisation last year on account of subdued export and domestic demand of commercial vehicle. The Company has developed 33 new products during the year.

Press Facility

During the year the company has achieved a production of 23,498 Tons as compared to 14,736 tons last year thus registering an increase of 59.46 percent. The Company has achieved an average capacity utilisation of around 29.4 % during the year.

The Company has developed 52 products during the year.

During the Year there has been no change in the nature of the business carried by the Company.

Future Outlook:

The future of Indian commercial vehicles industry is contingent upon the country's GDP growth, investment environment and infrastructure development.

According to Tech Sci Research report, 'India Commercial Vehicles Market By Vehicle Type, By End Use Industry, Competition Forecast and Opportunities, 2021, the market of commercial vehicles in India is projected to grow at a CAGR of over 14%, in value terms, during 2017–2022. Rising infrastructure development projects across the country, potential replacement of old commercial vehicles fleet on account of implementation of stringent emission norms, growing manufacturing and logistics sectors, and increasing

focus on tourism and hospitality sector by central and various state governments are few of the major factors projected to propel India commercial vehicles market over the course of next five years.

Deposits

The Company has not accepted any deposits from the public and consequently, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

Transfer to Reserves

Your Company proposes to transfer ₹ 250 lakhs to General Reserve out of the amount available for appropriation and an amount of ₹ 21,449.31 lakhs is proposed to be carried over to Balance Sheet.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 1/- per share for the financial year 2016-17.

The Register of Members and the Share Transfer books will remain closed from 9th September to 16th September, 2017 (both days inclusive) for the purpose of payment of Dividend and Annual General Meeting.

Share Capital

During the year under review there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Company.

The Authorised Share Capital of the Company has been increased from ₹ 29,75,00,000 (Rupees Twenty Nine Crores Seventy Five Lakhs only) divided into 2,97,50,000 (Two Crores Ninety Seven Lakhs and Fifty Thousand) equity shares of ₹ 10 each to ₹ 33,25,00,000 (Rupees Thirty Three Crores Twenty Five Lakhs only) divided into 3,32,50,000 (Three Crores Thirty Two Lakhs and Fifty Thousand) equity shares of ₹ 10 each on 30th June, 2017.

The Issued, Subscribed and Paid up Share Capital has been increased from ₹ 28,66,99,400 consisting of 2,86,69,940 shares equity shares of ₹ 10/- each to ₹ 32,59,15,080 consisting of 3,25,91,508 equity shares of ₹ 10/- each on 20th July, 2017 by allotment of 39,21,568 equity shares through Qualified Institutional Placement.

Employees Stock Option Scheme

The Company has an ESOP Scheme in place titled Ramkrishna Forgings Limited – Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015) for the grant upto 7,00,000 stock option, to its permanent employees working in India and Wholtime Directors of the Company (employees), in one or more tranches. RKFL ESOP Scheme 2015 provides an incentive to attract, retain and reward the employees and enable them to participate in future growth and financial success of the Company. In accordance with the scheme the employees are

eligible of conditional right to receive one fully paid-up equity share of ₹ 10/- against each option. The options will vest only upon achievement of certain performance criteria as laid down by the Nomination and Remuneration Committee. During the year under review, 46,104 stock options have been forfeited/cancelled and there are only 258,799 outstanding options as on 31st March, 2017.

During the year under review the Company has re-priced the exercise price per share in the interest of the employees from 90% of the market price prevailing at the date of the grant of the options to ₹ 400/- (Rupees Four Hundred only) in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 which allows re-pricing as long as such pricing does not detrimentally affect the employees and the approval of the shareholders has been obtained by special resolution for such re-pricing. The Company has obtained approval of the shareholders at the 34th Annual General Meeting of the Company held on 24th September 2016. The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and weblink of the same is <http://www.ramkrishnaforgings.com/notice.html>

The RKFL ESOP Scheme 2015 is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and amendment thereof.

A Certificate from the Statutory Auditors with regard to the implementation of ESOP Scheme 2015 forms part of this Report and shall be available for inspection at the Registered Office of the Company during working hours before the Annual General Meeting and also at the Annual General Meeting.

Pollution Control Measures

Your Company has installed adequate pollution control equipment in all its units as per the legal requirement and has the requisite approvals from the concerned authorities.

Credit Rating

Your Company's long term rating is BBB+(stable outlook) from CRISIL and A-(Stable outlook) from ICRA.

Details of Directors and Key Managerial Personnel:

(a) Appointment of Independent Directors

During the financial year ended 31st March 2017, Mr. Sandipan Chakravorty (DIN: 00053550) and Mr. Partha Sarathi Bhattacharyya (DIN: 00329479) were appointed on 21st May 2016 as Additional Independent Directors for a period of 5 years which was approved by the Members at the 34th Annual General Meeting of the Company.

(b) Statement on Declaration Given by Independent Directors under Sub- Section (7) Of Section 149

The Company has received declarations from all the

Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014.

(c) Familiarization Programme Undertaken for Independent Directors

The details of programmes imparted by the Company during the year pursuant to the Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://www.ramkrishnaforgings.com/policies>.

(d) Resignation of Director(s) During the Year:

During the financial year ended 31st March 2017, Mr. Satish Kumar Mehta (DIN 00871822) Non-Executive Director, resigned from the Directorship of the Company with effect from 9th May 2016. Your Directors place on record the valuable contributions of Mr. Mehta towards the progress of the Company during his association with the Company.

(e) Re-Appointment of Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Pawan Kumar Kedia (DIN 00375557), Director (Finance), retires by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting. His appointment will be placed for approval by the members at the Annual General Meeting.

The information about the Director seeking appointment/re-appointment as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 on General Meeting has been given in the Notice convening the ensuing Annual General Meeting. The Board of Directors recommends the above appointment/reappointment.

(f) Key Managerial Personnel

During the financial year ended 31st March 2017, Mr. Alok Kumar Sharda, Chief Financial Officer of the Company

resigned w.e.f. 23rd May 2016 and Mr. Sikandar Yadav, has been appointed as the Chief Financial Officer of the Company w.e.f. 2nd June 2017.

Remuneration Policy

The Nomination and Remuneration Committee has formulated a policy relating to the appointment, remuneration and removal of Directors, Key Managerial Personnel and other Senior Management personnel of the Company, in accordance with the provisions of Section 178 of the Act. The Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel was adopted by the Board on 19th May 2014 and was annexed to the Board Report of Financial Year 2014-15. During the year, there have been no changes to the Policy hence the same is not annexed to this report, but is available in the website of the company at the following link: <http://ramkrishnaforgings.com/policies>.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the performance evaluation of its own performance and that of its committee as well as evaluation of performance of the directors including Independent Director individually. The performance evaluation of the Board, its Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Nomination and Remuneration Committee also carried out evaluation of every Director's performance including Independent Directors. A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance for evaluation. The Board of Directors expressed their satisfaction with the evaluation process.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the

Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of annual accounts for the year ended 31st March 2017, applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2016-17 and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- iv) they have prepared the annual accounts for 2016-17 on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively;
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Subsidiaries

The Company has two wholly owned Subsidiaries i.e. Globe Forex & Travels Limited (CIN: U63040WB1994PLC062139) and Ramkrishna Aeronautics Private Limited (formerly known as Ramkrishna Aviation Land Systems Maritime Pvt. Ltd.) (CIN: U62100WB2016PTC216705). A brief highlight of the consolidated performance and its contribution to the overall performance of the Company is as below:

(₹ in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company)	Globe Forex & Travels Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Revenues	89,041.95	1,375.06	1.54%
Profit before Taxation (PBT)	2,537.91	54.21	2.14%
Profit/(Loss) after Taxation (PAT)	1,928.15	27.36	1.42%

(₹ in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company)	Ramkrishna Aeronautics Private Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Turnover	89,041.95	0.00	0.00
Profit before Taxation (PBT)	2,537.91	(3.11)	(0.12)
Profit/(Loss) after Taxation (PAT)	1,928.15	(3.11)	(0.16)

In accordance with the Accounting Standard AS-21 on consolidated financial Statements the audited consolidated financial statements are provided in the Annual Report. In addition, the financial data of the subsidiary has been furnished under note **38&39** of the Consolidated Financial Statements and forms part of this Annual Report.

The Annual accounts of the Subsidiary and other related detailed information will be kept at the Registered Office of the Company and also at the Registered Office of the Subsidiary Company and will be available to the investors seeking information at any time during the working hours of the Company except Saturday. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of the subsidiary are available at our website at <http://www.ramkrishnaforgings.com/subsidiaries.html>

Your Company does not have a material unlisted Subsidiary.

The Company does not have any Joint Venture or Associate Company and no Company has ceased to be a subsidiary or associate of the Company for the Financial Year 2016-17.

During the year there has been no change in the nature of the business carried by the Subsidiary Companies.

The statement in Form AOC-1 containing the salient features of the financial statement of the Company's subsidiaries, joint ventures and associates pursuant to first-proviso to sub-section (3) of section 129 of the Companies Act 2013 forms part of this Report as **Annexure-A**.

Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder the term of office of M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) as the Statutory Auditors of the Company will conclude from the conclusion of ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by M/s. Singhi & Co, Chartered Accountants, as the Statutory Auditors of the Company.

The Company has received resignation from M/s Jitendra

K Agarwal & Associates, Chartered Accountants, (Firm Registration No. 318086E) as the Statutory Auditors of the Company which has been duly accepted by the Board on 12th August, 2017.

Accordingly, the Board recommends to the Members of the Company for the appointment of M/s, S.R.Batliboi & Co., LLP. Chartered Accountants, Firm Registration No. 301003E/E300005) as the Statutory Auditors of the Company for a term of 5 years from the conclusion of the 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors. In this regard, M/s. S.R.Batliboi & Co., LLP, Chartered Accountants have submitted their written consent that they are eligible and qualified to be appointed as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The Auditors' Report to the shareholders for the year under review does not contain any qualifications or adverse remarks.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report is given as "**Annexure B**" forming part of this Report.

The Secretarial Audit Report for the year under review mentions that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned in the Report except that as on 31st March, 2017 the Company has not appointed Chief Financial Officer pursuant to the resignation of earlier Chief Financial Officer of the Company w.e.f. 23rd May, 2016.

The Management states that the evaluation of an appropriate candidate considering the size and nature of the business of the Company took considerable time and the new Chief Financial Officer has been appointed w.e.f. 2nd June, 2017.

The Board has re-appointed M/s. MKB & Associates, Practicing

Company Secretaries, as Secretarial Auditors of the Company for the financial year 2017 – 18.

Cost Auditors

As per Section 148 and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee had appointed M/s. U. Sharma and Associates, Cost Accountants, as Cost Auditors to carry out the audit of the cost records of the Company for the Financial Year 2017-18.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification and the same forms part of the notice of the Annual General Meeting.

Risk Management Policy

The Company has a Risk Management Policy duly approved by its Board. Risk evaluation and management is an ongoing process within the organisation and is periodically reviewed by the Board of Directors.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. The Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules 2014, M/s. Deloitte, Haskins & Sells were appointed as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting. The Board in its Meeting held on 12th August, 2017 has appointed M/s. Singhi & Co, Chartered Accountants, (Firm Registration no. 302049E) as the Internal Auditors of the Company. The Appointment will be effective from the conclusion of the forthcoming Annual General Meeting of the Company.

Corporate Social Responsibility

CSR for your Company means Corporate Sustainable Responsibility and this means embedding CSR into its business model.

In terms of the provisions of section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee.

Your Company has in place the following Programs under its CSR activity i.e. Ramkrishna Jan Kalyan Yojana, Ramkrishna Shiksha Yojana, Ramkrishna Swastya Yojana and Ramkrishna

Sanskriti Yojana.

Your company has spent the requisite percentage of the average net profit of the three immediately preceding financial years on CSR related activities as covered under Schedule VII of the Companies Act, 2013.

Your Company as part of its CSR initiatives has initiated projects as per its CSR Policy.

The Company has framed and adopted a CSR Policy which is available at the following web link: <http://www.ramkrishnaforgings.com/policies.html>. The policy indicates the CSR activities to be undertaken by the Company to achieve its social commitments

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given as **"Annexure C"** forming part of this Report.

Related Party Transactions

The Company has formulated a Policy on dealing with Related Party Transactions. The Policy is disclosed on the website of the Company at the weblink: <http://ramkrishnaforgings.com/policy-for-transactions-with-related-parties.pdf>.

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year were in the ordinary course of business and on an arms-length basis. There are no material significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related Party transaction in Form AOC-2 is enclosed and marked as **"Annexure D"**.

All related party transactions are placed before the Audit Committee for its approval. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under **Note No. 32** of the Standalone Financial Statements.

Stock Exchange(s)

The Equity Shares of your Company are listed on two stock exchanges:

- National Stock Exchange of India Limited, Exchange Plaza, Plot no. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
- BSE Limited, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai 400 001.

The annual listing fees for the year 2017-18 are paid to both the stock exchanges where the shares of your Company are listed.

Management's Discussion And Analysis Report

Management's Discussion and Analysis Report for the year under review under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in the separate section and forms part of the Annual Report.

Corporate Governance

Adoption of Best ethical business standard and practices in the Company within the regulatory framework is the essence of good Corporate Governance. On one hand, good Corporate Governance calls for accountability of the persons who are at the helm of affairs of the Company and on the other hand it brings benefits to all stakeholders of the Company such as investors, customers, employees and the society at large. Your Company continues to believe in such business practices and gives thrust on providing reliable financial information, maintenance of transparency in all its business transactions and ensuring strict compliance of all applicable laws.

The report of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

The requisite certificate from the Statutory Auditors of the Company, confirming the compliance with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached with the Corporate Governance Report.

Disclosures

a) Meetings of Board of Directors

During the year, 4 (Four) meeting of the Board of Directors were held. The details of the meetings and the attendance of the Directors are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the statutory laws and the necessary quorum was present at all the meetings.

b) Meeting of Independent Directors

In accordance with the requirement of the statutory laws a separate meeting of the Independent Directors was held on 4th March, 2017. In the meeting, the Directors among other things reviewed the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board and found it satisfactory.

c) Particulars of Loan & Investment

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for

which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement. The details of Investments, loans and guarantees have been provided in **Note no. 13(i), 14, 18 and 42** to the Standalone Financial Statements.

d) Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013 is given in "**Annexure –E**" to this Report.

e) Extract of the Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in Form MGT-9 is given in "**Annexure –F**" to this Report.

f) Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of top 10 employees and the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report alongwith the disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in "**Annexure –G**" to this Report.

g) Whistle Blower Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees and directors are free to report violations of applicable laws and regulations and the code of conduct. The reportable matters may be disclosed to the Vigilance and Ethics officer who operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The Vigil Mechanism / Whistle Blower Policy of the Company can be accessed at the website of the Company at the following link: <http://www.ramkrishnaforgings.com/whistle-blower-policy.pdf>

h) Transfer of amounts to Investor Education and Protection Fund

Section 124 of the Companies Act, 2013, mandates the Company to transfer entire amount of dividend

remaining unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Since, the Company did not declared any dividend in the financial year 2008-09, no unclaimed dividend was transferred to IEPF during the financial year 2016-17.

Committees:

The Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently 5 (five) committees of the Board, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Management & Finance Committee

Details of the Committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of the Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

GENERAL –

- i. There have been no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.
- ii. During the year under review, the Company has not issued sweat equity shares.
- iii. During the year under review, the Company has not issued shares with differential voting rights.

- iv. During the year under review, the Company did not buy back its shares.
- v. The Company has not revised any of its financial statements or reports.
- vi. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

Prevention of Sexual Harassment at Workplace

Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Green Initiatives

Electronic Copies of the Annual Report 2016-17 and Notice of the 35th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in permitted mode.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Place: Kolkata
Dated: 12th Day of August, 2017

On behalf of the Board
For **Ramkrishna Forgings Limited**
Sd/-
Mahabir Prasad Jalan
(Chairman)
(DIN: 00354690)

ANNEXURE - A**Form AOC-1**

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary is presented with amounts in lakhs)

	Name of the subsidiary	Globe Forex & Travels Limited	Ramkrishna Aeronautics Private Limited (formerly known as Ramkrishna Aviation Land Systems Maritime Private Limited)
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
3.	Share capital	478.77	10.00
4.	Reserves & surplus	841.73	(3.11)
5.	Total assets	6236.89	7.10
6.	Total Liabilities (excluding shareholders' fund)	4916.39	(0.22)
7.	Investments	-	-
8.	Total Revenues	1375.06	-
9.	Profit before taxation	54.21	(3.11)
10.	Provision for taxation	26.85	-
11.	Profit after taxation	27.36	(3.11)
12.	Proposed Dividend	-	-
13.	% of shareholding	100.00	100.00

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

NIL

Place: Kolkata
Dated: 12th Day of August, 2017

On behalf of the Board
For **Ramkrishna Forgings Limited**
Sd/-
Mahabir Prasad Jalan
(Chairman)
(DIN: 00354690)

ANNEXURE - B**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members

RAMKRISHNA FORGINGS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RAMKRISHNA FORGINGS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- vi) Other than fiscal and labour laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:

- a) Indian Explosive Act, 1884.
- b) The Gas Cylinders Rules, 2004.
- c) Standards of weights & Measures (Enforcement) Act, 1985.
- d) Petroleum Act, 1934 and Rules thereunder.
- e) Indian Electricity Act and Rules.
- f) Hazardous Wastes (Management and Handling) Rules, 1989.
- g) Jharkhand Municipal Act, 2011.
- h) Environment Protection Act, 1986 and Environment Impact Assessment Notification S.O 60(E), dated 27-01-1994.
- i) Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982.
- j) Water (Prevention & Control of Pollution) Act, 1974 & Water (Prevention and Control of Pollution) Rules, 1975.
- k) Jharkhand Fire Services Act, 2007.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that as on 31st March, 2017, the Company has not appointed Chief Financial Officer pursuant to resignation of earlier Chief Financial Officer of the Company with effect from 23rd May, 2016.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no specific events/ actions which have any major bearing on the Company's affairs.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries

Raj Kumar Banthia
[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 27.06.2017

Place: Kolkata

Annexure- I

To
The Members,
RAMKRISHNA FORGINGS LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MKB & Associates**
Company Secretaries

Raj Kumar Banthia
[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 27.06.2017

Place: Kolkata

ANNEXURE - C**Annual Report on Corporate Social Responsibility (CSR) Activities**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1) A brief outline of the Company's CSR Policy, including overview of Projects or Programs proposed to be undertaken and a reference to the weblink to the CSR Policy and Projects or Programs:

Corporate Social Responsibility (CSR) policy embodies the various initiatives and programs of Ramkrishna Forgings Limited ("herein after referred as Company") in the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company to contribute towards economic and social development and growth.

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. The CSR activities and programs are intended to be initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development. The Company understands the need for promoting education, health, growth and development of the lower socio-economic sections of society including children and had drawn up various activities to promote education, health, growth and development of society during the Financial Year 2016-17.

The CSR Policy of the Company is disclosed on the website of the Company. <http://ramkrishnaforgings.com/csr-policy.pdf>

2. Corporate Social Responsibility Committee (CSR Committee):

The CSR Committee consists of three directors, out of which the Chairman of the Committee is an Independent Director. The composition of the committee as on 31st March 2017 is as follows:

1. Mr. R.T. Singh - Chairman.
2. Mr. Mahabir Prasad Jalan - Member
3. Mr. Naresh Jalan - Member.

3. Average Net Profit of the Company for the last three Financial Years: 5181.40 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above): 103.63 Lakhs

5. Details of CSR spent during the Financial Year:

- a) Total Amount to be spent for the Financial Year: 103.63 Lakhs
- b) Amount unspent, if any: N.A.
- c) Manner in which the amount spent during the financial year is detailed below:

S No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs was undertaken	Amount outlay (budget) Project or Program wise (₹ in Lakhs)	Amount spent on the Projects or Programs (1) Direct Expenditure (2) Over heads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
1.	Jankalyan Yojana	Availability of safe Drinking Water	Installation of 12 tube wells Sareikela Region, Jharkhand	25.00	Nil	8.60	N.A.
2.	Swastya Yogana	Promoting Health Care including preventive health care	Medical Centre Sareikela Region, Jharkhand	80.00	25.94	53.75	Through IA-Ramkrishna Foundation Trust
3.	Shiksha Yojana	Promotion vocational training and enhancement of vocational skill	To provide technical education to students Sareikela Region, Jharkhand	25.00	6.98	8.66	Through IA-Ramkrishna Foundation Trust

S No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs was undertaken	Amount outlay (budget) Project or Program wise (₹ in Lakhs)	Amount spent on the Projects or Programs (1) Direct Expenditure (2) Over heads (₹ in Lakhs)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
4.	Sanskriti Yogana	Protection of art and culture	Repair and Renovation of temple Bholadih, Kolabira & Jugsalai Region, Jharkhand	20.00	5.13	9.13	Through IA-Ramkrishna Foundation Trust
5.	Jankalyan Yojana	Eradication of poverty	Saree distribution among poor women. Sareikela Region, Jharkhand	25.00	8.97	10.47	Through IA-Ramkrishna Foundation Trust
6.	Swastya Yojana	Promoting healthcare including preventive healthcare	Free medical treatment for weaker section of society Liluah, Howrah Chutia, Ranchi Jamshedpur	40.00	1.20	7.20	Through IA-Ramkrishna Foundation Trust
7.	Shiksha Yojana	Promoting Education	Establishment of Recreational activities for Children at School. Jamshedpur, Jharkhand	11.95	5.95	11.95	Through IA-Ramkrishna Foundation Trust
8.	Jankalyan Yojana	Promoting Health Care including preventive health care	Blood Donation Sareikela Region, Jharkhand	20.00	3.27	3.27	Through IA-Ramkrishna Foundation Trust
9.	Swastya Yojana	Promoting healthcare including preventive healthcare	Contribution for Setting up of Hospital Ghorabanda Jamshedpur	200.00	50.00	50.00	Through IA-Ramkrishna Foundation Trust
10	Jankalyan Yojana	Rural development projects	Infrastructural Improvement Installation of street Lights Sareikela Region, Jharkhand	20.00	2.17	2.17	Through IA-Ramkrishna Foundation Trust

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report: Not Applicable
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Sd/-
R.T. Singh
(Chairman of the Committee)
(DIN: 00276330)

Sd/-
Mr. Naresh Jalan
(Managing Director)
(DIN: 00375462)

Dated : 12th August, 2017.
Place : Kolkata.

Annexure - D**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

The Company did not had any material related party transaction during the financial year 2016-17 and thus Form AOC-2 is not applicable to the Company.

All related party transactions, which were not material in nature, entered into by the Company were in the ordinary course of business and were on an arm's length basis.

Place: Kolkata

Dated: 12th Day of August, 2017

On behalf of the Board
For **Ramkrishna Forgings Limited**
Sd/-
Mahabir Prasad Jalan
(Chairman)
(DIN: 00354690)

Annexure - E

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

(i) Energy conservation measures taken.

The company provides high Priority to energy conservation schemes to conserve natural resources and remain competitive. Some of the significant measures adopted are:

1. Installation of Power Factor improvement panel.
2. Replacement of factory lights with LED lights.
3. Process upgradation of Induction Billet Heater.
4. Installation of timers for outside factory lights.

(ii) Steps taken for utilizing alternate source of energy:

During the year under review the company has reviewed and evaluated the usage of roof top Solar Plant in the Factory.

(iii) Capital Investment on energy conservation equipments: ₹ 26.37 Lakhs

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

Innovation and Technology are synonymous with the Company. Your company continues to invest in research and development and better technology equipments for manufacturing products to meet customer requirements. The Company has been able to develop new components and has also made continuous efforts for conservation of the raw material by making improvement in the die design. The company has installed equipments for die welding.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has been able to develop new product which enhanced the product portfolio of the company, created new business opportunities and enhanced customer satisfaction. The measures taken has helped the company to improve the die life.

(iii) Technology imported during the last 3 years: Nil

(iv) Expenditure incurred in Research and Development:

The Company has been granted Certificate of Registration to its In-House R&D unit(s) of its Plant at Village Baliguma, Kolabera, Dist Saraikela Kharswan Jamshedpur. from Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, New Delhi. The expenditure incurred on R & D are as under:

Revenue : ₹ 727.79 Lakhs

Capital : ₹ 392.57 Lakhs

C. FOREIGN EXCHANGE EARNING AND OUTGO

The Particulars of the Total foreign exchange used and earned are given below:

(₹ in Lakhs)		
Particulars	2016-17	2015-16
Earned	25,880.80	39,307.36
Used	5,009.93	3,779.26

On behalf of the Board
For Ramkrishna Forgings Limited

Sd/-

Mahabir Prasad Jalan

(Chairman)

(DIN: 00354690)

Place: Kolkata

Dated: 12th Day of August, 2017

Annexure - F**Form MGT-9**

Extract of Annual Return as on the financial year ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74210WB1981PLC034281
ii)	Registration Date	12/11/1981
iii)	Name of the Company	Ramkrishna Forgings Limited
iv)	Category of the Company	Public Company
v)	Sub Category of the Company	Limited by shares
vi)	Address of the Registered office and contact details:	
	Address	"Ramkrishna Chambers", 72, Shakespeare Sarani
	Town / City	Kolkata
	State	West Bengal
	Pin Code:	700 017
	Country Name	India
	Telephone No	033- 39840900
	Fax Number	033- 39840998
	Email Address	neha.gupta@ramkrishnaforgings.com
	Website	www.ramkrishnaforgings.com
	Name of the Police Station having jurisdiction where the registered office is situated	Beniapukur P.S.
	Address for correspondence, if different from address of registered office:	N.A.
vii)	Whether listed company	Yes
viii)	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of Registrar & Transfer Agents	M/s Karvy Computershare Pvt Limited
	Address	Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
	Town / City	Nanakramguda
	State	Hyderabad
	Pin Code:	500 032
	Country Name	India
	Telephone No	040 - 6716 1565
	Fax Number	040 - 2342 0814
	Email Address	singh.us@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacturer of Forgings	259	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	Globe Forex & Travels Ltd Address : 8, Ho Chi Minh Sarani, Kolkata – 700071	U63040WB1994PLC062139	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
2.	Ramkrishna Aeronautics Private Limited (formerly called Ramkrishna Aviation Land Systems Maritime Private Limited) Address: "Ramkrishna Chambers", 72, Shakespeare Sarani, Kolkata West Bengal 700 017	U62100WB2016PTC216705	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1544250	0	1544250	5.39	1546327	0	1546327	5.39	NIL
b) Central Govt	NIL	NIL	NIL	NIL					NIL
c) State Govt (s)	NIL	NIL	NIL	NIL					NIL
d) Bodies Corp.	11706819	1200000	12906819	45.02	12906819	0	12906819	45.02	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):	13251069	1200000	14451069	50.40	14453146	0	14453146	50.41	0.01
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRIs Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter (A) = (A)(1)+(A) 2)	13251069	1200000	14451069	50.40	14453146	0	14453146	50.41	0.01

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3154874	NIL	3154874	11.00	3006470	0	3006470	10.49	-0.51
b) Banks / FI	NIL	NIL	NIL	NIL	23130	NIL	23130	0.08	0.08
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs/FPI	2037597	NIL	2037597	7.11	2523251	NIL	2523251	8.80	1.69
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	1044215	NIL	1044215	3.64	1044215	NIL	1044215	3.64	NIL
INSTITUTION OTHERS (includes International Finance Corporation)	1044215	NIL	1044215	3.64	1044215	NIL	1044215	3.64	NIL
Sub-total (B)(1):-	6255220	NIL	6255220	21.82	6597066	NIL	6597066	23.01	1.19
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2603034	NIL	2603034	9.08	2264192	NIL	2264192	7.90	-1.18
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2555229	136	2555365	8.91	1921713	136	1921849	6.70	-2.21
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2555217	NIL	2555217	8.91	3029732	NIL	3029732	10.57	1.66
c) NBFCs Registered with RBI	NIL	NIL	NIL	NIL	14598	NIL	14598	0.05	0.05
d) Others (specify)									
(i) NRI/ OCB	215061	NIL	215061	0.75	159083	NIL	159083	0.55	-0.20
(ii) Trust	700	NIL	700	0.00	440	NIL	440	0.00	0.00
(iii) Clearing Member	34274	NIL	34274	0.12	14531	NIL	14531	0.05	-0.07
(iv) Alternative Investment Fund	NIL	NIL	NIL	NIL	217380	NIL	217380	0.76	0.76
Sub-total (B)(2):-	7963515	136	7963651	27.78	7619728	136	7619728	26.58	-1.2
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14218735	136	14218871	49.60	14216794	136	14216794	49.59	-0.01
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	27469804	1200136	28669940	100	28669940	136	28669804	100	0.00

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Riddhi Portfolio Private Ltd	7288319	25.42	0.00	7288319	25.42	0.00	NIL
2	Eastern Credit Capital Private Limited	5618500	19.60	0.00	5618500	19.60	8.36	NIL
3	Mahabir Prasad Jalan	451000	1.57	0.00	451000	1.57	0.00	NIL
4	Rashmi Jalan	418750	1.46	0.00	418750	1.46	0.00	NIL
5	Naresh Jalan	285750	1.00	0.00	285750	1.00	0.00	NIL
6	Naresh Jalan (Huf)	268750	0.94	0.00	268750	0.94	0.00	NIL
7	Mahabir Prasad Jalan (Huf)	120000	0.42	0.00	120000	0.42	0.00	NIL
8	Chaitanya Jalan	0	0	0	2077	0	0.00	0.00
		14451069	50.40	0.00	14453146	50.41	8.36	0.01

iii) Change in Promoters' Shareholding

Riddhi Portfolio Private Limited

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	7288319	25.42		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the End of the year	7288319	25.42	7288319	25.42

Eastern Credit Capital Private Limited

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	5618500	19.60		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the End of the year	5618500	19.60	5618500	19.60

Mahabir Prasad Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	451000	1.57		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the End of the year	451000	1.57	451000	1.57

Rashmi Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	418750	1.46		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the End of the year	418750	1.46	418750	1.46

Naresh Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	285750	1.00		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the End of the year	285750	1.00	285750	1.00

Naresh Jalan (HUF)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	268750	0.94		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the End of the year	268750	0.94	268750	0.94

Mahabir Prasad Jalan (HUF)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	120000	0.42		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the End of the year	120000	0.42	120000	0.42

Chaitanya Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	0	0		
9.12.2016	Purchase	2077	0.01	2077	0.01
31-03-2017	At the End of the year	2077	0.01	2077	0.01

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	'Reliance Capital Trustee Co. Ltd. - A/C Reliance Tax Saver (Elss) Fund	1080000	3.77	01/04/2016			1080000	3.77
				31/03/2017			1080000	3.77
2	Lata Bhanshali	958975	3.34	01/04/2016			958975	3.34
				19/08/2016	100000	Purchase	1058975	3.69
				31/03/2017			1058975	3.69
3	International Finance Corporation	1044215	3.64	01/04/2016			1044215	3.64
				31/03/2017			1044215	3.64
4	Kotak Mahindra (Uk) Ltd A/C India Midcap (Mauritius) Ltd	1011841	3.53	01/04/2016			1011841	3.53
				13/05/2016	-2783	Sale	1009058	3.52
				11/11/2016	-5000	Sale	1004058	3.50
				18/11/2016	-24058	Sale	980000	3.42
				25/11/2016	-4685	Sale	975315	3.40
				30/12/2016	-16582	Sale	958733	3.34
				31/03/2017			958733	3.34
5	ICG Q Limited	250000	0.87	01/04/2016			250000	0.87
				26/08/2016	4601	Purchase	254601	0.89
				02/09/2016	82399	Purchase	337000	1.18
				09/09/2016	23000	Purchase	360000	1.26
				16/09/2016	100000	Purchase	460000	1.60
				07/10/2016	40000	Purchase	500000	1.74
				14/10/2016	200000	Purchase	700000	2.44
				31/03/2017			700000	2.44
6	Kotak Emerging Equity Scheme	323483	1.13	01/04/2016			323483	1.13
				18/11/2016	41870	Purchase	365353	1.27
				25/11/2016	176203	Purchase	541556	1.89
				31/03/2017			541556	1.89
7	BNP Paribas Mid Cap Fund	247777	0.86	01/04/2016			247777	0.86
				08/04/2016	30000	Purchase	277777	0.97
				19/08/2016	22223	Purchase	300000	1.05
				16/09/2016	62000	Purchase	362000	1.26
				30/09/2016	23500	Purchase	385500	1.34
				06/01/2017	19000	Purchase	404500	1.41
				17/02/2017	4080	Purchase	408580	1.43
				24/02/2017	35000	Purchase	443580	1.55
				31/03/2017			443580	1.55
8	Chartered Finance And Leasing Limited	250500	0.87	01/04/2016			250500	0.87
				26/08/2016	10180	Purchase	260680	0.91
				31/03/2017			260680	0.91
9	Vallabh Roopchand Bhanshali	251900	0.88	01/04/2016			251900	0.88
				31/03/2017			251900	0.88
10	Chartered Finance and Leasing Limited	251033	0.99	01/04/2016			251033	0.99
				31/03/2017			251033	0.99

v) Shareholding of Directors and Key Managerial Personnel:

Mahabir Prasad Jalan – Chairman Cum Whole Time Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	451000	1.57		
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	451000	1.57	451000	1.57

Naresh Jalan – Managing Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-016	At the beginning of the year	285750	1.00		
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	285750	1.00	285750	1.00

Pawan Kumar Kedia – Whole Time Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-016	At the beginning of the year	13629	0.05		
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	13629	0.05	13629	0.05

Yudhisthir Lal Madan – Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Ram Tawakya Singh - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Padam Kumar Khaitan - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Amitabha Guha - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Aditi Bagri - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Sandipan Chakrovorty - Independent Director (Appointed w.e.f. 21st May 2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Partha Sarathi Bhattacharyya - Independent Director (Appointed w.e.f. 21st May 2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Satish Kumar Mehta - Non- Executive Director (Resigned w.e.f. 21st May 2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Alok Kumar Sharda- Chief Financial Officer (Resigned w.e.f. 23.05.2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	NIL	NIL	NIL	NIL

Rajesh Mundhra – Company Secretary

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2016	At the beginning of the year	15230	0.05	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2017	At the end of the year	15230	0.05	15230	0.05

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	79,821.88	6,450.92	–	86,272.80
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not Due	–	–	–	–
Total (i+ii+iii)	79,821.88	6,450.92	–	86,272.80
Change in Indebtedness during the financial year				
• Addition	25,781.29	30.38		25,811.67
• Exchange Difference	(1,430.57)	–		(1,430.57)
• Reduction	20,732.55	4,534.10		25,266.65
Net Change	3,618.17	(4,503.72)		(885.56)
Indebtedness at the end of the financial year				
i) Principal Amount	83,440.04	1,947.20		85,387.24
ii) Interest due but not paid	–			–
iii) Interest accrued but not Due	–			–
Total (i+ii+iii)	83,440.04	1,947.20		85,387.24

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A - Remuneration to Managing Director, Whole Time Directors****Mahabir Prasad Jalan – Chairman cum Whole Time Director**

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	228.29	228.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	
2	Stock Option	NIL	Nil
3	Sweat Equity	NIL	Nil
4	Commission - as % of profit - others, specify...	NIL	Nil
5	Others, please specify	NIL	Nil
	Total (A)		228.29
	Ceiling as per the Act**		308.19

** The Company has taken approval of the members through postal ballot on 5th May, 2017 for payment of remuneration, pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013, as minimum remuneration.

Naresh Jalan – Managing Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	171.98	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		171.98
2	Stock Option	NIL	Nil
3	Sweat Equity	NIL	Nil
4	Commission - as % of profit - others, specify...	NIL	Nil
5	Others, please specify	NIL	Nil
	Total (A)		171.98
	Ceiling as per the Act**		308.19

** The Company has taken approval of the members through postal ballot on 5th May, 2017 for payment of remuneration, pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013, as minimum remuneration.

Pawan Kumar Kedia – Whole Time Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34.35	34.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	
2	Stock Option	NIL	Nil
3	Sweat Equity	NIL	Nil
4	Commission - as % of profit - others, specify...	NIL	Nil
5	Others, please specify	NIL	Nil
	Total (A)		34.35
	Ceiling as per the Act**		308.19

B – Remuneration of other Directors**Yudhisthir Lal Madan – Independent Director**

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	4.20	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		4.20

Ram Tawakya Singh – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	3.35	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		3.35

Padam Kumar Khaitan – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	2.50	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		2.50

Amitabha Guha – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	3.50	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		3.50

Aditi Bagri – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	3.50	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		3.50

Satish Kumar Mehta – Non- Executive Director (resigned w.e.f. 9th May 2016)

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	NIL	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		NIL

Sandipan Chakravorty – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	1.50	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		1.50

Partha Sarathi Bhattacharyya – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	1.50	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		1.50

Alok Kumar Sharda – Chief Financial Officer (Resigned w.e.f. 23rd May, 2016)

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.73	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.47	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	
2	Stock Option	NIL	
3	Sweat Equity	NIL	
4	Commission - as % of profit - others, specify...	NIL	
5	Others, please specify	NIL	
	Total		33.20

Rajesh Mundhra – Company Secretary

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.54	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.07	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	
2	Stock Option	NIL	
3	Sweat Equity	NIL	
4	Commission - as % of profit - others, specify...	NIL	
5	Others, please specify	NIL	
	Total		33.61

VII. Penalties/ Punishment/Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers in default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Annexure - G

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the Performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2016-17 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Mahabir Prasad Jalan	228.29	(15.02)	90.95
2	Mr. Naresh Jalan	171.98	(14.06)	68.52
3	Mr. Pawan Kumar Kedia	34.35	(5.08)	13.68
4	Mr. Padam Kumar Khaitan	2.50***	(18.03)	Median Comparison is not done as only sitting fees is paid to the Non- Executive Directors
5	Mr. Satish Kumar Mehta*	0.00***	0.00	
6	Ms. Aditi Bagri	3.50***	7.69	
7	Mr. Yudhisthir Lal Madan	4.20***	(3.44)	
8	Mr. Ram Tawakya Singh	3.35***	15.51	
9	Mr. Amitabha Guha	3.50***	(6.67)	
10	Mr. Sandipan Chakravorty**	1.50***	#	
11	Mr. Partha Sarathi Bhattacharyya**	1.50***	#	
12	Mr. Rajesh Mundhra	33.61	6.26	N.A.
13	Mr. Alok Kumar Sharda**	33.20	N.A.**	N.A**

* Mr. Satish Kumar Mehta, Non-Executive Director of the Company resigned w.e.f. 9th May 2016.

** Mr. Alok Kumar Sharda, Chief Financial Officer of the Company resigned w.e.f. 23rd May 2016.

*** Represents sitting fees paid to Non-Executive Directors for attending Board and Committee Meetings.

Details are not given as Mr. Sandipan Chakravorty and Mr. Partha Sarathi Bhattacharyya were appointed in Financial Year 2016-17.

II. The median remuneration of employees of the Company during the Financial Year was ₹ 2.51 Lakh. In the Financial Year 2016-17, the median remuneration of employees was 4.56% lower compared to previous year.

III. There were 1611 permanent employees on the rolls of Company as on 31 March, 2017.

IV. Average percentage increase made in the salaries of employees other than the Managerial Personnel in the Financial Year 2016-17 was 4.47% over previous year. There were no exceptional circumstances for increase in managerial remuneration.

V. Affirmation that the Remuneration is as per the Remuneration Policy of the Company. It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

Statement as per Rule 5(2) of The Companies (Appointment and Remuneration of Managerial personnel) Rules 2014

Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (₹ in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
A. Details of top ten Employees in terms of remuneration drawn for the financial year ended 31 st March 2017								
1.	Mr. Kasi Nath	65	Executive Vice President	248.46	MBA, Master of Technology (M.Engg), Bachelor of Engineering (Hons.) Diploma in Business Administration	30	01.07.2012	Director Global Purchasing Meritor Inc
2	Mr. Sridhar Kulkarni	54	Chief Operating Officer (North America)	196.34	Bachelor of Engineering (Mechanical)	31	01.12.2015	Dana Corporation

Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (₹ in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
3	Rajat Subhra Datta	52	Vice President IT	54.77	M.Sc	22	01-02-2010	Adhunik Metaliks Ltd.
4	Kanchan Chaudhuri	59	Plant Head	51.14	Bachelor Equivalent	35	09-10-2012	Ahmednagar Forgings Limited
5	Sakti Prasad Senapati	45	Chief People Officer	45.32	MBA	20	01-04-2016	NRB Bearings Ltd.
6	Vijay Kumar Mishra	56	Plant Head	41.86	M.Tech	28	05-05-2006	NA
7	Milesh Gandhi	38	Vice President Marketing	39.54	Diploma	17	01.02.2000	NA
8	Kali Kumar Ghosh	53	General Manager	34.45	Mtech	32	08-05-2012	Hitech Gears Limited
9	Rajesh Mundhra	43	Company Secretary, Sr. GM (Finance)	33.61	ACA, ACS, ACMA	19	12.11.2003	United Wireless Technologies Limited
10	A.N. Chandramouli	53	Vice President (Operations)	33.21	Diploma in NTT & MBA	31	10.06.2014	NA
B Details of Employee employed throughout the year and in receipt of remuneration not less than ₹ 10,200,000/- p.a.								
1.	Mr. Mahabir Prasad Jalan	68	Chairman cum Wholetime Director	228.29	B.Tech	51	12.11.1981	NA
3.	Mr. Kasi Nath	65	Executive Vice President	196.34	MBA, Master of Technology (M.Engg), Bachelor of Engineering (Hons.) Diploma in Business Administration	30	01.07.2012	Director Global Purchasing, Meritor Inc.
3.	Mr. Naresh Jalan	41	Managing Director	171.98	MBA	20	05.11.2001	NA
4.	Mr. Sridhar Kulkarni	54	Chief Operating Officer (North America)	196.34	Bachelor of Engineering (Mechanical)	31	01.12.2015	Dana Corporation
C Details of Employee employed part of the year and in receipt of remuneration not less than ₹ 850,000/- p.m.								
Nil								

Notes:

- Gross Remuneration includes Basic Pay, Allowances, Monetary value of Perquisites, Lease Rent, Commissions, Retirement benefits and Healthcare Insurance, if any.
- Mr. Mahabir Prasad Jalan, Chairman cum Wholetime Director and Mr. Naresh Jalan, Managing Director are related to each other.
- The nature and terms of the employment are as per resolution or the appointment letter.
- Mr. Mahabir Prasad Jalan holds 4,51,000 equity shares and Mr. Naresh Jalan holds 2,85,750 equity shares representing 1.57 % and 1.00 % of the paid up share capital respectively as on 31st March, 2017.

On behalf of the Board
For **Ramkrishna Forgings Limited**

Sd/-

Mahabir Prasad Jalan

(Chairman)

(DIN: 00354690)

Place: Kolkata

Dated: 12th Day of August, 2017

Management Discussion And Analysis



With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018

Global Economy

Source : World Economic Outlook, IMF April, 2017

Performance: Global GDP growth slowed marginally to 3.1% year-on-year, as deceleration in key emerging and developing economies overshadowed a modest recovery in major developed countries. This deceleration was accompanied by modest increase in commodity prices, subdued global trade, bouts of financial market volatility, and weakening capital flows. Global industrial production (IP) growth slowed to 1.5% year-on-year in 2016, after growing by 1.8% in 2015. IP in OECD (Organisation for Economic Co-operation and Development) countries eased to 0.3% year-on-year in 2016, after growing by 0.8% in 2015.

This could have been worse had it not been for a healthy uptick in the global economy during the second half of 2016 especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag).

Challenges: Recent political developments highlight a fraying consensus about the benefits of cross-border economic

integration. A potential widening of global imbalances coupled with sharp exchange rate movements, should those occur in response to major policy shifts, could further intensify protectionist pressures.

Promise: Consistently good economic news since the summer of 2016 is starting to add up to a brightening global outlook. With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018.

Activity is projected to pick up markedly in emerging markets and developing economies because the conditions leading to commodity exporters experiencing macroeconomic strains are gradually expected to improve, supported by the partial recovery in commodity prices, while growth is projected to remain strong in China and many other commodity importers. In advanced economies, the pickup will be primarily driven by higher projected growth in the United States, where activity was held back in 2016 by inventory adjustment and weak investment.



Massive thrust on infrastructure development in India – with a budgetary allocation of ₹396,315 crore towards infrastructure creation and modernization are expected to have a multi-sector cascading impact and promise to make an important contribution to India's economic resurgence.

Indian Economy

The Indian economy has been growing at an accelerated pace since 2014, supported by favorable government reforms and stringent fiscal regime that reigned in inflation. India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world.

Despite prevailing headwinds in India and across the globe, India managed to sustain its 7% plus GDP growth momentum registered over the last three years. India's strong fundamentals enabled it to clock a 7.1% GDP growth in 2016-17, a marginal slip from 7.9% in 2015-16 – primarily owing to policy initiatives like demonetisation that curbed liquidity in a cash-based consumption economy. (Source: Business Standard)

The industrial sector growth remained lackluster with the Index of Industrial Production (IIP), a measure of industrial performance, registering a 5% in 2016-17, against 3.4% growth in the previous year.

The halving of global oil prices that began in late 2014, boosted economic activity in India, further improved the external current account and fiscal positions and helped lower inflation in the past.

Challenges: A key concern for the country is the health of the banking system, which continues

to battle with rising bad loans and heightened corporate vulnerabilities in certain key sectors of the economy. Besides, the firming up of crude oil prices in the end of 2016 at about USD 55/barrel against about USD 45/barrel earlier, reduced commodity exports and almost stagnant non commodity exports in 2016-17 could adversely impact the trade and current account deficits.

Outlook: India's economic growth is expected to improve in 2017-18. This optimism is based on two critical realities. The adoption of the Goods and Service Tax (GST) promises to create a single national market which will enhance efficiency of the movement of goods and services. This critical fiscal policy could make an important contribution to raise India's medium-term GDP growth momentum to over 8% (Source: IMF).

In addition, the Finance Minister has given a massive thrust on infrastructure development in India – with a budgetary allocation of Rs 396,315 crore towards infrastructure creation and modernization. Further, the Union Budget 2017-18, Agenda to Transform, Energise & Clean India (TEC India) puts an unprecedented thrust on rural infrastructure development. These initiatives are expected to have a multi-sector cascading impact and promise to make an important contribution to India's economic resurgence.

3.1

Global GDP growth in 2016(%)

1.6

GDP growth in Advanced economies in 2016 (%)

4.1

GDP growth in Emerging Market and developing economies in 2016 (%)



Forging industry

Forging is about shaping metal blocks into desired shapes by applying compressive forces. This technique enhances the mechanical properties of the block giving it significant additional strength. Hence, forging is generally preferred over other metal shaping techniques.

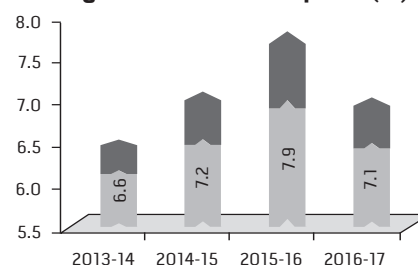
The Indian forging industry is recognised globally for its technical capabilities. With an installed capacity of around 37.7 lakh TPA, the Indian forging industry has a capability to forge variety of raw materials like carbon steel, alloy steel, stainless steel, super alloy, titanium and aluminum. As a result, forgings are used by almost the entire manufacturing sector, positioning the forging space as an important contributor to the stability and growth of the manufacturing sector.

The Indian forging industry is highly fragment with more than 80% of the units featuring in the small and very small category i.e. below 12,500 TPA capacity.

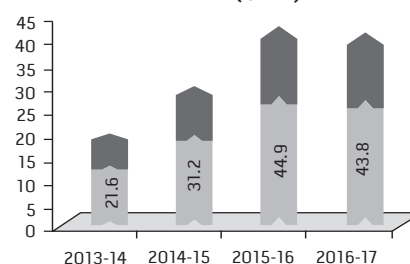
The automotive sector currently accounts for about 60% of the forging sales. To reduce its dependence on the automotive sector, the Indian forging industry is consciously making efforts towards upgrading technologies and diversifying product range to expand its customer base to emerging sectors including aerospace, energy, oil & gas, heavy engine parts, defence, construction equipment, power generation, power transmission and distribution.

The Indian forging industry is likely to grow at CAGR of 9.5% by 2018, production wise, and reach to 2.97 mn MT in FY 2017-18 from 2.25 mn MT during FY 2014-15, according to Association of Indian Forging Industry. This optimism is primarily due to the Government thrust on the manufacturing sector with initiatives like 'Make in India' and 'Skill India' promising to catalyse demand over the medium term. Many global OEMs and Tier-I players are setting up purchasing offices in India to procure high quality forging products.

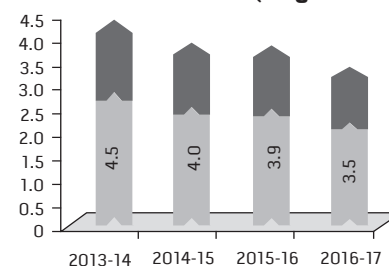
GDP growth at constant prices(%)



Gross FDI (\$ bn)



Centre's fiscal deficit (%age of GDP)



Source : Economic Survey, CSO

Since the Indian forging industry is primarily influenced by the automotive sector, globally and in India, it would be relevant to analyse its performance and prospects in light of the automotive sector. Moreover, as Ramkrishna Forging has

a business-critical exposure to the commercial vehicle space globally and in India it would be more appropriate to focus the discussion on this vertical within the automotive space.

Volume of commercial vehicle registrations

(m trucks unless otherwise indicated)

	2012 ^a	2013 ^a	2014 ^a	2015 ^a	2016 ^a	2017 ^b	2018 ^b	2019 ^b	2020 ^b	2021 ^b
North America^c	1.3	1.4	1.5	1.7	1.7	1.8	1.9	1.8	1.8	1.9
% change	5.5	4.9	12.4	9.0	3.1	1.9	5.8	-4.9	3.8	5.4
Western Europe	1.6	1.6	1.8	2.0	2.2	2.1	2.2	2.2	2.3	2.4
% change	-12.7	0.2	7.1	11.6	11.8	-1.6	1.4	1.4	3.8	3.6
Transition economies	0.5	0.5	0.4	0.3	0.4	0.4	0.4	0.4	0.5	0.5
% change	33.9	-7.1	-17.6	-19.9	10.0	4.8	7.9	7.5	8.0	3.2
Asia and Australasia	7.6	7.7	7.3	7.1	7.3	7.7	7.8	8.4	8.9	9.5
% change	4.6	1.6	-5.2	-3.2	3.0	6.0	1.4	7.7	5.7	6.6
Latin America	1.6	1.7	1.6	1.4	1.4	1.4	1.6	1.6	1.7	1.9
% change	2.0	8.0	-8.0	-14.5	1.1	4.6	9.3	4.1	6.7	6.4
World^d	13.1	13.4	13.1	12.8	13.3	13.8	14.3	14.9	15.7	16.6
% change	3.0	2.2	-2.2	-1.9	3.7	4.0	3.1	4.6	5.3	5.9

^a Economist Intelligence Unit estimates. ^a Economist Intelligence Unit forecasts. ^c Excludes US light commercial vehicles. ^d Sum of 60 countries covered by The Economist Intelligence Unit's industry service.

Source: The Economist Intelligence Unit.

After two years of decline that encompassed nearly every major developing market, the global commercial vehicle (CV) market returned to growth in 2016. It is estimated that new CV registrations across 60 markets rose by a combined total of 3.7% to 13.3m, nearly at par with 2013's record. Even Latin America and the Transition Economies reported a growth, although it was not strong enough to make up for their recent slumps. Nevertheless, a few key markets continued to decline in 2016, including Brazil and Indonesia. They were joined by the US, where weak business investment prompted a 10.7% fall in sales of medium and heavy vehicles.

Overall, it is expected that CV sales could rise at a CAGR of 4.6% over the 2017-21 forecast period. The strongest growth is likely to be in Latin America and the Transition Economies (both 6.2%) as they rebound from their slumps, with Asia not far behind on 5.5%. The slowest CAGR over the forecast period is expected to be in Western Europe (1.7% in 2017-21), as it can fall back from the current surge. However, low commodity prices will continue to affect companies in many resource dependent emerging markets, notably Russia, Brazil and the Middle East, preventing them from regaining all the lost ground.

The US truck and bus industry

Source : IBIS World Industry Report 33612

Performance 2012-2016

Over the five years to 2016, revenue for the Truck and Bus Manufacturing industry is anticipated to be highly volatile.

Operators in the Truck and Bus Manufacturing industry experienced volatile swings over the past five years. Truck and bus manufacturers experienced heightened demand for their products as the economy improved in response to higher trade and freight volumes. Nonetheless, demand for new trucks slowed in recent years, as many freight companies released pent-up demand during the first half of the five-year period. Moreover, freight activity decelerated in 2015 and 2016, leading to a declining need for new fleets.

During the five-year period, many industry operators moved operations to emerging economies, with a particular focus on Asian and South American markets, where production costs are lower. For example, Mexico has increasingly become a desirable production destination for truck manufacturers due to the country's relatively low labor costs. Additionally, many industry operators have expanded production to Asian markets to improve profit margins. However, despite offshoring activity, domestic economic conditions increased during the period, spurring demand for freight transport, which benefited truck manufacturers. Nevertheless, many freight companies released pent-up demand for new vehicle fleets during the beginning of the five-year period, which led to a slower demand in 2016. Freight shipments started to fall during the back-end of the period, causing consumers to hold off on purchasing a new trucking fleet.

Trucks: Most trucks within this industry are used for freight purposes. There are various types of classifications for trucks in the United States. The classification ranges from Class 1 to Class 8, with Classes 4 to 8 being the most relevant for this industry. Trucks are classified based on their gross vehicle weight rating (GVWR), which measures the allowable weight of a truck, including its trailer and cargo.

Classes 4 to 7 have a GVWR of between 14,001 and 33,000 pounds. Class 8 trucks include

28.7

Revenue (US\$ bn)

1.1

Profit (US\$ bn)

16.1

Exports (US\$ bn)

(1.2)%

Annual growth (2012-16)

1.0%

Annual growth (2017-22)

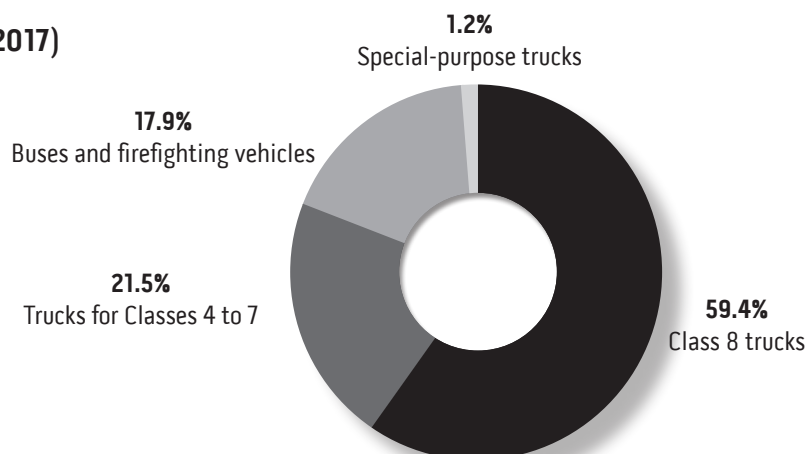
Board & Management Report

Standalone Financial Section

Consolidated Financial Section

Products and services segmentation (2017)

Total \$28.7bn



Source : ibisworld.com

any trucks having a GVWR of more than 33,000 pounds. Sales for the Class 6 segment have been volatile over the past five years. Drops in the segment's sales were due to the rise in the price of diesel during the early part of the five-year period, which prompted truck users to switch to smaller vehicles.

Class 7 sales were also volatile over the same period and have consistently declined in both sales and market share terms over the past five years. The volatility was due to the recent EPA regulations that caused a spike in the prices of these trucks. This triggered a rush of pre-buy activity and subsequent inventory problems. As a result, this segment is expected to account for an estimated 21.5% of revenue in 2017.

Sales for the Class 8 trucks segment have been volatile in unit terms but have never dipped below 50.0% of the heavy-duty truck market. This segment's truck sales have suffered over the past five years, as tighter regulations have made used trucks more appealing. Class 8 trucks weighing more than 40,000 pounds have been gaining ground over the past five years, while lighter Class 8 trucks have lost share, due to higher fuel consumption per ton-mile. Nonetheless, Class 8 trucks

experienced a broad recovery in the first half of the five-year period, as industrial production roared back to life. In 2017, Class 8 trucks are expected to account for 59.4% of industry revenue, as companies haul materials to meet demand created by a recovery in the production of industrial products.

Bus and other vehicles: The bus segment has been comparatively stable over the past five years. Buses include school buses, public transport commercial buses and buses owned by the military. Cities have been eager to expand their bus fleets over the past five years as demand for public transportation has grown.

Conversely, firefighting vehicles have recently gained ground as fire departments replace aging fleets, though this growth is not expected to sustain. Buses and firefighters are expected to account for 17.9% of industry revenue in 2017. The special purpose vehicle segment includes all other heavy trucks such as snowplows and garbage trucks. Revenue from special purpose vehicles has also remained relatively stable, making up an estimated 1.2% of revenue during the year.

Outlook 2018-2022

The next five years are expected to be brighter for the industry.

The Truck and Bus Manufacturing industry is expected to grow over the next five years. Industry revenue is forecast to rise at an annualized rate of 1.0% to US\$30.1 billion over the five years to 2022. As the global economy continues to improve, international trade and freight levels will rise, creating a greater need for new trucks. Additionally, ageing fleets will become a concern for trucking operators, and companies will invest in new trucks as freight demand grows. These new investments will primarily center on hybrid trucks as freight companies increase demand for cleaner-burning vehicles in anticipation of increased truck regulation.

As the US economy continues to improve, new and replacement demand will support industry growth. Freight demand depends

on nearly every sector of the economy. For example, imports of vehicles, clothing and consumer electronics will grow over the next five years as consumer confidence continues to improve; therefore, trucks will be needed to transport these goods. As a result, trucking businesses will keep growing and eventually demand new trucks. Furthermore, a built-up inventory of old trucks will push demand upward, as new trucks are needed to replace aging fleets and accommodate the uptick in freight volume.

However, despite expected revenue growth in the United States, emerging overseas economies will continue enticing manufacturers to focus efforts abroad.



The Truck and Bus Manufacturing industry is in the mature stage of its life cycle. Over the 10 years (2012-2022), industry value added (IVA), a measure of the industry's contribution to the overall economy, is expected to grow at an annualized rate of 1.1%. Comparatively, GDP is forecast to grow at an annualized rate of 2.0% over the same period.

The Indian automobile sector

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1% of the country's Gross Domestic Product (GDP). India is also a prominent auto exporter and has strong export growth expectations for the near future.

In terms of volume, India is the biggest market for tractors as well as two-wheelers. It is also one of the Top five and Top ten markets for Medium & Heavy Commercial Vehicles (M&HCVs) and Passenger Vehicles, respectively.

Demographically and economically, India's automotive industry is well-positioned for growth, servicing both domestic

demand and increasingly export opportunities. A predicted increase in India's working-age population is likely to help stimulate the burgeoning market for private vehicles. Rising prosperity, easier access to finance and increasing affordability is expected to see four-wheelers gaining volumes, although two wheelers will remain the primary choice for the majority of purchasers, buoyed by greater appetite from rural areas, the youth market and women.

Going forward, The Automotive Mission Plan 2016-26 (AMP 2026) targets a four-fold growth in the automotive industry.

The Commercial vehicle sector

India has emerged as one of the largest markets for commercial vehicles globally. Growth of India commercial vehicles market is underpinned by various macro and micro economic factors which impact the allied industries responsible for generating commercial vehicles demand in the country. Construction, logistics, mining and passenger transportation are few of the major allied industries that require commercial vehicles. Most of the industry players in India in commercial vehicles market have their production facility in the country to cater to domestic demands along with exports to various countries.

Performance: After a healthy growth in the first quarter, the CV industry suffered due to weak replacement demand and

India is world's 6th largest vehicles manufacturer globally.

deferment of purchase by fleet operators on uncertainty related to impact of GST on vehicle prices. Demonitisation dealt a body-blow to the commercial vehicle offtake in the second half of the financial year. The M&HCV segment registered healthy growth during the last quarter of FY 2017, as the impact of demonetization was offset by a pick-up on account of subdued pre-buying related to BS IV implementation.

On an overall basis, commercial vehicle sales increased by 4.16 % from 6,85,704 vehicles in 2015-16 to 7,14,232 vehicles in 2016-17 with exports registering a satisfying growth.

Commercial Vehicles (CVs)	2016-17	2015-16	Growth (%)
M&HCVs			
Passenger Carriers	47,262	43,909	7.64
Goods Carriers	255,267	258,488	-1.25
Total M&HCVs	302,529	302,397	0.04
LCVs			
Passenger Carriers	50,864	48,936	3.94
Goods Carriers	360,839	334,371	7.92
Total LCVs	411,703	383,307	7.41
Total Commercial Vehicles	714,232	685,704	4.16

Source : SIAM

Exports: Despite headwinds in the domestic market, the commercial vehicle (CV) industry has seen gains in the export market. Exports, which constitute a buffer to slow domestic market demand, have seen CV manufacturers expand into newer markets in Africa and the Middle East besides the traditional markets of SAARC countries.

Promise: The future of Indian commercial vehicles industry is closely tied with the country's GDP growth, investment environment and infrastructure development. As the country's economy starts to grow, bargaining power of fleet operators enhance, which leads to higher freight rates and incentives for fleet operators to add capacity.

According to TechSci Research report, 'India Commercial Vehicles Market By Vehicle Type, By End Use Industry, Competition Forecast and Opportunities, 2021', the market of commercial vehicles in India is projected to grow at a CAGR of over 14%, in value terms, during FY2017–FY2022. Rising infrastructure development projects across the country, tentative replacement of old commercial vehicles fleet on account of implementation of stringent emission norms, growing manufacturing and logistics sectors, and increasing focus on tourism and hospitality sector by central and various state governments are few of the major factors projected to propel India commercial vehicles market over the course of next five years.

Demand for new commercial vehicles will also be driven by the gradual acceptance of advance trucking platforms, the progression to Bharat Stage VI emissions norms and

the introduction of technologies, such as anti-lock braking systems. In addition, the advent of GST is expected to provide significant impetus to the growth of the Indian commercial vehicle sector over the coming years.

Earlier in the year, the Ministry of Road Transport & Highways had released a concept note on vehicle modernisation program, which proposed to offer an incentive of 8-12% to replace older vehicles. According to ICRA, at least 75,000 units could come up for replacement, adding 8-10% to industry growth over the next two years.

In addition to favourable regulatory developments, the increasing thrust towards infrastructure projects and resumption of mining activities would also continue to support demand for tippers, a segment which outperformed the industry growth in 2016-17.

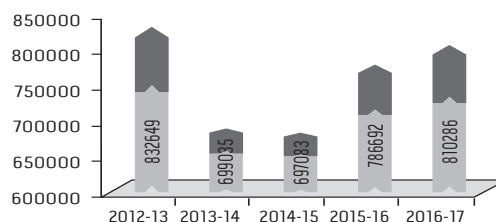
Roads are the route to economic progress. In keeping with this reality, India, over the last few years has determined to expand its road network and improve the quality to its roads to global standards. In the Union Budget, 2017-18, the Government has allocated ₹ 67,000 crore for the national highways as compared to ₹ 57,676 crore in 2016-17. In addition the country also proposes to construct 2,000 km of roads for coastal connectivity. In addition, an allocation of ₹ 19,000 crore has been made towards the Pradhan Mantri Gram Sadak Yojana (PMGSY) to connect far flung habitats, which, along with the spending by the state governments, may result in a total capital expenditure of ₹ 27,000 crore.

Over the horizon

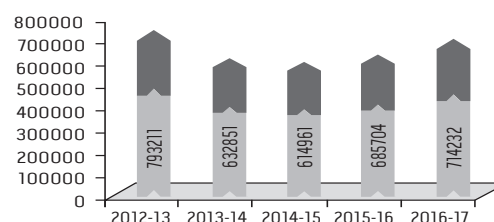
Setting a roadmap for the automobile industry for the next ten years, Government of India and Society of Indian Automobile Manufacturers (SIAM) have launched the second Automotive Mission Plan 2016-26 (AMP 2026).

AMP 2026 envisions that by 2026 the auto industry in India will be among the top three in the world in terms of engineering, manufacturing and export of vehicles as well as auto components and will encompass safe, efficient and environment friendly conditions for affordable mobility of people and transportation of goods in India. AMP 2026 is aiming a growth 3.5 to 4 times in value to about ₹ 1,616,000 - ₹ 1,888,500 crore by 2026. This will be based on a growth of 5.8% with an average GDP growth of 7.5% during this period.

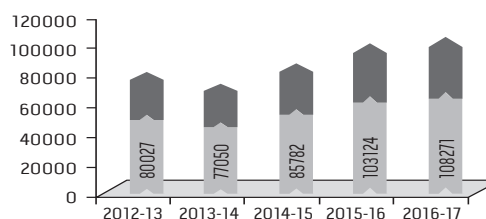
Commercial vehicle production



Commercial vehicle domestic sales



Commercial vehicle exports



Source : SIAM

Indian Railways

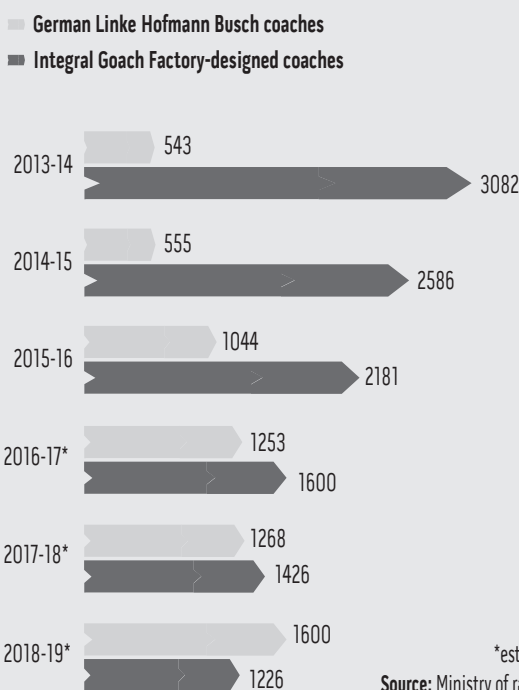
The national carrier, Indian Railways, with the fourth largest railways network in the world is poised for significant improvement funded by increasing budgetary support from the Government.

The Government has provided the much needed thrust to the Indian Railways through the largest ever allocation of ₹ 1.3 trillion to Indian Railways (an 8.26% increase over the ₹ 1.21 trillion allocated to the national carrier in 2016-17), with a gross budgetary support of ₹ 55,000 crore.

Among the highlights: A corpus of Rs 1 trillion for a rail safety fund to be spent over five years; solar power for 7,000 railway stations; redevelopment of 25 railway stations; 70 projects for construction and development through joint ventures with nine state governments; and commissioning of 3,500 km railway lines in 2017-18, up from 2,800km in 2016-17.

Over the medium-term, Indian Railways is planning to invest US\$142 bn over the next five years, and intends to double the investment in the next five-year cycle. To meet this ambitious goal, the Indian Railways has permitted 100% private sector

PRODUCTION OF COACHES



*estimates

Source: Ministry of railways

investments in the majority of railway infrastructure segments such as suburban rail, metro rail, locomotives and rolling stock, manufacturing and maintenance, signaling and electric works, and dedicated freight lines.

Further, as an aftermath of one of consecutive major train derailments since november 2016, the Indian Railways has decided to stop manufacturing Integral Coach Factory (ICF)-designed coaches by 2017 and opt for modern LHB ones. The Linke Hofmann Busch (LHB) coaches are made of stainless steel

and equipped with modern technology to prevent capsizing of coaches during derailment. As per the plan, manufacturing of ICF conventional coaches will be fully stopped from 2018-19 and production of LHB coaches will be expedited from 2017-18 in a big way to provide a safer and comfortable ride for passengers. According to the ministry of railways, the national carrier has around 1,253 LHB coaches at present. It has set a target of manufacturing 1,268 coaches in the next financial year and around 1,600 by 2019.

Company overview

Ramkrishna Forgings is one of India's leading forging companies that earned it the respect of leading corporates in India and across the globe for being a reliable supplier of quality forgings.

As a progressive organisation, the Company has made timely investments in capacity augmentation and upgradation enabling it to stay at the cutting-edge of technology. In addition, the Company's expertise in developing customised products has created a huge product basket – widening its opportunity canvass. These capabilities have earned the Company a preferred supplier status with leading globally-respected OEMs operating in India.

Ramkrishna Forgings has established a strong presence in the global market. It successfully commenced the supplies to Tier-1 customers in the US. The Company has also gained inroads in the European market by making a multiyear LTA of with a leading OEM for commercial vehicle. To strengthen its global presence, the Company has appointed marketing representatives in key markets namely Europe and Latin America. Further, the Company has cleared field audits with important international OEMs paving the way for firm contracts over the coming years. The Company enjoys preferred supplier status for leading OEM's in India and are global supplier for leading companies.

Strengths

- Proximity to raw material sources
- Investing in technology to remain cost competitive.
- New product development leading to widening of the opportunity canvass.
- Increasing share of business with the existing customers and developing new customers.
- Integrated facility that houses best-in class equipment for forging machining and heat treatment .
- High quality standards endorsed by global certifications, resulting in growing repeat and referral business.
- Graduated from manufacturing components to sub assemblies – which improves value addition.

Weaknesses

- Fragmented and un-organised industry
- Relatively low focus on R&D compared to OEM's and Tier-I players.

Opportunities

- Opportunities in the new geography of the export market.
- Thrust of the Indian Government for development of the Infrastructure.
- Opting for modern LHB coaches in lieu of Integral Coach Factory (ICF)-designed coaches by 2017.
- Implementation of the policy for scrapping of the old commercial vehicles.
- Improved demand of Class-8 trucks in the North American Markets.
- Reduced fuel prices strengthen the relevance of road transport; lowered interest rates strengthen the case for replacement of old vehicles
- Stricter implementation of the new emission, ABS braking and anti-overloading norms

Threats

- High Dependence of the Commercial vehicle segment.
- Concentration of exports in a particular geography.
- Volatility in international raw material prices.

Highlights, 2016-17

- Revenue from operation declined by 2.41% from ₹ 89,715.37 lakhs in 2015-16 to ₹ 87,551.05 Lakhs in 2016-17.
- Exports for the year declined by 35.92% to ₹ 25,725.13 Lakhs in 2016-17 from ₹ 40,147.63 lakhs in 2015-16.
- EBIDTA less other Income declined by 6.89 % from ₹ 17,671.25 Lakhs in 2015-16 to ₹ 16,454.46 lakhs in 2016-17.
- Net Profit for the year declined by 65.31 % from ₹5,488.94 lakhs in 2015-16 as compared to ₹ 1,903.90 lakhs in 2016-17.

Human resource

Ramkrishna Forgings strong position in its business space is largely owing to the painstaking efforts of its strong team. The Company has implemented various initiatives to create a worker friendly organisation that motivates its employees to improve business performance.

Training: Even as the Company increased its team strength, the management focused on enhancing the knowledge capital resident within the organization by enriching their capability matrix aligned to the dynamic business realities. In addition to an institutionalized training calendar, the Company

Initiatives, 2016-17

On the shop-floor

- Production increased by 7.14 from 76,904 tons in 2015-16 to 82,395 tons in 2016-17 .
- Capacity utilization of the press facility improved by 59.46 % from 14,736 tons in 2015-16 to 23,498 tons in 2016-17.
- Process improvements at the shop-floor facilitated in optimizing consumption of utilities and reducing wastages .
- Developed 209 new products in 2016-17

encouraged its team members to participate in external knowledge-sharing forums to gain and collaborate with sector experts to gain insights into industry best-practices and a governance-driven working culture. Training has been oriented towards managing skills for decision making and problem solving to ensure seamless business operations. The Company provided 9699 hours of training in 2016-17.

Training effectiveness: The Company adopted the Kirk Patrick Model for measuring training effectiveness. Pre and post training tests are conducted as a tool for gauging

effectiveness. This has helped in strengthening the learning culture within the organisation.

Employee engagement: Significant energy was invested in creating a 'fun at work' environment and creating an inclusive culture for our team. The engagement initiatives include its suggestion scheme, cross functional 5S zonal competition and birthday celebrations. The Company's has introduced 'Umang' initiative, a mass communication platform between the management and team members made considerable progress as extended discussions facilitated in growing operational and strategic awareness and cross pollination of ideas helped in improving business operations. The high engagement level within the Company helps stronger people understanding and fosters bonds beyond professional needs which, interestingly works as a catalyst in growing the business.

Performance and rewards: The Company undertakes regular appraisals wherein performers are periodically recognised. Recognition programs like the Employee of the Month, Best

Suggestion & Kaizen, Maximum Attendance award were institutionalised. Besides performance-linked incentive programs have been introduced to nurture employee motivation and raising employee benchmark.

Health protection: In order to protect the health of employees and to ensure healthy working environment, your Company has taken Group Health (Floater) Insurance policy and Group Personal Accident Insurance policy from ICICI Lombard General Insurance Company Limited. To build its leadership pipeline, the Company introduced a new talent management program for senior and mid management. This program aims to build leadership competencies of the selected members, enabling them to undertake a larger role in taking the organisation to the next level.

The Company implemented an ESOP scheme for the senior management – under which initially 3,23,675 shares options were issued to the senior management team -- strengthening the bond between the Company and its decision makers.

Analysis of financial statements

Statement of Profit and Loss

Revenue from operations: The net revenues for the financial year 2016-17 was ₹ 87,551.05 Lakhs as compared to ₹89,715.37 Lakhs, showing a decline of 2.41% on account of slowdown in the Class- 8 vehicles and excess inventory with our customers in North America. Revenue from exports decreased to

₹25,725.13 Lakhs in 2016-17 from ₹ 40,147.63 lakhs in 2015-16. The revenue in the domestic segment has grown from ₹46,658.07 lakhs in 2015-16 to ₹ 58,902.57 lakhs in 2016-17 on account of new product development undertaken by the Company.

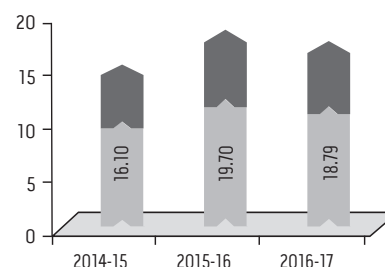
Revenue mix on Net Sales (by user segment)

User segment	2016-17 (%)	2015-16 (%)
Automotive	54.51	39.61
Railways	4.33	4.28
Mining	3.56	3.09
Exports	29.38	44.75
Exports Incentive	1.51	2.65
Others (incl. scrap)	6.71	5.62

Operating expenses: Operating expenses (total expenses less interest and depreciation and stock variation) decreased marginally by 1.32% from ₹ 72,044.12 Lakhs in 2015-16 to ₹ 71,096.59 Lakhs in 2016-17. Operating expenses as a percentage of net sales stood at 81.21% in 2016-17 against 80.30% in 2015-16.

Cost of material consumed: Material costs increased by 3.59% from ₹ 40,728.90 lakhs in 2015-16 to ₹42,192.33 lakhs in 2016-17. This increase was owing to an increase in production volumes from 76,904 tons in 2015-16 to 82,395 tons in 2016-

EBIDTA margin on net sales (%)



17 and capitalisation of the raw material in the last fiscal.

Employee expenses: It increased by 9.38% ₹ 7,387.08 lakhs in 2015-16 to ₹ 8,080.19 lakhs in 2016-17. This increase was primarily due to capitalisation of the employee benefit expenses in the last fiscal.

Finance cost: The interest liability increased by 39.65%, from Rs 5,238.62 lakhs in 2015-16 to Rs 7,315.88 lakhs in 2016-17. This increase was primarily due to capitalisation of the finance cost in the last fiscal, increase in borrowing during the fiscal and reduction of export financing due to decrease in exports. The interest cover stood at 2.28x in 2016-17 against 3.44x in 2015-16.

Profitability and margins: The EBITDA (EBIDTA less exceptional item less other income) decreased by 6.89% from ₹ 17,671.25 lakhs in 2015-16 to ₹ 16,454.46 lakhs in 2016-17. The EBITDA margin on net sales decreased by 90 bps from 19.70% in 2015-16 to 18.79% in 2016-17. The net profit after tax stood at ₹ 1,903.90 lakhs in 2016-17 as compared to ₹ 5,488.94 lakhs in 2015-16. The net margin stood at 2.17% in 2016-17 as against 6.12% in 2015-16.

Balance Sheet

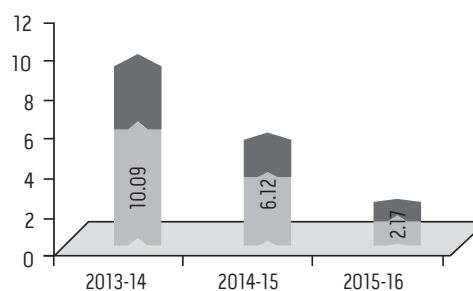
Capital employed: The capital employed in the business increased by 1.18%, from ₹ 1,38,850.04 lakhs as on March 31, 2016 to ₹ 1,40,488.51 lakhs as on March 31, 2017. The return on average capital employed stood at 7.02% in 2016-17 as against 9.95% in 2015-16.

Shareholders' funds: The balance under this head increased by 4.12%, from ₹ 47,150.16 lakhs as on March 31, 2016 to ₹ 49,091.40 lakhs as on March 31, 2017. This increase was on account of plough back of business profits at the year end.

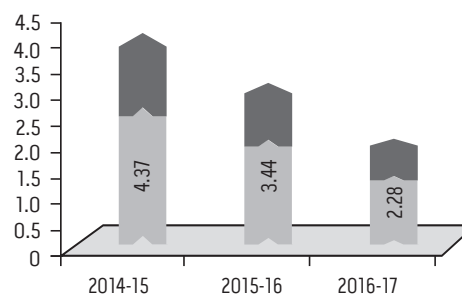
External funds: The Company's debt portfolio decreased marginally by 1.03%, from ₹ 86,272.79 lakhs as on March 31, 2016 to ₹ 85,387.24 lakhs as on March 31, 2017. The debt-equity ratio stood at 1.74x as on March 31, 2017 against 1.83x as on March 31, 2016.

Gross block: The Gross Block increased by 7.25% ₹ 115,418.26 lakhs as on March 31, 2016 to ₹ 123,789.66 lakhs as on March 31, 2017 – on account of machining and normal capital expenditure in the Company.

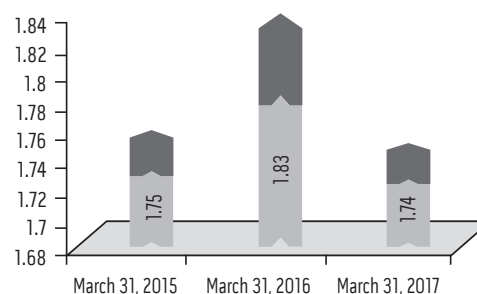
Net margin (%)



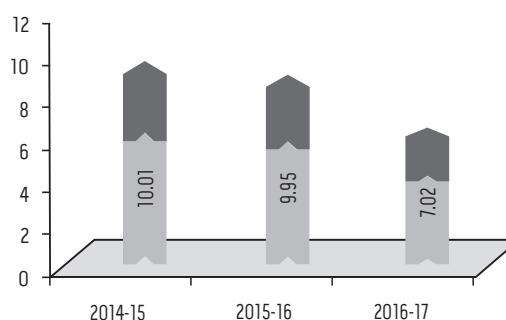
Interest cover (x)



Debt-equity (x)



ROACE(%)



Internal audit and control

The Company has in place adequate systems of internal controls and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting control, monitoring economy and efficiency of the Company, protecting assets from unauthorised use or losses and ensuring reliability of financial and operational information. The internal controls are designed to ensure that financial and other records are reliable for preparing financial statements, collating other data and for maintaining accountability of assets.

Managing business uncertainties

At Ramkrishna Forgings, risk management is an integral part of its business model, focusing to mitigate adverse impact of risks on business objectives. The Company leverages its more than three-decade rich experience to allay shareholder apprehension about its growth and profitability prospects.

Industry risk: Subdued performance of the key user sectors could dampen growth prospects for the Company.

Mitigation: India's automobile industry is expected to grow at a brisk pace owing to by the gradual acceptance of advance trucking platforms, the progression to Bharat Stage VI emissions norms and the introduction of technologies, such as anti-lock braking systems. In addition, the advent of GST is expected to provide significant impetus to the growth of the Indian commercial vehicle sector over the coming years.

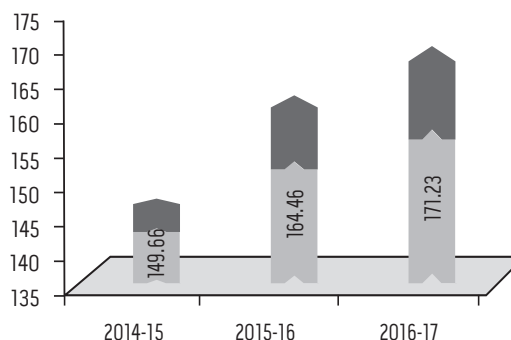
In addition to favourable regulatory developments, the increasing thrust towards infrastructure projects and resumption of mining activities would also support demand.

Further the Government has laid considerable emphasis on strengthening the railway network and improving train infrastructure to match global standards. These factors are expected to create robust demand for forging over the coming years.

Competition risk: Intensifying competitions could impact profitable business growth over the coming years.

Mitigation: The Company's more than three decades rich experience in the forging industry has enabled it to proactive draw and implement strategies to stay ahead of the competitive curve. Over the years, the Company has strengthened its competitive advantage by progressive investments in cutting-edge technology. This has improved product quality and product development capabilities strengthening its ties with existing customers and adding new customers to its client list. In addition, the Company has strategized to establish a strong presence in complex components which has positioned

Book Value (₹)



it as a partner of choice with leading automobile component manufacturers.

Quality risk: Inconsistent product quality could jeopardise credibility with the customer impacting business relations.

Mitigation: The Company's business operations are aligned to stringent global benchmarks ISO 9001:2008, TS-16949:2009 which ensures that it delivers quality products to its customers consistently. The Company has invested in a world-class quality assurance laboratory with best in class equipment's which ensure that all promises are delivered consistently. These initiatives have cemented greater trust between the Company and its clients.

Concentration risk: Over dependence on a single geography or a handful of customers could be detrimental to the Company's growth

Mitigation: From a complete India-centric business, the Company has successfully established a strong presence in the US markets. As a further de-risking, the Company is focusing its energies on entering the European markets – significantly widening its opportunity canvass. The Company has also developed new products for the existing and new customers thereby widening the canvas of the products supplied to them.

Capacity risk: Insufficient manufacturing infrastructure could hamper the Company is reaching its growth aspiration.

Mitigation: The Company's capacity utilization was low due to the recently commissioned capacity. The addition of new customers and products during 2016-17 is expected to improve its capacity utilization over the coming years – driving economies of scale and making the business more profitable.

Cautionary statement

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Corporate Governance Report

for the Financial Year 2016-17

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

1. Company's Philosophy on Corporate Governance

At Ramkrishna Forgings Limited (RKFL), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. Our Governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. Your Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. Your Company believes that sustainable and long term growth of every shareholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of the society, building of the environmental balance and significant contribution in economic growth. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a formidable forging company, while upholding the core value of transparency, integrity, honesty and accountability, which are fundamental.

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mind-set of the organisation. We are committed to meet the aspirations of all our stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demand of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Auditors and the Senior Management. Our employee satisfaction is reflected in the stability and low attrition of our senior management. It been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, inducting competent professionals across the organisation and putting in place the best system, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

The Company is committed to pursue growth by adhering to the highest standards of Corporate Governance. The Company aims to maximise shareholder value through achieving business excellence. The Company is driven by the demands of its customers and it cares to meet their needs. It is committed to maintain the international quality standards, efficient delivery schedule and competitive prices.

Ethics/Governance Policies

At RKFL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- Code on prevention of Insider Trading.
- Vigil Mechanism /Whistle Blower Policy.

- Policy for Transactions with Related Parties.
- Corporate Social Responsibility Policy.
- Policy for determining Material Subsidiary.
- Remuneration Policy for the Members of the Board and Executive Management.
- Policy on prevention of Sexual Harassment.
- Risk Management Policy.
- Board Diversity Policy.
- Policy of Preservation of Documents of the Company.
- Material Subsidiary Company Policy.
- Archival Policy of the Company.

Role of the Company Secretary in overall governance process.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors including the agenda and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He attends all the meetings of the Board/ Committee in the capacity of secretary and advises /assures the Board on compliances. He interfaces between the management and regulatory authorities for governance matters. The Compliance Officer is also responsible for:

- ensuring conformity with the regulatory provisions applicable to the Company in letter and spirit.
- co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
- ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the Company under various regulations.
- monitoring email address of grievance redressal division as designated by the Company under these regulations for the purpose of registering complaints by investors.

2. Board of Directors

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board of the Company is independent in making its decisions and also capable and committed to address conflicts of interests and impress upon the functionaries of the Company to focus on transparency, accountability, integrity and responsibility.

Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meeting. In accordance with the Articles of Association of the Company, all Directors, except Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. The executive directors on the Board have been appointed as per the provisions of the Companies Act, 2013 and serve in accordance with the terms of their service with the Company.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.
- The Independent Directors can serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and Listing Regulations.

As on 31st March 2017 the Company's Board consists of ten directors out of which seven are non-executive directors. The Company has an optimum combination of executive and non-executive directors with one woman director. It has an executive chairman and seven independent directors. None of the directors serve as independent director in more than seven listed companies and no whole time director of the company serve as independent director in any of listed companies. Further, none of the directors is a member of more than 10 committees or chairman of more than 5 committees across all the listed companies in which he is a director. Necessary disclosures regarding committee positions in other companies as on 31st March, 2017 have been made by the directors. The composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Board meets regularly to review among other things the strategic, operational and financial matters of the Company. The Board has also delegated its powers to the Committees. The Agenda of the meeting is circulated to all the Directors in advance and all material information is provided to facilitate meaningful and focussed discussion at the meeting. The Board reviews the compliance of the applicable laws in the board meeting. The budgets for the financial year is discussed with the Board at the commencement of the financial year and the comparison of the quarterly/annual performance of the Company vis-a-vis the budgets is presented to the Board before taking on record the quarterly /annual financial results of the Company. The Board is also given presentation covering the financial and other aspects of the Company before taking on record the quarterly /annual financial results of the Company. The Board has unrestricted access to all the Company related information including that of our employees. At board meetings, managers and representatives who are capable of additional insights into the items being discussed are invited. The requisite information as required is provided to the Board.

The information that is normally placed before the Board includes:

- General notices of interest of Directors.
- Appointment / Resignation and Remuneration of Directors, including Commission payable, if any.
- Declaration received from directors for any change in their directorship.
- Annual declaration by Directors about their qualification/disqualification (if any).
- Declaration by Independent Directors at the time of appointment/annually.
- Formation/Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of the meetings of the Board, Audit Committee and other Committees of the Board.
- Consider the formation of subsidiary company.
- Minutes of the board meetings of unlisted subsidiary companies.
- Appointment/Resignation and Remuneration of Key Managerial Personnel (KMP).
- Appointment/Resignation of Senior Managerial Personnel one below the level of Board of Directors and KMP's and fixing their remuneration.
- Appointment of Internal, Cost & Secretarial Auditors and fixing their remuneration.
- Appointment/Reappointment of Registrar/Share Transfer Agent.
- Status of all the Legal cases pertaining to the Company.
- Significant changes in accounting policies and internal controls, if any.
- Status of the statutory payments made by the Company.
- Annual operating plans of businesses, budgets and any updates.
- Capital budgets and any updates.
- Any change in the banking limits of the Company.
- Annual financial results, financial statements, auditor's report and board's report alongwith the annexures.
- Quarterly results of the Company.
- Dividend declaration.
- Sale of material nature, investments, subsidiaries and assets, if any, which is not in the normal course of the business.

- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- Quarterly reconciliation of share capital audit certificate.
- Annual secretarial audit report as issued by the secretarial auditors.
- Issue of Securities.
- Recommending appointment/ratification of and fixing of the remuneration of the statutory auditors as recommended by the Audit Committee.
- Review of the functioning of the subsidiary.
- Related party transactions.
- Borrowing of the money, giving guarantees or providing security in relation to the loan.
- Compliance certificate certifying compliance with all the laws, as applicable to the Company.
- Proposals for investments, mergers and acquisitions, if any.
- Details of any joint venture, acquisitions of companies or collaboration agreement, if any.
- Making of loans and investment, if any, of surplus funds.
- Non compliance of any regulatory, shareholder service, statutory or listing requirements if any.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Significant labour problems and their proposed solutions, if any.
- Periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- Any significant development in human resources/ industrial relations front like implementation of Voluntary Retirement Scheme etc if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Framing and approval of different policies that are required under various Acts, Rules and Regulations.
- Evaluation of performance of Directors and Board as a whole.
- Authorising personnel for communicating with the external shareholders.
- Quarterly Investor complaints.
- Complaints, if any, received under whistle blower policy.
- To consider the annual disclosures received and status of violation, if any, of the code of conduct for Directors and Senior Management.

Meetings, Attendance, Directorships/Chairmanships-

During the Financial Year 2016-17, 4(four) board meetings were held i.e. on 21.05.2016, 13.08.2016, 12.11.2016 and 11.02.2017. The gap between two consecutive board meetings did not exceed one hundred and twenty days. The details of the composition of the Board, category of Directors, attendance of each Director at the Board meeting, last Annual General Meeting and the number of Directorship and Chairmanship / Membership of Committee of each Director in other public Companies are as follows:-

Name of the Director	Category	Attendance particulars		No. of Directorship and other Committee Membership/Chairmanship (excluding RKFL)		
		Board Meeting	Last AGM	Directorship	Committee membership	Committee Chairmanship
Mr. Mahabir Prasad Jalan	Chairman, Executive	4	No	2	0	0
Mr. Naresh Jalan	Managing Director, Executive	4	Yes	2	0	0
Mr. Pawan Kumar Kedia	Wholetime Director, Executive	4	Yes	1	0	0
Mr. Padam Kumar Khaitan	Non-Executive, Independent	3	No	9	3	2
Ms. Aditi Bagri	Non-Executive, Independent	4	Yes	0	0	0
Mr. Amitabha Guha	Non-Executive, Independent	4	Yes	4	4	0
Mr. Ram Tawakya Singh	Non-Executive, Independent	4	Yes	0	0	0
Mr. Yudhisthir Lal Madan	Non-Executive, Independent	4	Yes	1	0	1
Mr. Partha Sarathi Bhattacharyya*	Non-Executive, Independent	2	Yes	5	0	1
Mr. Sandipan Chakravorty*	Non-Executive, Independent	2	Yes	3	0	0

*Joined the Board as Directors w.e.f. 21st May 2016.

Notes:

- For the purpose of considering the limit of the companies on which a director can serve, all public limited companies, whether listed or not, has been included and all other Companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.
- For reckoning the limit of public limited companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company has been included.
- Chairmanship/Membership of only Audit Committee and Stakeholder Relationship Committee has been considered of other public limited companies.
- None of the Directors except Mr. Mahabir Prasad Jalan and Mr. Naresh Jalan are related to any other Director.
- None of the Directors have any business relationship with the Company.
- None of the Directors received any loans and advances from the Company during the year.
- All the Directors have certified that the disqualifications mentioned under Section 164(2) of the Companies Act, 2013 are not applicable to them.
- None of the Independent Directors hold any shares or convertible instruments in the Company.

Familiarisation Programme of the Directors

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business were made at the Board Meetings held during the year. They are also made to attend seminars in order to improve Board's effectiveness and to update themselves on relevant statutory changes. The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Apart from this, they also have independent interactions with the statutory auditors, the internal auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

The details of such familiarization programmes has been uploaded on the Company's website for public information at the following web link <http://www.ramkrishnaforgings.com/policies.html>

Board Meetings

During the Financial Year 2016-17 the Company has held four Board meetings. The details of the Board meetings are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	21.05.2016	8	7
2	13.08.2016	10	10
3	12.11.2016	10	9
4	11.02.2017	10	9

Circular Resolution(s)

During the year under review, a circular resolution for approval was sent to all the Directors on 13th May, 2016 and was passed by circulation by the majority of Directors on 14th May, 2016 for appointment Mr. Ram Tawakya Singh as the Chairman of the Stakeholder Relationship Committee and the Member of the Nomination and Remuneration Committee on account of resignation of Mr. Satish Kumar Mehta from the Board and the Committee ship positions. The same was placed before the Board at its meeting dated 21.05.2016.

Independent Directors

The Independent Directors play an important role in deliberations and decision making at the Board Meeting and bring to the Company wide experience in their respective fields. They also contribute in significant measure to Board Committees. Their Independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an objective view in instances where (potential) conflicts of interest may arise between stakeholders.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession, and who can effectively contribute to the Company's business and policy decisions, are considered by the Nomination and Remuneration Committee for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Meeting of Independent Directors

The Company's Independent Directors met once in the Financial Year 2016-17 on 4th March, 2017 without the presence of executive directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views before the Board. The Independent Directors take appropriate steps to present their views to the Chairman and Managing Director.

The Independent Directors inter alia, considered the following matters in their meeting.

- Evaluation of the performance of the Board.
- Evaluation of the performance of the Non- Independent Directors.
- Evaluation of the performance of the Chairman of the Company.
- Review of the quality of flow of information from management to the Board.

COMMITTEES OF THE BOARD

At present, there are five Board Committees viz.

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholder Relationship Committee,
- Management and Finance Committee,
- Corporate Social Responsibility (CSR) Committee,

The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the members of the Committees for their comments and approved in next committee meeting and also placed in the subsequent Board meetings for noting. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

A) Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the responsibilities of the Board the Company has in place an Audit Committee constituted as a sub Committee of the Board in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. Most of the members of the Audit Committee possess financial / accounting expertise and exposure. The Audit Committee helps to enhance the shareholders' confidence by promoting accountability and also acts as a catalyst for effective financial and auditing practices.

Composition

The Audit Committee consists of three non-executive independent directors namely:

- 1) Mr. Yudhisthir Lal Madan – Chairman
- 2) Mr. Amitabha Guha – Member
- 3) Ms. Aditi Bagri – Member

The Audit Committee meetings are also attended by the Finance Director, Chief Financial Officer (CFO), the respective Departmental Heads, if required, the Statutory Auditors and the Internal Auditors. The Company Secretary acts as the secretary of the Committee. They can also seek legal and other professional advice as and when required.

Meetings and Attendance

During the year 2016-17 the Committee has met five (5) times.

1. The details of the Audit Committee meetings held during the Financial Year 2016-17 are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	11.04.2016	3	2
2	20.05.2016	3	3
3	12.08.2016	3	3
4	11.11.2016	3	2
5	10.02.2017	3	3

2. Attendance record at the Audit Committee meeting:

Name	Category	No. of Meetings held during the year	No. of Meeting(s) Attended
Mr. Yudhisthir Lal Madan (Chairman)	Independent.	5	5
Mr. Amitabha Guha	Independent.	5	4
Ms. Aditi Bagri	Independent.	5	4

The necessary quorum was present at all the meetings.

Terms of Reference

The terms of reference of the Audit Committee as stipulated by the Board are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position, sufficient and credible.
- b) Recommending to the Board the appointment, reappointment, ratification and, if required, replacement or removal of the statutory auditors and the fixation of audit fees.
- c) Approval of the payment to statutory auditors for any other service rendered by them.
- d) Reviewing with the management the annual financial statement before submission to the Board focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgement by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statement.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report, if any.
 - The going concern assumption.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h) Approval or any subsequent modification of transactions of the Company with related parties.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the Company, wherever it is necessary.
- k) Evaluation of internal financial controls and risk management systems.
- l) Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with the internal auditors about any significant findings and follow-up thereon.
- o) Reviewing the findings of the internal investigations by the Internal Auditors into the matters where there is a suspected fraud or irregularity or the failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with the statutory auditors before the audit commences, nature and the scope of the audit as well as post – audit discussions to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.
- r) Reviewing the functioning of the whistle blower mechanism.
- s) Approval of appointment of CFO or any other person heading the finance department or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.

- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee inter alia has reviewed the following information:

1. Management Discussion and Analysis of financial conditions and results of operations.
2. Statement of the related party transactions submitted by the management.
3. Management letter / letter of internal control weakness, if any, issued by the Statutory Auditors.
4. Recommend the appointment/ratification of the statutory auditors to the Board.
5. Discussion on the internal audit report and the appointment, scope, terms of remuneration and removal of the internal auditors.
6. Review of the annual/quarterly financial statements and the auditors report thereon.
7. Review of the annual financial statements of the subsidiary company.
8. Review of the financial statements vis-a vis of the approved budgets of the Company.
9. Review of the status of the applicable statutory compliances of the Company.
10. Payments made to the statutory auditors.
11. Matters required to be included in the Director's Responsibility Statement as per Section 134(5) of the Companies Act, 2013.
12. Review of the adequacy of the internal financial control and risk management systems of the Company.
13. Scrutiny of the inter corporate loans and investments and corporate guarantees.
14. Conversion of loan given by the Company into equity and fix the price for conversion.
15. Recommend the appointment, terms of remuneration of the Cost Auditors to the Board.
16. Appointment of the Chief Financial Officer of the Company after assessing the qualification, experience, background etc.
17. Review and recommend to the Board amendment in the Policy for determining Material Subsidiary and Policy for Transaction with Related Parties.
18. Approval of Related Party transactions.

The Chairman of the Audit Committee appraises the Board about the significant discussions of Audit Committee meeting.

B) Nomination and Remuneration Committee

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted a Nomination & Remuneration Committee ("NRC") to oversee the Company's nomination (appointment) process for the Directors & Senior Management and to decide their salary, perquisites and commission / performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Policy, merit and Company's performance. The Committee is also responsible for the implementation, administration and superintendence of the ESOP scheme(s) of the Company through a trust.

The Committee also co-ordinates and oversees the annual self-evaluation of the performance of the individual Directors including Independent Directors as per the Board evaluation policy of the Company.

Composition

The NRC comprises of three Independent Non-Executive Directors.

- 1) Mr. Padam Kumar Khaitan, Chairman.
- 2) Mr. Yudhisthir Lal Madan
- 3) Mr. Ram Tawakya Singh*
- 4) Mr. Satish Mehta**

*Inducted in the Committee w.e.f. 14th May, 2016.

**Resigned w.e.f. 9th May, 2016.

Meetings and Attendance

1. During the Financial Year 2016-17, the Committee met thrice (3) as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	21.05.2016	3	2
2	13.08.2016	3	3
3	11.02.2017	3	3

2. Attendance record at the Nomination and Remuneration Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Padam Kumar Khaitan, Chairman	Independent	3	2
2	Mr. Ram Tawakya Singh	Independent	3	3
3	Mr. Yudhisthir Lal Madan	Independent	3	3

Terms of Reference

Terms of reference of Nomination and Remuneration Committee broadly includes the roles, powers and duties as vested under Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is also responsible for the implementation, administration and superintendence of the ESOP scheme(s) of the Company through a trust. It also comprises decision for remuneration payable to managerial personnel from time to time, deciding remuneration policy of the Company.

The Committee is responsible to:

- Determine the policy on the remuneration package for executive directors.
- Determine the remuneration package of the executive directors (including any commission payable to them).
- Such other matters as may be required to be considered as per the provisions of the Companies Act, 2013, Listing Regulations and other applicable statutes.
- Issue necessary guidelines to the ESOP Trust for the accomplishment of the ESOP Scheme (s).
- Determine the quantum of options to be granted under any ESOP Scheme(s) per employee and in aggregate.
- Determine the conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
- Determine the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period.
- Determine the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- Determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- Determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- Determine the grant, vest and exercise of option in case of employees who are on long leave.
- Determine the pricing/re-pricing of the stock options.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- xv) Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- xvi) Ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- xvii) Ensure remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- xviii) Devise and review the policy on Board diversity;
- xix) Formulate criteria for evaluation of performance of independent directors and the board of directors
- xx) Determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Details of Remuneration of Directors

The details of the remuneration paid to the Executive Directors for the financial year 2016-17 are as follows: (₹ in Lakhs)

Sl. No.	Name of Director	Salary	Others	Commission	Total
1	Mr. Mahabir Prasad Jalan	122.40	105.89	0	228.29
2	Mr. Naresh Jalan	101.76	70.22	0	171.98
3	Mr. Pawan Kumar Kedia	16.16	18.19	0	34.35
	Total				434.62

Note:

- (a) Mr. Mahabir Prasad Jalan is the father of Mr. Naresh Jalan. Apart from them, no other Directors are in any way related to each other.
- (b) Salary represents Basic Salary. Others include House Rent Allowance and other Allowances, Medical Reimbursement, Bonus, Leave Travel Allowance/Re-imbursements, Perquisites, Lease Rent, Contribution to National Pension Scheme, Leave encashment and Contribution to Provident Fund but exclude Provision for Leave Encashment and Gratuity which is based on actuarial valuation provided on overall basis in the books of accounts.
- (c) The excess managerial remuneration has been paid to Mr. Mahabir Prasad Jalan for ₹ 65.62 lakhs and ₹ 106.38 Lakhs respectively during the financial year 2012-13 and 2013-14 for which representation is still pending with the Central Government. However, the excess amount so paid, has been refunded during this financial year and credited to employee benefit expenses.
- (d) The appointment of Executive Directors is governed, in general, by resolution passed by the Board & Shareholders of the Company which covers the terms and conditions of such appointment. No separate service contract is being/has been entered with the Company. There are no specific provisions prevailing regarding severance fee in the resolution for the appointment. The notice period is governed by the applicable provisions and guidelines.
- (e) Mr. Mahabir Prasad Jalan and Mr. Naresh Jalan, being the promoters of the Company are not eligible for grant of Options under the ESOP Scheme 2015 of the Company.
- (f) Mr. Pawan Kumar Kedia has been granted 9635 stock options at the Board Meeting held on 7th November, 2015. The options have been initially granted at 90% to the market price prevailing on the date of the grant. The exercise price was changed to ₹ 400 per share by a special resolution of the shareholders in the Annual General Meeting held 24th September, 2016. The grants as determined by Nomination and Remuneration Committee will be vested in the 3rd, 4th and 5th year from the date of the grant and can be exercised over a maximum period of 4 years from the date of vesting of such options.

Details of Sitting Fees to Non-Executive Directors

The Non-Executive Directors of the Company have not been paid any other remuneration apart from the eligible sitting fees for attending the meetings. The Non-Executive Independent Directors do not have any material pecuniary relationship or transaction with the Company. The details of the sitting fees paid to the Non-Executive Directors for attending Board & Committee Meetings for the Financial Year 2016-17 are as follows:

(₹ in Lakhs)

Sl. No.	Name of Director	Sitting Fees
1	Mr. Ram Tawakya Singh	3.35
2	Mr. Padam Kumar Khaitan	2.50
3	Mr. Amitabha Guha	3.50
4	Ms. Aditi Bagri	3.50
5	Mr. Yudhisthir Lal Madan	4.20
6	Mr. Sandipan Chakravorty	1.50
7	Mr. Partha Sarathi Bhattacharyya	1.50
	Total	20.05

Details of Shareholding in the Company by Directors

Details of shares of the Company held by the Directors as on 31st March, 2017 are as below:

Sl. No.	Name of Director	No. of shares held	% of Total Holding
1	Mr. Mahabir Prasad Jalan	4,51,000	1.57
2	Mr. Naresh Jalan	2,85,750	1.00
3	Mr. Pawan Kumar Kedia	13,629	0.05

Other than the above, none of the Directors hold any shares in the Company. The Non- Executive Directors do not hold any convertible Instruments.

C. Stakeholder Relationship Committee

The Company has in place a Stakeholder Relationship Committee of Directors in terms of Section 178 (5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations. The Committee considers and resolves the grievances of the shareholders of the Company including complaints related to transfer and transmission of shares, non-receipt of annual report and non-receipt of declared dividends and such other grievances as raised by the shareholders, if any.

The composition of the Stakeholder Relationship Committee is given below:

Name	Category
Mr. Ram Tawakya Singh (Chairman)*	Independent Director
Mr. Yudhisthir Lal Madan	Independent Director
Mr. Satish Kumar Mehta** (Past Chairman)	Non-executive Director

*Inducted in the Committee w.e.f. 14th May, 2016.

**Resigned w.e.f 9th May, 2016.

Meetings and Attendance

During the Financial Year 2016-17, the Stakeholders Relationship Committee met 4 times. These meetings were held on 21.05.2016, 13.08.2016, 12.11.2016 and 11.02.2017.

Attendance record at the Stakeholders Relationship Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Ram Tawakya Singh (Chairman)	Independent Director	4	4
2	Mr. Yudhisthir Lal Madan	Independent Director	4	4

Compliance Officer

Mr. Rajesh Mundhra, Company Secretary, who is the Compliance Officer, can be contacted at:

Ramkrishna Forgings Limited.

"Ramkrishna Chambers",
72, Shakespeare Sarani,
Kolkata - 700017

Details of complaints received and redressed:

The details regarding complaints received and resolved during the Financial Year 2016-17 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	13	13	Nil

D. Management and Finance Committee**Composition**

The Management and Finance Committee of the Board comprises of three Directors namely,

- 1) Mr. Mahabir Prasad Jalan
- 2) Mr. Naresh Jalan
- 3) Mr. Padam Kumar Khaitan

The Company Secretary acts as the secretary of the Committee.

Meetings and Attendance

During the year 2016-17 the Committee has met twice.

The details of the Management and Finance Committee meetings held during the Financial Year 2016-2017 are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	06.11.2016	3	3
2	25.01.2017	3	3

Attendance record at the Management and Finance Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Mahabir Prasad Jalan, Chairman	Non Independent Executive.	2	2
2	Mr. Naresh Jalan	Non Independent, Executive	2	2
2	Mr. Padam Kumar Khaitan	Independent, Non-Executive	2	2

Terms of Reference

The Committee will act in accordance with the provisions of the Companies Act, Listing Regulations and any other applicable laws and also monitor and review day-to-day financial and legal matters of the Company. The Minutes of the Committee is placed at the subsequent Board Meeting for noting.

The terms of reference of the Management and Finance Committee include the followings:

1. To borrow monies (secured and/or unsecured) from Bank(s)/NBFC(s)/Financial Institution(s) within the limits as approved by the Board and to take working capital loan of any amount within the Maximum Permissible Bank Finance (MPBF) and Non-Fund based facilities within the limit as assessed by the respective Banks/Financial Institutions from time to time and car loans for employees/Directors.
2. To undertake opening/Closure of the bank account.
3. To institute or withdraw any suit or other legal proceedings, to refer to arbitration any dispute or difference and to prosecute or defend any bankruptcy or insolvency proceedings.
4. To apply for excise, vat and sales tax registration as required by the Company and authorise appointment or changes in the authorised signatories for above.
5. To apply for PF, ESI and any other registration/licence that will be required by the Company in the normal course of business and authorise appointment or changes in the authorised signatories for above.
6. To appoint occupier under the Factories Act.
7. Approve appointment or changes of authorized signatories for bank accounts

8. Authorize for affixation of Common Seal of the Company on any or all documents as required by the Bank/Banks for execution of documents.
9. Empower any of its officer/officers of the Company either singly or jointly to execute any documents for any facility granted by the Banks/Financial Institutions.
10. Empower any of the officer/officers of the Company to execute / file the requisite particulars of charge with the Registrar of Companies upon execution of the Deed of Hypothecation/Indenture/Unattested Deed of Hypothecation or any other documents from time to time.

E. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee has formulated and adopted the CSR Policy. It discusses the activities to be undertaken under the CSR Policy; recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the Company. The Company has formed four (4) CSR 'Yojnas' under which it expends for its CSR projects. The four Yojnas are:

- 1) Ramkrishna Shiksha Yojna,
- 2) Ramkrishna Swastha Yojna,
- 3) Ramkrishna Jankalyan Yojna
- 4) Ramkrishna Sanskriti Yojna

The Company Secretary acts as the secretary of the Committee.

The Corporate Social Responsibility Committee of the Board comprises of three Directors namely,

- 1) Mr. Ram Tawakya Singh, Chairman
- 2) Mr. Mahabir Prasad Jalan
- 3) Mr. Naresh Jalan

Meetings and Attendance

During the Financial Year 2016-17, the Committee met four (4) times, the details of which are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	21.05.2016	3	3
2	13.08.2016	3	3
3	12.11.2016	3	3
4	11.02.2017	3	3

2. Attendance record at the Corporate Social Responsibility Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Ram Tawakya Singh, Chairman	Independent	4	4
2	Mr. Mahabir Prasad Jalan	Non Independent.	4	4
3	Mr. Naresh Jalan	Non Independent	4	4

Terms of Reference

The scope and functions of the Committee would be as specified above to make it compatible with the requirements of Section 135(1) Companies Act, 2013

The terms of reference of the Corporate Social Responsibility Committee include the followings:

- formulate and recommend a CSR policy to the board, indicating the activities as specified in Schedule VII of the Act.
- recommend the amount of expenditure to be incurred on the activities indicated in the policy.
- monitor the CSR policy regularly of the Company from time to time.

General Body Meetings:

The details of the last three years Annual General Meetings are given below:

Financial Year	Details of Location	Date	Time	No. of Special Resolutions Passed
2015-2016	"Kalakunj", 48, Shakespeare Sarani, Kolkata- 700017	24.09.2016	11.15 AM	1) Reappointment of Mr. Mahabir Prasad Jalan (DIN:00354690), as Wholtime Director of the Company for a period of 5 years w.e.f 5th November, 2016. 2) Re-pricing the exercise price for the outstanding options issued pursuant to the Initial Grant under the RKFL ESOP 2015, from 90% of the market price prevailing on the date the options were granted to ₹ 400/- per option.
2014-2015	Indian Council for Cultural Relations, Kolkata, 9 A, Ho Chi Minh Sarani, Kolkata-71	12.09.2015	10.45 AM	1) To finalize with the lending agencies / trustees, the documents for creating the mortgages, charges and/or hypothecations and to accept any modifications to the terms and conditions of the documents under section 180(1)(a) of the companies act, 2013. 2) To increase the limit under section 180(i)(c) to ₹ 2500 crores. 3) Amendment of Articles of Association of the Company. 4) Formulation and implementation of the Ramkrishna Forgings Limited - Employee Stock Option Plan 2015 5) Consent to secondary acquisition of shares for implementation of the ESOP plan 2015 6) To grant loan to the Ramkrishna Forgings Limited Employee Welfare Trust, provide security or guarantee in connection with a loan granted within the limits.
2013-2014	Kalakunj, 48, Shakespeare Sarani, Kolkata-700017	17.06.2014	11.45 AM	1) To issue and allot upto 12,00,000 Warrants convertible into Equity shares of ₹ 10 each of the company, by way of Private Placement/ Preferential issue, to M/s Riddhi Portfolio (P) Ltd, Promoter group at a price of ₹ 150 per Warrant. 2) To finalize with the Lending Agencies / Trustees, the documents for creating the mortgages, charges and/or hypothecations and to accept any modifications to the terms and conditions of the documents under Section 180(1)(a) of the Companies Act, 2013. 3) To increase the limit under Section 180(i)(c) to ₹ 1,300 Crores. 4) To amend the Articles of Association as per the Companies Act, 2013.

During the year, no resolutions have been passed through postal ballot. However the Company has passed the under-mentioned resolutions through postal ballot:

- for payment of minimum remuneration to Mr. Mahabir Prasad Jalan & Mr. Naresh Jalan on 5th May, 2017 in accordance with the provision of Section 197 read with Section II of part to of Schedule V of the Companies Act, 2013.
- for approval of a QIP issue upto ₹ 200 Cr, increase in the Authorised Share Capital, subsequent amendment in the Memorandum of Association and increase in the FII /FPI Limit to 49 % of the paid up capital on 30th June,2017.

Means of Communication:

Quarterly results: The Company's quarterly results are published in 'Business Standard' (all editions) and 'AajKaal' Bengali (vernacular) newspaper and are displayed on website www.ramkrishnaforgings.com.

News releases, presentations, among others: Official news releases and official media releases are sent to Stock Exchanges and are displayed on website www.ramkrishnaforgings.com.

Presentations to institutional investors / analysts: Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results through earnings call. The presentations made are also uploaded on the Company's website www.ramkrishnaforgings.com.

Website: The Company's website www.ramkrishnaforgings.com contains a separate dedicated section 'Investor Relations' where shareholder's information is available. The Company's Annual Report is also available in a user friendly and downloadable form.

Annual Report: The Annual Report containing, inter alia, audited standalone financial statement, consolidated financial statement, director's report, auditor's report, corporate governance report and other important information is circulated to members and others entitled thereto.

Management Discussion and Analysis (MDA) Report: The Report on MDA is annexed to the Director's report and forms part of the Annual Report.

Disclosures to Stock Exchanges: The Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

Board Meetings and General Meetings Notices, etc: The Company also communicates the dates of Board Meetings and General Meetings, Notice of Postal Ballot and e-voting, etc. as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 through Stock Exchanges, newspaper publications and by posting on the Company's website.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre: BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Dedicated email ID - rajesh@ramkrishnaforgings.com & neha.gupta@ramkrishnaforgings.com

General Shareholders Information

a) Annual General Meeting:

Date & Time : 16th day of September, 2017 (Saturday) at 11.00 A.M.

Venue : "Satyajit Ray Auditorium", Indian Council for Cultural Relations, 9 A, Ho Chi Minh Sarani, Kolkata- 700 071

b) Financial Calendar:

The Financial Year of the Company is April 2017 to March 2018.

The probable dates for the publication of the quarterly results for the Financial Year 2017-18 will be within the period as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof and the Audited Financial Results for the year will be published within 60 days from the end of the Financial year. Dividend Warrants will be posted to the shareholders or dividend will be paid within 30 days from the date of AGM.

c) Date of Book Closure : 9th September, 2017 to 16th September, 2017(Both Days Inclusive)

d) Listing on Stock Exchange and Depositories:

- 1) Bombay Stock Exchange Limited (BSE) located at - P. J. Towers, Dalal Street, Mumbai - 400 001.
- 2) The National Stock Exchange of India Limited (NSE) located at - Exchange Plaza, 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
- 3) National Securities Depository Limited (NSDL).
- 4) Central Depository Services (India) Limited. (CDSL).

The Company confirms that it has paid the Annual Listing Fees to both the Stock Exchanges and Depositories

- e) **Stock Code:** The scrip code as provide by Bombay Stock Exchange Limited is **532527**

The symbol as provided by National Stock Exchange is **RKFORGE**

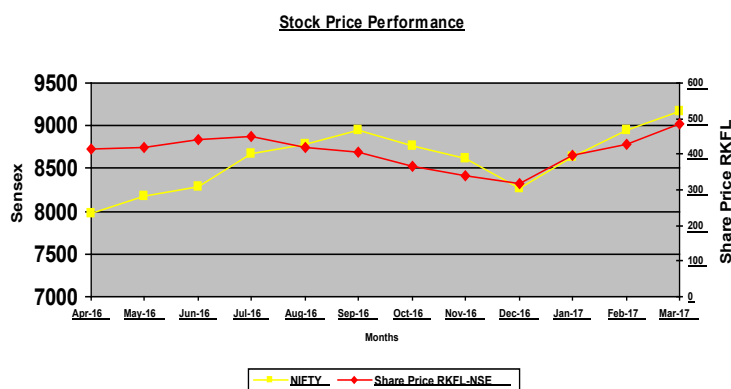
The ISIN no. as provided by the depositories is **INE399G01015**

- f) **Market Price Data and the performance in comparison to NSE (NIFTY)**

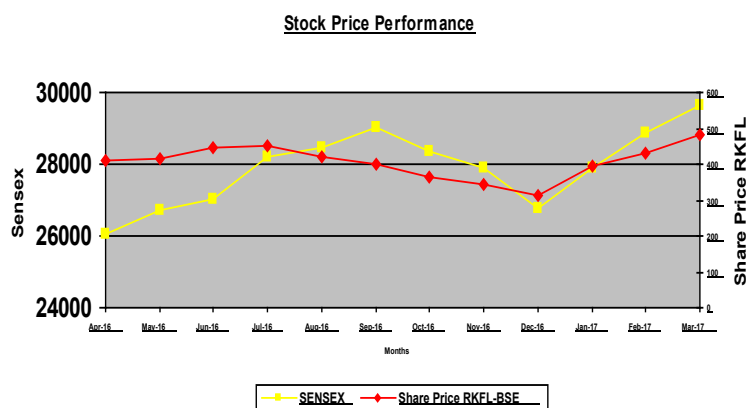
The monthly high and low of the closing prices during each month for the year 2016-17 at NSE and BSE and the NSE NIFTY and Sensex are as given below:

Months	SHARE PRICE NSE		SHARE PRICE BSE		S & P CNX NIFTY		SENSEX	
	High Price	Low Price	High Price	Low Price	High	Low	High	Low
April, 16	413.65	350.70	411.55	352.25	7979.90	7546.45	26064.12	24673.84
May, 16	417.35	359.55	417.85	362.20	8178.50	7706.55	26725.60	25101.73
June, 16	442.50	374.90	444.05	375.50	8287.75	8088.60	27020.66	26395.71
July, 16	451.45	411.05	452.25	409.35	8666.30	8323.20	28208.62	27126.90
August, 16	420.70	396.60	421.60	397.20	8786.20	8544.85	28452.17	27697.51
September, 16	403.95	339.85	402.15	339.90	8952.50	8591.25	29045.28	27827.53
October, 16	364.80	312.05	364.80	313.35	8769.15	8520.40	28334.55	27529.97
November, 16	340.80	274.50	341.20	266.30	8626.25	7929.10	27876.61	25765.14
December, 16	317.95	283.15	314.25	286.00	8261.75	7908.25	26747.18	25807.10
January, 17	395.75	299.95	394.75	299.95	8641.25	8179.50	27882.46	26595.45
February, 17	427.45	384.70	429.00	381.45	8939.50	8716.40	28892.97	28141.64
March, 17	483.55	381.05	482.20	381.80	9173.75	8897.55	29648.99	28832.45

Comparison chart of price performance of the Company with S&P CNX Nifty



Comparison chart of price performance of the Company with Sensex



g) **Registrar and Share Transfer Agents:** M/s. Karvy Computershare (P) Ltd.

Karvy Selenium Tower B,
Plot 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad - 500 032
Tel: +91 040 - 6716 1565
Fax : +91 40 2342 0814
E mail: mailmanager@karvy.com
Website: www.karvycomputershare.com

h) **Share Transfer System:**

The shareholders submit their share transfer related documents to the Share Registrar and Transfer Agent whose address is mentioned in the record. The Board has delegated the power to transfer the shares to the company secretary, who in turn will provide report to the Stakeholder Relationship Committee.

Share transfers are affected in time and all physical share certificates are dispatched to the transferees immediately after affecting the transfer. All kinds of investors, related services both for physical as well as electronic segments are provided from the Share registry.

Half-yearly Certificate on compliance of Share Transfer formalities is obtained from Practising Company Secretary pursuant to Regulation 40 (9) & (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a copy of the certificate is filed with the stock exchanges in time.

i) **Distribution of shareholding as on 31st March, 2017**

Category (Shares)	No. of Holders	No. of Shares	% of Total Shares
0001 - 500	6945	693561	2.42
0501 - 1000	446	344673	1.20
1001 - 2000	241	353203	1.23
2001 - 3000	94	237896	0.83
3001 - 4000	49	177888	0.62
4001 - 5000	34	160498	0.56
5001 - 10000	71	512434	1.79
10001 and above	125	26189787	91.35
TOTAL	8005	28669940	100.00

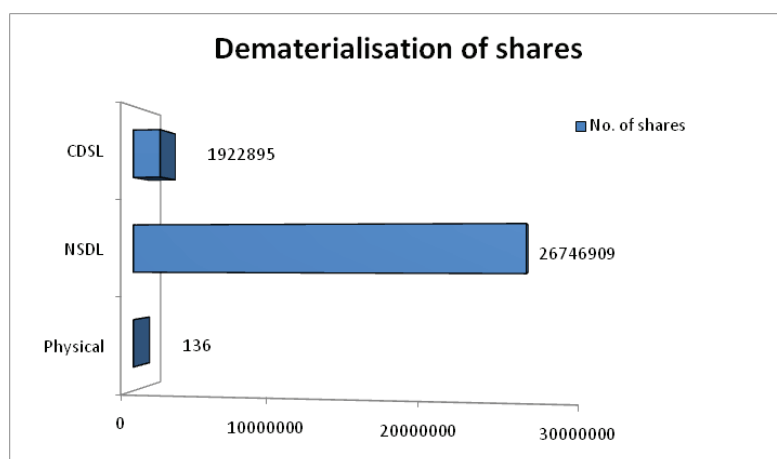
Pattern of Shareholding as on 31st March, 2017

Sl. No.	Category	No. of Shares Held	%
1	PROMOTERS GROUP	14453146	50.41
2	ALTERNATIVE INVESTMENT FUND	217380	0.76
3	BANKS	3593	0.01
4	CLEARING MEMBERS	14531	0.05
5	INSTITUTION OTHERS	1044215	3.64
6	FOREIGN INSTITUTIONAL INVESTOR	226206	0.79
7	FOREIGN PORTFOLIO INVESTORS	2297045	8.01
8	H U F	269207	0.94
9	INDIAN FINANCIAL INSTITUTIONS	19537	0.07
10	BODIES CORPORATES	2264192	7.90
11	MUTUAL FUNDS	3006470	10.49
12	NBFC	14598	0.05
13	NON RESIDENT INDIANS	159083	0.56
14	RESIDENT INDIVIDUALS	4680297	16.32
15	TRUSTS	440	0.00
	Total	28669940	100.00

j) **Dematerialisation of Shares as on 31st March, 2017**

Description	No. of Shareholders	Shares	%
PHYSICAL	15	136	0.00
NSDL	4811	26746909	93.29
CDSL	3179	1922895	6.71
Total	8005	28669940	100.00

The shares of the Company are traded only in dematerialised form. 28669804 Equity shares out of the total 28669940 Equity shares are held in a dematerialised form as on 31st March, 2017.



- i) **Unclaimed & Unpaid Dividend :** The amount of unclaimed dividend are lying credit in separate bank accounts. The amount lying in credit of any unpaid dividend account if remained un-claimed for 7 years from the date they became due for payment shall be transferred to the Investor Education and Protection Fund.

The details of unpaid dividend for last years as on 31.03.2017 are as follows:

Sl. No.	Dividend for the F.Y.	Unpaid Amount as on 31.03.2017 (in ₹)	Due Date of transfer to the Investor Education & Protection Fund
1	2009-2010	45,572.00	12-09-2017
2	2010-2011	21,218.00	05-08-2018
3	2011-2012	23,624.00	03-09-2019
4	2012-2013	9,244.00	25-08-2020
5	2013-2014	11,352.00	23-07-2021
6	2014-2015	17,308.00	18-10-2022
7	2015-2016	22,552.00	31-10-2023

- m) **Outstanding GDRs / ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:**

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as on 31st March, 2017.

- n) **Plant Locations:**

- Plant I : Plot No.M-6, Phase VI, Gamaria, Jamshedpur-832108. Jharkhand.
- Plant II : 7/40, Duffer Street, Liluah, Howrah- 711204, West Bengal.
- Plant III & IV : Plot No. M-15,16 and NS-26, Phase – VII, Adityapur Industrial Area, Jamshedpur-832109, Jharkhand.
- Plant V : Baliguma, Kolabira, Saraikela – Kharsawan – 833220, Jamshedpur, Jharkhand.

o) Address for correspondence:**i) For shares held in physical and demat form:**

M/s. Karvy Computershare (P) Ltd.
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli
 Financial District, Nanakramguda,
 Hyderabad - 500 032
 Andhra Pradesh, India.
 Tel: + 040 - 6716 1565
 Fax : +91 40 2342 0814
 E mail: singh.us@karvy.com
 Website: www.karvycomputershare.com

ii) For General Information:

M/s. Ramkrishna Forgings Limited
 "Ramkrishna Chambers",
 72, Shakespeare Sarani,
 Kolkata - 700017, West Bengal
 Tel: +91 33 3984 0900
 Fax: +91 33 3984 0998
 E mail: neha.gupta@ramkrishnaforgings.com
 Website: www.ramkrishnaforgings.com

OTHER DISCLOSURES**a) Disclosure on materially significant Related Party Transactions:**

Your Company places the statement of the related party transactions at every Audit Committee meetings. The Register of Contracts containing the transactions in which the Directors are interested is placed at the Board meetings. The disclosures of the related party transaction in compliance with the Accounting Standard (**AS-18**) are set out in **Note. 32** of the Notes to the Accounts. During the year the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from payment of the sitting fees.

There were no materially significant related party transactions and none of the transactions are likely to have any conflict with the Company's interest. All related party transactions are negotiated on arms length basis and are intended to further Company's interest.

The Related Party Transactions Policy is posted at <http://www.ramkrishnaforgings.com/policies.html>

b) Details of Non Compliance etc.

The Company is fully compliant with the applicable mandatory requirements of SEBI (LODR) Regulations, 2015 and also with other regulatory requirements on capital markets during 2014-2015, 2015-2016 and 2016-2017.

There are no penalties or strictures being imposed on the Company by the Stock Exchange, SEBI or any other Statutory Authorities on the Company.

c) Vigil Mechanism/ Whistle Blower Mechanism

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and Employees to report to the Audit Committee about the unethical behaviour, fraud or violation of Company's Code of Conduct. The Company affirms that no personnel has been denied access to the Audit Committee. A statement of complaints received, if any, under the vigil mechanism is also placed before the Board. The said policy is also available on the website of the Company at <http://www.ramkrishnaforgings.com/policies.html>

d) Compliance of mandatory requirements

The Company has complied with the mandatory requirements as prescribed in Part C of Schedule V of the Listing Regulations.

e) Policy on Material Subsidiary

In terms of Regulation 16 of the Listing Regulations, the Board of Directors has adopted a policy with regard to determination of the material Subsidiary. The Policy is placed on the website of the company and is available at <http://www.ramkrishnaforgings.com/policies.html>.

f) Disclosure of commodity price risks and commodity hedging activities

The Company does not have any commodity price risks and hence is not required to undertake any hedging activities.

g) Disclosures of the compliance With Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (B) To (I) of Sub-Regulation (2) of Regulation 46

RegulationStatus (Yes/No)	Particular of Regulations	Compliance
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and seniorManagement	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b)to (i)	Website	Yes

h) Code of Conduct:

The Board at its meeting held on 1st November, 2014 has adopted a revised Code of Conduct which lays down the procedures to be adhered by the Senior Management and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code of Conduct is available on the Company's website i.e. www.ramkrishnaforgings.com. The Code has been circulated to Directors and Senior Management Personnel, and they have affirmed compliance with the Code. A status of the violation of the code of conduct, if any, by the Directors or senior management is placed on a quarterly basis to Board. The declaration that the Code of Conduct has been complied by the Board and the senior management is given below.

Declaration by the CEO under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

In accordance with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2017.

For Ramkrishna Forgings Limited
Sd/-
Naresh Jalan
(Managing Director)
DIN No. 00375462

i) Disclosure of Accounting Treatment

Your Company has followed all relevant accounting standards while preparing the financial statements.

j) CEO / CFO Certification

As per Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and the Whole Time Finance Director of the Company have certified to the Board regarding compliance of matters specified in Regulation 17 (8) read with Part B of the Schedule II of the Listing Regulations.

k) Risk Management.

The Company has an approved Risk Management Policy by the Board. Risk evaluation and management is an ongoing process within the organisation and is periodically reviewed by the Board of Directors.

l) Subsidiary Company

The Company had one Subsidiary Company, M/s. Globe Forex and Travels Limited at the beginning of the year. During the year under review, the Company has incorporated a new Subsidiary M/s. Ramkrishna Aeronautics Private Limited (Previously known as M/s. Ramkrishna Aviation Land Systems Maritime Private Limited).

None of them is a material subsidiary of the Company and hence the requirement of inducting an Independent Director on the Board of Directors of the subsidiary company in terms of Regulation 24 (1) of the Listing Regulation is not applicable.

The Subsidiary Companies are Board managed and the Board has the rights to manage the companies in the best interest of the stakeholders. The Company monitors performance of the Subsidiaries in the best interest of the stakeholders by the following means:-

- a) All minutes of the Board Meetings of the Subsidiaries are placed before the Company's Board regularly
- b) A Statement containing all significant transactions and arrangements, if any, entered into by the Subsidiaries are placed before the Company's Board.
- c) Financial statements, in particular investments made by the Subsidiaries, are reviewed by the Audit Committee and the Board.

m) Management Discussion and Analysis Report

It forms part of the Annual Report.

n) Secretarial audit for Reconciliation of Share Capital

The Securities and Exchange Board of India has directed vide **Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010** that all issuer Companies shall submit a '**Certificate of Reconciliation of Share Capital**' reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid-up capital.

The said Certificate, duly certified by the Company Secretary in practice is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

o) Annual Secretarial Audit

The Board appointed MKB & Associates, Practising Company Secretaries Firm, to conduct secretarial audit of its records and documents. The Secretarial Audit Report forms a part of the Director's Report.

p) Details of Director seeking appointment/re-appointment at the ensuing Annual General Meeting:

The details of Director seeking re-appointment at the ensuing Annual General Meeting is annexed to the notice which includes a brief particulars of qualification and experience:

Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting:-**➤ Mr. Pawan Kumar Kedia**

Mr. Pawan Kumar Kedia is a bachelor of Commerce with a diploma in Taxation. He possesses an experience of about 29 years in various Companies.

He holds Directorship in the following companies:

- 1) M/s. Riddhi Portfolio Private Limited.
- 2) M/s. Globe Forex & Travels Limited.
- 3) M/s. Ramkrishna Rail & Infrastructure Private Limited.

He holds 13629 shares and 9635 stock options of the Company

q) Code of Conduct for Prevention of Insider Trading

The Board has formulated and approved a revised comprehensive 'Ramkrishna Forgings Limited Code on Prevention of Insider Trading (hereinafter referred as Code of Conduct) in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. The objective of the code is to prevent an insider viz. Directors, Officers and Designated Employees from dealing in shares of the Company on the basis of Unpublished Price Sensitive Information. The Trading window is closed on the occurrence of events as specified in the code. Permission of Compliance officer is required for dealing in shares beyond specific limit. The Company obtains declaration from the senior managerial personnel and the Directors on an Annual basis under the code and places the same before the Board. The Company Secretary is the Compliance officer under the code.

r) Employee Stock Options

The information on Options granted by the Company during the financial year 2015-16 and other particulars with regard to Employees' Stock Options are set out in the Director's Report.

DISCRETIONARY REQUIREMENTS UNDER REGULATION 27(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

- A. THE BOARD:** The Chairman of the Company is an Executive Director
- B. SHAREHOLDERS' RIGHTS:** The Company as of now, does not send half-yearly results to the household of the shareholders. However, the Company displays its quarterly and half-yearly results on its website www.ramkrishnaforgings.com and publishes it in the widely circulated newspapers.
- C. AUDIT QUALIFICATIONS:** The auditors have not qualified the financial statements of the Company.
- D. SEPARATE POST OF CHAIRMAN AND MANAGING DIRECTOR/CEO:** The Company is having separate post of Chairman and Managing Director. Mr. Mahabir Prasad Jalan is the Chairman and Mr. Naresh Jalan is the Managing Director of the Company.
- E. REPORTING OF INTERNAL AUDIT:** The Internal Auditors regularly updates and reports to the Audit Committee about the internal audit findings.

Independent Auditor's Certificate on Corporate Governance

To the Members of
Ramkrishna Forgings Limited

1. We have examined the compliance of conditions of Corporate Governance by Ramkrishna Forgings Limited. ("the Company"), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Singhi & Co.**

Chartered Accountants

(Firm's Registration No. 302049E)

Sd/-

(Rajiv Singhi)

Partner

(Membership No. 053518)

Place: Kolkata

Date: 12th August, 2017

Independent Auditor's Report (Contd.)

To
The Members of
Ramkrishna Forgings Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **RAMKRISHNA FORGINGS LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report to the extent applicable that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Contd.)

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30 to the standalone financial statements;
 - ii. The Company has long term contracts including derivative contracts as at 31st March, 2017 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company - Refer Note 17(b) to the standalone financial statements.

For **Singhi & Co.**
 Chartered Accountants
 Firm Registration No.302049E

Sd/-
(Rajiv Singhi)
 Partner
 Membership No.-053518

Place: Kolkata
 Date: 19th May, 2017

For **Jitendra K Agarwal & Associates**
 Chartered Accountants
 Firm's Registration No. 318086E

Sd/-
(Abhishek Mohta)
 Partner
 Membership No. 066653

Place: Kolkata.
 Date: 19th May, 2017

Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
- (c) According to the information and explanations given to us and on the basis of the examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management except materials lying with third parties, where confirmations are obtained and no material discrepancies between book stock and physical stock have been found.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of Sales Tax, Income Tax, duty of custom, Wealth Tax, duty of excise, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2017 are as under :-

Name of the status	Nature of Dues	Amount (₹ In Lakhs)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	150.72	F.Y. 2015-16	Ranchi High Court
Central Sales Tax Act, 1956	Sales Tax	219.96	F.Y. 2013-14 to 2015-16	Commissioner of Sales Tax, Ranchi
Central Sales Tax Act, 1956	Sales Tax	13.76	F.Y. 2015-16	Deputy Commissioner, Ranchi
Service Tax under Finance Act, 1994	Sales Tax	450.6	F.Y. 2012-13 to 2015-16	Ranchi High Court
Service Tax under Finance Act, 1994	Sales Tax	33.39	F.Y. 2012-13 to 2015-16	Commissioner (Appeal), Ranchi
Service Tax under Finance Act, 1994	Service Tax	34.11	F.Y. 2010-11 & 2011-12	Commissioner Appeals 1, Kolkata
Service Tax under Finance Act, 1994	Service Tax	33.98	F.Y. 2004-05 to 2006-07	Excise & Service Tax Appellate Tribunal, Kolkata
Service Tax under Finance Act, 1994	Service Tax	29.62	F.Y. 2007-08 to 2011-12	Commissioner Central Excise (Appeals-II), Kolkata
Income Tax Act, 1961	Income Tax	223.62	F.Y. 2011-12	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	32.67	F.Y. 2013-14 & 2014-15	CIT (Appeal), Kolkata

Annexure - A to the Independent Auditors' Report

- viii. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.
- ix. The company has not raised any money by way of initial public offer or further public offer including debt instruments during the year. Further, according to the information and explanations given to us the Company has applied term loans for the purpose for which they were obtained during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The company is not a Nidhi Company. Accordingly, paragraph 3(XII) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

Sd/-
(Rajiv Singhi)
Partner
Membership No.-053518

Place: Kolkata
Date: 19th May, 2017

For **Jitendra K Agarwal & Associates**
Chartered Accountants
Firm's Registration No. 318086E

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653

Place: Kolkata
Date: 19th May, 2017

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Ramkrishna Forgings Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Annexure - B to the Independent Auditors' Report

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

Sd/-
(Rajiv Singhi)
Partner
Membership No.-053518

Place: Kolkata
Date: 19th May, 2017

For **Jitendra K Agarwal & Associates**
Chartered Accountants
Firm's Registration No. 318086E

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653

Place: Kolkata
Date: 19th May, 2017

Balance Sheet

as at March 31, 2017

(₹ in Lakhs)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	2,866.99	2,866.99
Reserves and Surplus	'3'	46,224.41	44,283.17
		49,091.40	47,150.16
Non-Current Liabilities			
Long-Term Borrowings	'4'	43,016.12	50,720.31
Deferred Tax Liabilities	'5'	6,009.87	5,427.09
Other Long-Term Liabilities	'6'	1,143.14	1,053.69
Long-Term Provisions	'7'	160.99	141.08
		50,330.12	57,342.17
Current Liabilities			
Short-Term Borrowings	'8'	33,981.73	30,162.88
Trade Payables	'9'		
(a) Dues of micro enterprises and small enterprises		155.61	1.35
(b) Dues of creditors other than micro enterprises and small enterprises		26,870.88	14,476.06
Other Current Liabilities	'10'	16,577.08	13,518.90
Short-Term Provisions	'11'	74.87	758.00
		77,660.17	58,917.19
		1,77,081.69	1,63,409.52
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'12'	95,144.85	93,674.95
Intangible Assets	'12'	337.49	252.89
Capital Work-in-Progress		2,758.63	3,506.28
Non-Current Investments	'13'	1,930.32	670.32
Long-Term Loans and Advances	'14'	6,973.44	7,652.86
		1,07,144.73	1,05,757.30
Current Assets			
Inventories	'15'	32,197.17	22,005.42
Trade Receivables	'16'	30,293.77	28,535.55
Cash and Cash equivalents	'17'	107.64	143.39
Short-Term Loans and Advances	'18'	6,145.33	5,506.07
Other Current Assets	'19'	1,193.05	1,461.79
		69,936.96	57,652.22
		1,77,081.69	1,63,409.52

Significant Accounting Policies

'1'

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For and on behalf of the Board

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

For Jitendra K Agarwal & Associates
Chartered Accountants
Firm Registration No. 318086E

Sd/-
Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Sd/-
Naresh Jalan
Managing Director
DIN No. 00375462

Sd/-
(Rajiv Singhi)
Partner
Membership No. 53518
Place: Kolkata
Dated : 19th May, 2017

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653
Place: Kolkata
Dated: 19th May, 2017

Sd/-
Pawan Kumar Kedia
Finance Director
DIN No.00375557

Sd/-
Rajesh Mundhra
Company Secretary
ACS - 12991

Statement of Profit and Loss for the Period ended 31st March, 2017

(₹ in Lakhs)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
REVENUES			
Revenue from Operations (Gross)	'20'	94,664.50	95,539.96
Less: Excise Duty		7,113.45	5,824.59
Revenue from Operations (Net)		87,551.05	89,715.37
Other Income	'21'	252.58	342.96
Total Revenues		87,803.63	90,058.33
EXPENSES			
Cost of Raw Materials Consumed	'22'	42,192.33	40,728.90
Changes in inventories of Finished Goods, Work in Progress, Dies, Scrap and Stock-in-Trade	'23'	(7,624.35)	(3,582.31)
Employee Benefits Expenses	'24'	8,080.19	7,387.08
Power & Fuel		8,765.42	7,068.46
Finance Costs	'25'	7,315.88	5,238.61
Depreciation and Amortization Expenses	'26'	6,904.35	5,302.25
Other Expenses	'27'	19,683.00	20,441.99
Total Expenses		85,316.82	82,584.98
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2,486.81	7,473.35
EXCEPTIONAL ITEMS		-	-
PROFIT BEFORE TAX		2,486.81	7,473.35
Tax Expense:			
Current tax		531.00	1,595.00
MAT Credit Entitlement		(531.00)	(1,595.00)
Tax adjustments for earlier years (Net)		0.13	1.41
Deferred tax		582.78	1,983.00
Profit/ (Loss) for the period		1,903.90	5,488.94
Earnings per Share (EPS) (Weighted Average):	'38'		
Basic EPS (in ₹)		6.64	19.64
Diluted EPS (in ₹)		6.64	19.64

Significant Accounting Policies

'1'

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Sd/-
(Rajiv Singhi)
Partner
Membership No. 53518
Place: Kolkata
Dated : 19th May, 2017

For Jitendra K Agarwal & Associates
Chartered Accountants
Firm Registration No. 318086E

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653
Place: Kolkata
Dated: 19th May, 2017

For and on behalf of the Board

Sd/-
Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN No.00375557

Sd/-
Naresh Jalan
Managing Director
DIN No. 00375462

Sd/-
Rajesh Mundhra
Company Secretary
ACS - 12991

Cash Flow Statement for the Year Ended March 31, 2017

(₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET(LOSS)/PROFIT BEFORE EXTRAORDINARY ITEM AND TAXES	2,486.81	7,473.35
Adjustments for:		
Depreciation	6,904.35	5,302.25
Sundry Balance Written Off / (written back)	(85.25)	22.72
(Profit) / Loss on sale of Fixed Assets/Discarded Assets	45.40	13.76
Employees Stock Option Expenses	37.34	23.79
Interest income	(181.06)	(286.49)
Interest expense	7,315.88	5,238.62
Effect of Exchange rate change (Net)	(1,278.75)	262.67
Operating Profit/(Loss) before Working Capital Changes	15,244.72	18,050.67
Movements in Working Capital		
Decrease/(Increase) in Trade receivable	(1,408.47)	(2,107.34)
Decrease/(Increase) in Loans & Advances & Others Current Assets	(412.50)	(393.43)
Decrease/(Increase) in Inventories	(10,191.75)	(4,444.87)
(Decrease)/Increase in Trade Payables	12,525.92	1,160.13
(Decrease)/Increase in Loans & Others Current Liabilities	(37.71)	223.88
Direct Tax paid	(423.48)	(1,563.80)
	52.01	(7,125.43)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	15,296.73	10,925.24
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets(Including Capital Work in Progress)	(7,520.07)	(17,098.84)
Proceeds from Sale of Fixed Assets / Adjusted	24.40	6.94
Loan & Advances to Subsidiary	1,200.00	(400.00)
Investment in Shares in Subsidiary	(1,260.00)	-
Interest Received	178.40	278.82
Dividend Received	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(7,377.27)	(17,213.08)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital including Securities Premium	-	1,220.00
Proceed from Long Term Borrowings	7,859.90	9,139.34
Repayment of Long Term Borrowings	(11,478.32)	(3,196.49)
Short Term Borrowings (Net)	3,818.86	5,510.12
Interest Paid	(7,517.33)	(5,661.53)
Dividend including Dividend Tax	(693.38)	(659.25)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	(8,010.27)	6,352.19
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(90.81)	64.35
OPENING CASH AND CASH EQUIVALENTS	112.70	48.35
CLOSING CASH AND CASH EQUIVALENTS	21.89	112.70
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(90.81)	64.35

Cash Flow Statement for the Year Ended March 31, 2017

(₹ in Lakhs)

Notes:

- a) Above statement has been prepared under indirect method except in case of interest, dividends and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities.

	2016 - 17	2015 - 16
b) Cash and Cash Equivalents Include:		
- Cash in hand	1.54	4.29
- With Scheduled Bank -		
a) Deposits with less than 3 months initial maturity	3.00	90.05
b) Current Account	17.35	18.36
	21.89	112.70

- c) Closing Cash and Cash Equivalents represents "Cash & Bank Balance" except ₹ 1.51 lakhs lying in Current Account with schedule bank on account of unclaimed dividends which are not available for use by the Company.

As per our attached report of even date**For Singhi & Co.**

Chartered Accountants
Firm Registration No. 302049E

Sd/-

(Rajiv Singhi)

Partner

Membership No. 53518

Place: Kolkata

Dated : 19th May, 2017

For Jitendra K Agarwal & Associates

Chartered Accountants
Firm Registration No. 318086E

Sd/-

(Abhishek Mohta)

Partner

Membership No. 066653

Place: Kolkata

Dated: 19th May, 2017

For and on behalf of the Board

Sd/-

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN No.00375557

Sd/-

Naresh Jalan

Managing Director

DIN No. 00375462

Sd/-

Rajesh Mundhra

Company Secretary

ACS - 12991

Notes to the Financial Statements for the Year ended 31st March, 2017

1. Significant Accounting Policies

A. Accounting Convention

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the assets and liabilities are classified as current or non-current as per criteria as set out in Schedule III to the Companies Act 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the items of Income and Expenditure have been recognized on accrual basis except certain Insurance claim, Sales Tax / Excise claims / refunds which are accounted on cash basis where the amounts are unascertainable.

B. Use of Estimates

In preparing Company's financial statement in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of Contingent Liabilities at the date of financial statement and reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates. Difference between actual result and estimates are recognized in the period in which the results are known/materialized.

C. Fixed Assets

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, construction and improvement made, which are inclusive of freight, duty (net of Cenvat), taxes, incidental expenses, interest and fund raising cost and other pre-operative expenses apportioned.
- (ii) Capital work-in-progress are stated at cost including interest, fund raising cost and related expenses incurred during construction or pre-operative period.
- (iii) Machinery spares which can be used only in connection with an item of Fixed Asset and whose use as per technical assessment is expected to be irregular are capitalised and depreciated prospectively over the residual life of the respective assets.

D. Depreciation and Amortization

- (i) Depreciation on tangible fixed assets is provided on the straight-line method over the useful lives of assets as prescribed in Part C of Schedule II to the Companies Act 2013 except for the following assets where the useful life considered is different than that prescribed in Schedule II on the basis of management's technical evaluation. The management believes that the useful lives as given below represents the period over which management expects to use these assets.

a) CNC Machines	- 20 Years
b) Furnace	- 20 Years
c) Press, Hammer & Upsetter	- 40 Years
d) Production Resource Tools	- 10 Years
e) Pumps & Motors	- 10 Years

For remaining assets the useful life has been determined as per Schedule -II.

- (ii) Depreciation for assets purchased / sold during a period is proportionately charged. Depreciation on change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis. Leasehold lands are amortized over the lease period. Depreciation and amortisation method, useful live and residual values are reviewed periodically, including at each financial year end.

E. Impairment of Assets

The Company on an annual basis makes an assessment of any indicator that may lead to Impairment of Assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference

Notes to the Financial Statements for the Year ended 31st March, 2017

between them as impairment loss and charged to Statement of Profit and Loss. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

F. Inventories:

Inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale. Cost of Inventories of Raw Materials, Stores and Spares and fuel are determined on Weighted average method. Inventories of Finished Goods and Work in Progress are valued at weighted average method which includes material cost, cost of conversion, depreciation and other overheads to the extent applicable. Scrap is valued at net realisable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be used are expected to be sold at or above cost.

G. Investments

- (i) Long Term investments are stated at cost less provisions, if any for diminution in value, which are considered to be other than temporary in nature.
- (ii) Current Investments are stated at lower of cost or fair value.

H. Foreign Currency Transactions

- (i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Year end balance of foreign currency transaction are translated at the year end rate.
- (ii) Any Income or Expense on account of exchange rate difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term borrowings relating to acquisition of fixed assets where resultant exchange rate difference has been adjusted to the carrying cost of such assets.
- (iii) In respect of transactions covered under forward foreign exchange contracts the difference between the forwards rate and the exchange rate at the inception of contract is recognized as income or expense over the life of the contract.

I. Employee benefits

- (i) Short term employees benefit are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- (ii) Post employment and other long term benefit are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined at the year end on the basis of an actuarial valuation using projected unit credit method. Actuarial gains and losses in respect of post employment and other long term benefit are charged to Statement of Profit and Loss.
- (iii) The Company's contribution to the Provident Fund and the Family pension fund are charged to statement of Profit and Loss.

J. Employee Stock Option Scheme / Share-based payments

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on graded method basis over the vesting period of the option. In case of forfeiture of option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

Notes to the Financial Statements for the Year ended 31st March, 2017

K. Revenue Recognition

Sales revenue is recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer as per the terms of the respective sales order. Dividend income on investment is accounted for when the right to receive the payment is established.

L. Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition / construction of qualifying fixed assets are capitalised up to date when such assets are ready for its intended use / commercial production started and other borrowing costs are charged to Statement of Profit and Loss.

M. Government Grant

Government grants are recognised when there is a reasonable assurance that the same will be received. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to Capital Reserve.

N. Taxation

Provision for current Income Tax is made in accordance with the provisions of the Income Tax Act 1961. Deferred Tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that asset will be realised in future.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

O. Excise Duty

Excise Duty and Cess on manufacturing goods is accounted for at the time of their clearances from the factory. Excise Duty and Cess in respect of stock of finished goods and Scrap awaiting clearance from the factory at the year-end are considered for valuation of inventory.

P. Earning per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

Q. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to the Financial Statements for the Year ended 31st March, 2017

2. Share Capital:	As at 31/03/2017		As at 31/03/2016	
	Numbers	(₹ in Lakhs)	Numbers	(₹ in Lakhs)
Authorized:				
Equity Shares of ₹ 10/- each	2,97,50,000	2,975.00	2,97,50,000	2,975.00
		2,975.00		2,975.00
Issued:				
Equity Shares of ₹ 10/- each fully paid up	2,86,69,940	2,866.99	2,86,69,940	2,866.99
		2,866.99		2,866.99
Subscribed and Paid-up:				
Equity Shares of ₹ 10/- each fully paid-up	2,86,69,940	2,866.99	2,86,69,940	2,866.99
		2,866.99		2,866.99

a. Reconciliation of the number of Shares outstanding:

Equity Shares	As at	
	31/03/2017	31/03/2016
Outstanding at the beginning of the year	2,86,69,940	2,74,69,940
Add: Shares issued on conversion of warrants	-	12,00,000
Outstanding at the end of the year	2,86,69,940	2,86,69,940

b. The Company does not have any Holding Company.

c. Right, Preference and restrictions attached to Shares:-

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

For the year ended 31st March, 2017, the Board of Directors of the Company has recommended dividend of ₹ 1/- per share (Previous year ₹ 2/- per share) to equity shareholders aggregating to ₹ 286.70 Lakhs (Previous year ₹ 573.40 Lakhs).

d. Shareholder holding more than 5 percent shares of the Company:-

Name of Shareholder	As at 31/03/2017		As at 31/03/2016	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
1. Riddhi Portfolio Private Limited	72,88,319	25.42%	72,88,319	25.42%
2. Eastern Credit Capital Private Ltd.	56,18,500	19.60%	56,18,500	19.60%

e. The Company during the preceding 5 years -

- Has not allotted shares pursuant to contracts without payment received in cash.
- Has not allotted shares as fully paid up by way of bonus shares
- Has not bought back any shares

f. There are no calls unpaid by Directors / Officers.

g. The Company has not converted any securities into equity shares / preference shares during this financial year.

h. The Company has not forfeited any shares during this financial year.

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

3. Reserves and Surplus:		As at 31/03/2017	
		31/03/2017	31/03/2016
(a) Capital Reserve			
As per last Financial Statement		3,546.01	3,546.01
		3,546.01	3,546.01
(b) Securities Premium Reserve			
As per last Financial Statement		18,719.81	17,039.81
Add: On conversion of warrants into equity shares		-	1,680.00
		18,719.81	18,719.81
(c) Employee's Stock Options Outstanding Accounts			
As per last Financial Statement		23.79	-
Add: ESOP cost amortised during the year		37.34	23.79
		61.13	23.79
(d) General Reserve			
As per last Financial Statement		2,198.15	1,448.15
Add: Transfer from Statement of Profit and Loss		250.00	750.00
		2,448.15	2,198.15
(e) Surplus in the Statement of Profit and Loss			
As per last Financial Statement		19,795.41	15,749.85
Add: Profit for the period		1,903.90	5,488.94
		21,699.31	21,238.79
Less: Proposed Dividend on Equity Shares		-	573.40
Less: Tax on Proposed Equity Dividend		-	119.98
Less: Transfer to General Reserve		250.00	750.00
		21,449.31	19,795.41
		46,224.41	44,283.17

(₹ in Lakhs)

4. Long-Term Borrowings		Non Current Portion		Current Maturities	
		As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
Secured					
From Banks					
Term Loan		43,016.12	48,220.31	8,389.39	5,389.61
		43,016.12	48,220.31	8,389.39	5,389.61
Unsecured					
From Banks		-	2,500.00	-	-
Term Loan		-	2,500.00	-	-
		43,016.12	50,720.31	8,389.39	5,389.61
Less: Disclosed under the head current liabilities (Refer Note No. 10)		-	-	8,389.39	5,389.61
		43,016.12	50,720.31	-	-

(a) Security:

- (i) Term loans (except those which are having exclusive charge) are secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line and those assets for which there is an exclusive charge of other bankers and subject to charges of the Company's bankers created / to be created in their favour for working capital loans. It is further secured by the second charge on the current assets of the Company, both present and future, excluding hundies of Tata Motors discounted by State Bank of India.

Notes to the Financial Statements for the Year ended 31st March, 2017

- (ii) Term Loan from Landesbank Baden – Wurttemberg (LBBW) is secured by the first charge on the 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line imported from SMS,Gmbh.
- (iii) Term loan from IDBI Bank Limited is secured by the specific charge on the assets financed by them.
- (iv) Term Loan of ₹ 5000 Lakhs from ICICI Bank is also secured by exclusive charge on the office building at 72, Shakespeare Sarani, Kolkata - 700017.

(b) **Repayment schedule is as follows:**

(₹ in Lakhs)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 to 2025- 2026	Total
Secured									
Term Loan & Buyer's Credit	8,389.39	8,975.05	8,322.56	8,048.72	5,430.26	5,542.26	4,434.26	2,263.02	51,405.51
Total									51,405.51

(c) **Interest Rate & Repayment of Loan**

Term Loan from bank / financial institutions carries interest EUR libor + 0.25 bps to 13% p.a.

Loan are repayable in monthly / quarterly / half yearly instalments.

(₹ in Lakhs)

5. Deferred Tax:	As at	
	31/03/2017	31/03/2016
Major components of Deferred Tax arising on account of temporary timing differences are given below:		
(a) Deferred Tax Liabilities		
Depreciation and Amortization Expenses	10,868.20	8,182.16
	10,868.20	8,182.16
(b) Deferred Tax Assets		
On Retirement benefits expenses as per AS - 15	81.62	71.19
On Others	-	122.84
Business Losses including Unabsorbed Depreciation (i)	4,776.71	2,561.04
	4,858.33	2,755.07
Deferred Tax Liabilities (Net)	6,009.87	5,427.09

- (i) In view of revised profitability projections considering additional contribution from new plant, the Company is now certain that there would be sufficient taxable income in future periods, accordingly it has recognised deferred tax assets on business Losses including unabsorbed depreciation calculated as per Income Tax Act 1961.

(₹ in Lakhs)

6. Other Long - Term Liabilities:	As at	
	31/03/2017	31/03/2016
Other Liabilities	1,143.14	1,053.69
	1,143.14	1,053.69

(₹ in Lakhs)

7. Long-Term Provisions:	As at	
	31/03/2017	31/03/2016
Provision for Employee Benefits	160.99	141.08
	160.99	141.08

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

8. Short-term Borrowings:	As at	
	31/03/2017	31/03/2016
Secured		
Loans repayable on demand		
From Banks - Working Capital Loan	32,034.53	26,211.96
	32,034.53	26,211.96
Unsecured		
Loan repayable on demand		
From Bank	1,947.20	3,950.92
	1,947.20	3,950.92
	33,981.73	30,162.88

(a) **Security:**

- (i) Working capital loans from banks are secured by first pari-passu charge on current assets of the Company, both present and future, excluding hundies of Tata Motors discounted by State Bank of India, and second pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding assets which are exclusively charged to other lenders, 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line from SMS GmbH subject to prior charges in favour of banks created/ to be created in respect of any existing / future financial assistance / accommodation which has been/may be obtained by the Company. State Bank of India has exclusive charge on the debtors of Tata Motors for the Hundies discounted by them.

(₹ in Lakhs)

9. Trade Payables:	As at	
	31/03/2017	31/03/2016
Due of Micro and Small Enterprises (Refer Note No. 40)	155.61	1.35
Due of Creditor other than Micro and Small Enterprises	26,870.88	14,476.06
	27,026.49	14,477.41

(₹ in Lakhs)

10. Other Current Liabilities:	As at	
	31/03/2017	31/03/2016
Current maturities of long-term debt (Refer Note No. 4)	8,389.39	5,389.61
Interest accrued but not due on borrowings	312.82	320.62
Amount shall be credited to Investor's Education and Protection Fund (as and when due)		
Unpaid Dividends	1.51	1.19
Project Liabilities	3,604.98	3,489.13
Advance from Customers	25.19	21.67
Payable to Employees	959.03	906.84
Statutory dues	499.39	379.63
Other Payables #	2,784.77	3,010.21
	16,577.08	13,518.90

Other payable represents Repairs & Maintenance, Carriage Outward Expenses, Payable to Subsidiary etc.

(₹ in Lakhs)

11. Short-Term Provisions:	As at	
	31/03/2017	31/03/2016
Provision for Employee Benefits		
- Gratuity	59.15	56.98
- Leave Encashment	15.72	7.64
Proposed Dividend	-	573.40
Tax on Proposed Dividend	-	119.98
	74.87	758.00

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

Description	Gross Block			Depreciation / Amortization			Net Block	
	As at 01-04-2016	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2017	As at 01-04-2016	For the Year	As at 31-03-2017	As at 31-03-2016
12. Fixed Assets:								
A. Tangible Assets								
Land & Land Development								
Lease Hold Land	138.34	–	–	138.34	53.82	4.48	80.04	84.52
Free Hold Land	595.37	–	–	595.37	–	–	595.37	595.37
Total	733.71	–	–	733.71	53.82	4.48	675.41	679.89
Factory Shed & Building	9,293.05	77.28	–	9,370.33	905.49	300.13	8,164.71	8,387.56
Office Building	5,687.07	49.96	–	5,737.03	220.41	181.55	5,335.07	5,466.66
Plant and Equipment	94,113.64	7,781.67	95.41	1,01,799.90	18,218.42	5,737.67	77,897.27	75,895.22
Vehicles	517.94	140.46	45.69	612.71	146.28	72.08	416.00	371.66
Furnitures & Fixtures	2,608.82	215.27	–	2,824.09	727.85	278.34	1,817.90	1,880.97
Computer	933.59	47.16	1.45	979.30	550.83	129.70	299.60	382.76
Office Equipments	239.41	12.35	14.73	237.03	148.83	34.98	64.73	90.58
Air Condition Machine	631.06	18.79	–	649.85	111.41	64.28	474.16	519.65
Total (A)	1,14,758.29	8,342.94	157.28	1,22,943.95	21,083.34	6,803.21	95,144.85	93,674.95
B. Intangible Assets								
Computer Software	659.97	185.74	–	845.71	407.08	101.14	337.49	252.89
Total (B)	659.97	185.74	–	845.71	407.08	101.14	337.49	252.89
Total (A+B)	1,15,418.26	8,528.68	157.28	1,23,789.66	21,490.42	6,904.35	95,482.34	93,927.84
Previous Year	68,626.17	46,860.59	68.49	1,15,418.26	16,239.11	5,302.26	93,927.84	52,387.05

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

13. Non-Current Investments:	As at	
	31/03/2017	31/03/2016
(i) Other than Trade		
Investments in Equity Instruments (Unquoted) (at cost)		
In Equity Shares of Subsidiary Company - Fully paid-up		
- 19,02,21,800 Equity Shares (Previous year 8,81,400 Nos. Equity Shares) of "Globe Forex & Travels Ltd." * of ₹ 10/- each fully paid up	1,909.82	659.82
- 100002 Equity Shares (Previous year Nil) of "Ramkrishna Aviation Land Systems Maritime Pvt. Ltd. ** of ₹ 10/- each fully paid up	10.00	-
In Equity Shares of Other Company - Fully paid-up		
- 1,050 Equity Shares (Previous year 1,050 Equity Shares) of "Adityapur Auto Cluster" of ₹ 1000/- each fully paid up	10.50	10.50
	1,930.32	670.32

** The Outstanding Loan of ₹ 1250.00 Lakhs as on 31st October, 2016 to M/s. Globe Forex and Travels Limited has been converted into 39,06,250 equity shares of ₹ 10/- each at a premium of ₹ 22/- each

** The M/s. Ramkrishna Aviation Land Systems Maritime Pvt. Ltd. has become 100% subsidiary with effect from 20th July 2016.

- (ii) Although the book value of investments (amount not ascertained) is lower than cost, considering the strategic and long term nature of the investments in the opinion of the management such decline is temporary in nature and no provision is necessary for the same.

(₹ in Lakhs)

14. Long-Term Loans and Advances:	Maximum Outstanding during the year		As at	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Loan given to Subsidiary Company (Globe Forex & Travels Limited)	1,508.00	1,584.49	-	800.00
Unsecured, Considered Good				
The Loans has been given for Business Purpose and are interest bearing				
Capital Advance #				
Unsecured, Considered Good			278.82	2,232.79
Security Deposits #				
Unsecured, Considered Good			1,171.04	1,182.73
MAT Entitlement Receivable (a)			3,774.53	3,243.53
Other loans and advances - Advances Recoverable from Unsecured, Considered Good				
- Prepaid Expenses			107.56	60.24
- Employees			86.47	81.76
- Others #			1,555.02	51.81
			6,973.44	7,652.86

Doubtful ₹ Nil (Previous year ₹ Nil), Claims Receivable etc.

- (a) In view of revised profitability projections considering additional contribution from new plants the company is having convincing evidence that there would be sufficient taxable income in future periods to utilize MAT credit entitlements.

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

15. Inventories (Valued at lower of Cost and Net Realisable Value):	As at 31/03/2017			As at 31/03/2016		
	In transit	In hand	Total	In transit	In hand	Total
Work-in-Progress	-	15,201.60	15,201.60	-	9,267.58	9,267.58
Raw Materials	-	3,695.59	3,695.59	-	2,644.05	2,644.05
Fuel & Gas	-	117.42	117.42	-	69.83	69.83
Stores and Spares	-	5,580.11	5,580.11	-	4,433.40	4,433.40
Die & Die Block	-	6,838.16	6,838.16	-	4,971.19	4,971.19
Vendor Managed Inventory	6.39	2.17	8.56	-	30.60	30.60
Finished Goods	-	240.27	240.27	-	81.32	81.32
Forgings Scrap	-	515.46	515.46	-	507.45	507.45
	6.39	32,190.78	32,197.17	-	22,005.42	22,005.42

(₹ in Lakhs)

16. Trade Receivables:	As at	
	31/03/2017	31/03/2016
Outstanding for a period exceeding six months (from due date)		
Unsecured, Considered Good	1,516.85	-
Outstanding for a period less than six months (from due date)		
Unsecured, Considered Good	28,776.92	28,535.55
	30,293.77	28,535.55

(₹ in Lakhs)

17. Cash and Cash Equivalents:	As at	
	31/03/2017	31/03/2016
(a) Cash and Cash Equivalents		
Cash on hand	1.54	4.29
Balance with Banks:		
- In Current Accounts	17.35	18.36
- Deposits with less than 3 months initial maturity	3.00	90.05
	21.89	112.70
Other Balance		
Balance with Banks:		
- Deposits with more than 3 months initial maturity	85.75	30.69
	107.64	143.39

(b) Disclosure regarding Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 (closing) to 30/12/2016 as per direction given by Ministry of Corporate Affairs vide Notification dated 30.03.2017 is as under :-

Particulars	SBN's (₹)	Other Denomination Notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	4,38,000	32,803	4,70,803
(+) Permitted Receipts	-	16,30,605	16,30,605
(-) Permitted Payments	-	11,46,969	11,46,969
(-) Amount Deposited in Banks	4,38,000	-	4,38,000
Closing cash in Hand as on 30.12.2016	-	5,16,439	5,16,439

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

18. Short-Term Loans and Advances:	As at	
	31/03/2017	31/03/2016
Loan given to Subsidiary Company (Globe Forex & Travels Limited)	-	400.00
Unsecured, Considered Good		
The Loans has been given for Business Purpose and are interest bearing		
Security and Other Deposits #		
Unsecured, Considered Good	310.52	-
Others - Advances Recoverable from		
Unsecured, Considered Good		
- Employees	95.94	76.49
- Income Tax Refundable	104.12	104.12
- Suppliers of Goods & Services	1,461.00	726.32
- Balance with Customs, Port Trusts, Excise	3,629.39	3,754.75
- Prepaid Expenses	544.36	444.39
	6,145.33	5,506.07

Doubtful ₹ NIL (Previous year ₹ NIL)

(₹ in Lakhs)

19. Other Current Assets:	As at	
	31/03/2017	31/03/2016
Accrued Interest	85.27	85.44
Accrued Export and Other Incentives	804.40	1,280.39
Others #	303.38	95.96
	1,193.05	1,461.79

Includes Insurance claims receivable etc.

(₹ in Lakhs)

20. Revenue from Operations:	As at	
	31/03/2017	31/03/2016
Sale of Products		
- Steel Forgings	91,547.65	92,472.39
Job Work Sales	204.94	599.11
Other Operating Revenues	2,936.19	2,919.76
	94,688.78	95,991.26
Less: Excise Duty Paid	7,113.45	5,824.59
	87,575.33	90,166.67
Less: Transfer to Capital Work-in-Progress	24.28	451.30
	87,551.05	89,715.37

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

21. Other Income:	Year ended	
	31/03/2017	31/03/2016
Interest Income	181.06	286.49
Other Non-Operating Income (Net)	71.52	56.47
	252.58	342.96

(₹ in Lakhs)

22. Cost of Raw Materials Consumed:	Year ended	
	31/03/2017	31/03/2016
Steel Round	24,988.53	27,906.25
Steel Billets	17,619.88	14,178.98
	42,608.41	42,085.23
Less: Transferred to Capital Work-in-Progress	416.08	1,356.33
	42,192.33	40,728.90

(₹ in Lakhs)

23. Changes in inventories of Finished Goods, Work in Progress, Dies, Scrap and Stock-in-Trade :	Year ended	
	31/03/2017	31/03/2016
Opening Stock		
Vendor Managed Inventory - Refer Note (b)	30.60	87.89
Work-in-Progress - Refer Note (a)	9,267.58	6,189.75
Finished Goods - Refer Note (a)	81.32	0.13
Dies and dies under fabrication	2,838.27	2,346.59
Forging Scrap	507.45	252.92
	12,725.22	8,877.28
Less : Closing Stock		
Vendor Managed Inventory - Refer Note (b)	8.57	30.60
Work-in-Progress - Refer Note (a)	15,201.60	9,267.58
Finished Goods - Refer Note (a)	240.27	81.32
Dies and dies under fabrication	4,596.48	2,838.27
Forging Scrap	515.46	507.45
	20,562.38	12,725.22
(Increase) / Decrease in Stock	(7,837.16)	(3,847.94)
Add : Excise Duty on (Increase) / Decrease in Stock	18.54	37.31
	(7,818.62)	(3,810.63)
Add : Stock of Trial run production	194.27	228.32
	(7,624.35)	(3,582.31)

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

	Year ended 31/03/2017		Year ended 31/03/2016	
	Opening	Closing	Opening	Closing
(a) Details of Work-in-Progress Stock & Finished Goods under broad heads are given below:				
Steel Forging - Work-in-Progress	9,267.58	15,201.60	6,189.75	9,267.58
Steel Forging - Finished Goods	81.32	240.27	0.13	81.32
	9,348.90	15,441.87	6,189.88	9,348.90
(b) Details of Vendor Managed Inventory under broad heads are given below:				
Steel Forging - Vendor Managed Inventory	30.60	8.57	87.89	30.60
	30.60	8.57	87.89	30.60

(₹ in Lakhs)

24. Employee Benefits Expenses:	Year ended	
	31/03/2017	31/03/2016
(a) Salaries, Wages, Bonus, Exgratia, Incentive etc.	7,391.43	7,234.20
(b) Gratuity fund contributions	88.89	68.62
(c) Provident Fund / Employees Pension Fund & E. S. I. Contribution	390.69	334.17
(d) Expense on Employee Stock Option Scheme (ESOP)	37.34	23.79
(e) Staff welfare expenses	296.22	322.86
	8,204.57	7,983.64
Less: Transferred to Capital Work-in-Progress	124.38	596.56
	8,080.19	7,387.08

(₹ in Lakhs)

25. Finance Costs:	Year ended	
	31/03/2017	31/03/2016
Interests Expenses	6,470.64	5,108.65
Other Borrowing Costs	1,038.89	671.66
Loss on Foreign Currency Transactions and Translation (Net)	-	412.95
	7,509.53	6,193.26
Less: Transfer to Capital Work-in-Progress	193.65	954.65
	7,315.88	5,238.61

(₹ in Lakhs)

26. Depreciation and Amortization Expenses:	Year ended	
	31/03/2017	31/03/2016
Depreciation and Amortization Expenses	6,904.35	5,302.25
	6,904.35	5,302.25

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

27. Other Expenses:	Year ended	
	31/03/2017	31/03/2016
Carriage Inward Expenses	273.11	257.11
Stores, Spares (Including Packing Material)	6,503.72	6,307.34
Die Consumed	1,484.98	831.24
Processing Charges	4,400.47	3,669.21
Repairs to:-		
-Plant & Machinery	348.98	275.19
-Factory Shed & Building	85.55	81.85
Rent	44.55	48.33
Rates & Taxes	12.98	15.66
Insurance Charges	368.16	289.17
Repairs & Maintenance	366.47	403.68
Miscellaneous Expenses	1,134.04	864.97
Director Sitting Fees & Commission	20.05	99.90
Bank Charges & Commission	70.11	81.05
Postage, Telegraph & Telephone	74.57	83.40
Legal & Professional Expenses (a)	485.73	691.11
Travelling & Conveyance Expenses (Including Directors Travelling ₹ 410.44 lakhs (previous Year ₹ 320.34 lakhs))	814.20	675.07
Advertisement Expenses	29.78	31.06
Payment to Auditors (b)	36.97	34.81
Brokerage & Commission Expenses	118.22	110.89
Vehicle Running Expenses	95.05	77.83
Carriage Outward Expenses	957.40	781.71
Export Expenses	3,078.17	4,813.42
Discount & Rebate (Net)	284.23	720.46
Exchange Rate Difference	(1,278.75)	262.67
Sundry Balances Written Off (Net)	(85.25)	22.72
Discarded Assets	30.47	5.36
Tax Expenses	47.88	48.25
Swatch Bharat Cess Expenses	41.20	12.68
Krishi Kalyan Cess Expenses	33.00	-
	19,876.04	21,596.14
Less: Transfer to Capital Work-in-Progress	193.04	1,154.15
	19,683.00	20,441.99
(a) Other Expenses include Legal & Professional Expenses:		
(i) Payment to a firm of solicitors in which Director is a partner	3.05	2.10
(b) Details of payment to Auditors		
Statutory Auditors:		
Audit Fees #	23.20	21.60
Tax Audit Fees	3.30	3.30
For other Services	10.20	9.56
Out of Pocket Expenses	0.27	0.35
	36.97	34.81

Includes fees for issuing Audit Report for Internal Control over Financial Reporting u/s 143(3) of the Companies Act, 2013

Notes to the Financial Statements for the Year ended 31st March, 2017

28. Non-Operating Expenses includes Expenses / Income relating to earlier years amounting to ₹ Nil (Previous year Income (Net) ₹ 5.63 Lakhs) as per following details.

(₹ in Lakhs)

Sl. No.	Particulars	Year ended	
		31/03/2017	31/03/2016
1.	Central Excise Duty	-	(2.91)
2.	Sales Tax	-	(2.72)
	Total	-	(5.63)

29. The excess managerial remuneration paid to Mr. Mahabir Prasad Jalan is ₹ 65.62 Lakhs and ₹ 106.38 Lakhs for the financial year 2012-13 and 2013-14 respectively for which the representation is still pending with Central Government. However, the excess amount so paid, has been refunded during this financial year and credited to employee benefit expenses.

(₹ in Lakhs)

30. A.	Contingent Liabilities and Commitments (to the extent not provided): Contingent Liabilities	As at	
		31/03/2017	31/03/2016
(a)	Claims against the Company not acknowledged as debt		
(i)	Electricity charges demand of Jharkhand State Electricity Board. (Pending before High Court, Jharkhand)	45.24	45.24
(ii)	Demand for Sales Tax for the FY 2003-04 (Appeal pending before the Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 0.22 Lakhs)	0.22	0.22
(iii)	Demand for Sales Tax for the FY 2004-05 (Appeal pending before the Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 1.90 Lakhs)	1.90	1.90
(iv)	Demand for Sales Tax for the FY 2005-06 (Appeal pending before the Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 9.16 Lakhs)	9.16	9.16
(v)	Demand for Sales Tax for the FY 2015-16 for disallowance of ITC on Consumables and Intra State Stock Transfer (Appeal pending before the Hon'ble Ranchi High Court)	124.82	-
(vi)	Demand for Sales Tax for the FY 13-14, 14-15 & 15-16 for disallowance of ITC on Consumables and Intra State Stock Transfer (Appeal pending before Commissioner of Sales Tax)	219.96	-
(vii)	Demand for Sales Tax for the FY 2015-16 regarding ITC disallowed on Sales to Railways / Sales to the extent to CST liabilities. (Appeal pending before the Hon'ble Ranchi High Court of ₹ 25.90 Lakhs & Dy. Commissioner of ₹ 13.76 Lakhs)	39.66	-
(viii)	Demand for Service Tax for the FY 2012-13 to 2015-16 towards service tax liabilities on Die Tooling Charges (Appeal pending before the Hon'ble Ranchi High Court of ₹ 450.60 Lakhs & Commissioner Appeal of ₹ 33.39 Lakhs)	483.99	-
(ix)	Demand for Income Tax for the AY 2007-08 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)-(During the year favorable Order received)	-	28.38
(x)	Demand for Income Tax for the AY 2010-11 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)-(During the year favorable Order received)	-	0.16
(xi)	Demand for Income Tax for the AY 2011-12 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)-(During the year favorable Order received)	-	0.07

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

30. Contingent Liabilities and Commitments (to the extent not provided):		As at	
		31/03/2017	31/03/2016
A. Contingent Liabilities			
(xii) Demand for Income Tax for the AY 2012-13		233.62	-
(Company has paid Tax as per MAT u/s 115JB of the Income Tax Act, 1961 for the AY 12-13 after setting off brought forward losses of earlier years. The demand arises due to disallowance of additional depreciation and Claim received on Capital Account being treated as Income by the Assessing Officer. Consequently, as per the A.O. order there is no loss for the A.Y. 2009-10 which can be set off with the taxable income for the A.Y. 2012-13. On Appeal with the CIT for the A.Y. 2009-10, the CIT granted relief to the company on the above points. However, the department has filed appeal before Income Tax Appellate Tribunal, Kolkata).			
(xiii) Demand for Service Tax for the FY 2004-05, 2005-06, 2006-07 (upto July 2006)		35.98	35.98
(Appeal pending before the Excise & Service Tax Appellate Tribunal, Kolkata) (Deposit ₹ 2.00 Lakhs)			
(xiv) Demand for Service Tax for the FY 2007-08 to 2011-12		30.77	15.34
(Appeal pending before the Commissioner Central Excises (Appeals-II), Kolkata) (Deposit ₹ 1.15 Lakhs)			
(xv) Demand for Service Tax for the FY 2009-10		-	9.74
(Appeal pending before the Commissioner (Appeals-I), Kolkata) (Deposit ₹ 0.37 Lakhs)-(During the year favorable Order received)			
(xvi) Demand for Central Excise for the FY 2010-11 & FY 2011-12		35.44	35.44
(Appeal pending before the Commissioner Central Excise & Service Tax (Appeals-I), Kolkata) (Deposit ₹ 1.33 Lakhs)			
(xvii) Demand for short deduction of TDS for AY 2015-16 towards foreign payment and Technical Services u/s 195		2.28	-
(Appeal pending before the CIT (A) - 22/Kol)			
(xviii) Demand for short deduction of TDS for AY 2014-15 towards Commitment Fees paid to LBBW, Germany u/s 195		30.39	-
(Appeal pending before the CIT (A) - 22/Kol)			
(b) Bank Guarantee		567.63	567.63
(c) Custom duty on Capital goods imported under EPCG Scheme / Advance Licence, against which export obligation of ₹ 42,588.81 Lakhs (Previous year ₹ 46,528.35 Lakhs) is to be fulfilled		6,127.09	6,636.69
(d) Corporate guarantee given to State Bank of India, Commercial Branch, Jamshedpur, on behalf of Globe Forex & Travels Ltd, wholly owned Subsidiary of the Company. (Amount outstanding as on 31/03/2017 is ₹ Nil, Previous year was ₹ 1,669.47 Lakhs)		-	2,200.00
(e) Corporate guarantee given to ICICI Bank Ltd. RN Mukherjee Branch, Kolkata on behalf of Globe Forex & Travels Ltd, wholly owned Subsidiary of the Company. (Amount outstanding as on 31/03/2017 is ₹ Nil, Previous year was ₹ 205.14 Lakhs)		-	500.00
(f) Corporate guarantee given to Axis Bank Limited, Kolkata - ₹ 2500.00 Lakhs on behalf of Globe Forex & Travels Ltd., wholly owned Subsidiary of the Company. (Amount outstanding as on 31/03/2017 is ₹ 1851.14 Lakhs Previous year was ₹ Nil Lakhs)		2,500.00	-
(g) Corporate guarantee given to RBL Bank Limited, Kolkata - ₹ 700.00 Lakhs on behalf of Globe Forex & Travels Ltd., wholly owned Subsidiary of the Company. (Amount outstanding as on 31/03/2017 is ₹ 347.48 Lakhs, Previous year was ₹ Nil Lakhs)		700.00	-
B. Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		1,730.57	3,047.30

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

31. Employee Benefits:	As at	
	31/03/2017	31/03/2016
(a) Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits :		
(i) In respect of Gratuity a defined benefit scheme (based on actuarial valuation)		
a) Expenses recognized during the year.		
Current Service Cost	82.47	104.14
Interest Cost	42.71	34.00
Expected return on plan assets	(35.27)	(31.78)
Actuarial (Gain) / Loss	(30.76)	(49.38)
Net Cost	59.15	56.98
b) Net Assets / Liability recognized in the Balance Sheet at the year end		
Present Value of Fair value of plan assets at the end of the year	576.35	484.09
Present value of obligation	635.50	541.07
Amount recognized in Balance Sheet	59.15	56.98
c) Reconciliation of opening and closing balances of Defined Benefit obligation		
Present Value of Defined Benefit obligation at the beginning of the year	541.07	452.31
Current Service Cost	82.47	104.14
Interest Cost	42.71	34.00
Actuarial (Gain) / Loss on obligation	(30.76)	(49.38)
Benefit paid	-	-
Present Value of Defined benefit obligation at the year end	635.49	541.07
d) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of plan assets at beginning of the year	484.10	370.26
Expected return on plan assets	35.27	31.78
Actuarial Gain / (Loss)	-	-
Employer contribution	56.98	82.06
Benefit Paid	-	-
Fair value of plan assets at the end of the year	576.35	484.10
e) Investment details		
Insurer Managed Funds 100%	576.35	484.10
f) Actuarial Assumptions		
Mortality Table (LIC)	L.I.C. (2006 - 08), Ultimate Table	L.I.C. (2006 - 08), Ultimate Table
Discount Rate (Per Annum)	7.45%	7.90%
Rate of escalation in salary (per annum)	6% for the first two years, 5% for the next three years and 4% thereafter	5.00%

The Company has a funded scheme for payment of Gratuity to all eligible employees calculated at specified number of days of last salary drawn depending upon tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation, upon superannuation or on exist otherwise and is provided for on the basis of actuarial valuation made at the year end using projected unit credit method.

- (ii) Leave salary – compensated absence: - The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on basis of actuarial valuation at the year end.
- (iii) In respect of Defined contribution Scheme : The Company contributes 12% of salary for all eligible employees towards Provident Fund managed by the Central Government. Total expenses recognized towards Employer's contribution to Provident Fund ₹ 336.29 Lakhs (Previous year ₹ 288.96 Lakhs).

Notes to the Financial Statements for the Year ended 31st March, 2017

32. Related Parties - As per Accounting Standard (AS) - 18 disclosure of related parties and their relative with whom transaction has taken place during the year.

(a) Name of related parties and nature of relationship where control exists are as under:

(i). **Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence.**

- (i) M/s. Riddhi Portfolio Pvt. Ltd.
- (ii) M/s. Eastern Credit Capital (P) Ltd.
- (iii) M/s. Ramkrishna Rail & Infrastructure Pvt. Ltd.
- (iv) M/s. Clifftop Infrabuild Pvt. Ltd.
- (v) M/s. Northeast Infra Properties Pvt. Ltd.
- (vi) M/s. Dove Airlines Private Limited *

* M/s. Dove Airlines Private Limited has become 100% subsidiary of M/s. Riddhi Portfolio Pvt. Ltd. with effect from 15th July 2016.

(ii) **Subsidiary of the Company**

- (i) M/s. Globe Forex & Travels Ltd
- (ii) M/s. Ramkrishna Aviation Land Systems Maritime Pvt. Ltd.**

** M/s. Ramkrishna Aviation Land Systems Maritime Pvt. Ltd. has become 100% subsidiary with effect from 20th July 2016.

(iii) **ESOP Trust of the Company**

M/s Ramkrishna Forgings Employee Welfare Trust

(iv) **Key Management Personnel**

Mahabir Prasad Jalan

Chairman cum Whole Time Director.

Naresh Jalan

Managing Director

Pawan Kumar Kedia

Finance Director

(v) **Relative of Key Management Personnel**

Rashmi Jalan

Wife of Mr. Naresh Jalan

(b). Transaction with related parties:

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Nature of Transaction during the year.		
(i) Subsidiary of the Company -		
Globe Forex & Travels Ltd. :		
Loan Given	85.00	898.00
Interest Received - (TDS ₹ 7.76 lakhs, Previous year ₹ 12.79 lakhs)	77.59	127.93
Loan Repayment by - (Including conversion of loan to Investment in Equity Shares)	1,250.00	498.00
Investment in Shares	1,250.00	-
Commission Paid / Payable	39.21	23.87
Corporate guarantee Given	3,200.00	2,700.00
Investment in Shares - Ramkrishna Aviation Land Systems Maritime Private Limited.	10.00	-
(ii) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Riddhi Portfolio (P) Ltd. :		
Warrant conversion money received and converted in to Equity Shares	-	1,220.00
Rent Paid	6.00	0.50
Interest free Deposit	1.50	1.50

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Dividend paid	145.77	121.45
Flying Charges - Dove Airlines Private Limited	200.59	-
Dividend paid - Eastern Credit Capital (P) Ltd.	112.37	112.37
Dividend paid - Ramkrishna Rail & Infrastructure Pvt. Ltd.	0.04	0.04
(iii) Key Management Personnel		
Managerial Remuneration #		
i) Mahabir Prasad Jalan	228.29	223.65
ii) Naresh Jalan	171.98	141.13
iii) Pawan Kumar Kedia	34.35	36.19
Rent Paid - Naresh Jalan	6.00	6.00
Lease Rent - Naresh Jalan	24.00	24.00
Dividend paid	22.91	22.88
Commission- Mahabir Prasad Jalan	-	45.00
Commission- Naresh Jalan	-	35.00
(iv) Relative of Key Management Personnel		
Dividend paid - Rashmi Jalan	8.38	8.38
Balance outstanding as at 31st March, 2017		
(i) Subsidiary of the Company		
Globe Forex & Travels Limited :		
Loan ##	-	1,200.00
Trade payable - Purchase of Air Ticket and Other Receipts	94.28	2.08
Investment in Shares	1,909.82	659.82
Investment in Shares - Ramkrishna Aviation Land Systems Maritime Private Limited.	10.00	-
(ii) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Advances paid to Dove Airlines Private Limited	115.05	-
(iii) Commission Payable - Mahabir Prasad Jalan	-	45.00
Commission Payable - Naresh Jalan	-	35.00
(iv) Corporate guarantee given to State Bank of India, JSR - ₹ Nil (Previous year ₹ 2200.00 Lakhs) & ICICI Bank Limited, Kolkata - ₹ Nil (Previous year ₹ 500.00 Lakhs) on behalf of Globe Forex & Travels Ltd.	-	2,700.00
(v) Corporate guarantee given to Axis Bank Limited, Kolkata - ₹ 2500.00 Lakhs (Previous year - ₹ Nil) & RBL Bank Limited, Kolkata - ₹ 700.00 Lakhs (Previous year - ₹ Nil) on behalf of Globe Forex & Travels Ltd.	3,200.00	-

Note : # Excludes leave encashment and gratuity which is based on actuarial valuation provided on overall Company basis.

The Outstanding Loan of ₹ 1250.00 Lakhs as on 31st October, 2016 to M/s.Globe Forex and Travels Limited has been converted into 39,06,250 equity shares of ₹ 10 each at a premium of ₹ 22/- per share.

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

33. Pre-operative Expenses (Included in Capital Work in Progress):		Year ended	
		31/03/2017	31/03/2016
Details of Pre-operative expenses (Including Trial Run Expenses) are as follows:			
Particulars			
Salaries, Wages & Allowances		124.38	596.56
Power and Fuel		88.34	431.26
Stores, Spares Consumed		81.92	-
Die Consumed		-	143.97
Raw materials		416.08	1,356.33
Processing Charges		35.66	-
Interest / Bank Charges		55.20	822.34
Exchange Rate Difference		-	941.80
Miscellaneous Expenses		19.24	32.16
Travelling Expenses		7.14	0.03
Professional Fees/ Consultancy		49.07	36.19
Total		877.03	4,360.64
Less: Preoperative Income & Stock of Scrap		218.54	679.62
		658.49	3,681.02
Add: Balance brought forward from previous year		279.60	4,801.31
		938.09	8,482.33
Less: Allocated to Fixed Assets		782.98	8,202.73
Balance Carried forward		155.11	279.60

34. Exchange Rate Difference:

Foreign currency exchange difference Gain of ₹ 824.12 Lakhs (Previous year Loss of ₹ 1,249.57 Lakhs) on long term borrowing for acquisition of Fixed Assets, has been adjusted to carrying cost of fixed assets which is in compliance with the treatment prescribed under AS 11 notification - Companies (Accounting Standards) Amendment Rules, 2009 (G.S.R. 913 (E) dt. 29.12.2011) issued by Ministry of Corporate Affairs.

35. Operating Lease:

The Company's significant leasing agreements are in respect of lease for lands. These leasing agreements range between 30 to 99 years. The aggregate lease rental payables are charged as rent in Statement of Profit and Loss.

36. Foreign Currency exposures that are not hedged by derivative instrument or otherwise as on 31st March, 2017 are as under :

(in Lakhs)

			As at	
			31/03/2017	31/03/2016
i. Sundry Debtors	In USD *		76.51	86.34
	In GBP		4.75	1.75
	In EUR		30.88	25.31
ii. Buyer's Credit	In USD		23.73	16.88
	In JPY		2,763.36	3,243.37
	In EUR		27.09	27.09
iii. Sundry Creditor	In USD		2.65	0.62
	In JPY		1,255.58	367.17
	In GBP		-	0.01
	In EUR		18.46	4.51
iv. Foreign Currency Loan	In USD		224.38	240.00
	In EUR		122.76	139.13

* PCFC / PSFC loan in USD has not been considered to the extent of outstanding foreign debtors in USD as on 31.03.2017

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

37. Segment information:	Year ended	
	31/03/2017	31/03/2016
a. Primary Segment Information: The Company is operating in a single segment namely Forgings.		
Information about Secondary Segments : Geographical		
Revenue by Geographical Market		
India	60,274.33	49,145.76
Outside India	27,276.72	40,569.61
	87,551.05	89,715.37
Carrying Amount of Segment Assets		
Outside India	18,062.02	19,031.69

Note: All the plants of the Company are located in India and accordingly Debtors and Stock lying outside India has been considered segment assets outside India.

(₹ in Lakhs)

38. Earning per share (EPS):	Year ended	
	31/03/2017	31/03/2016
EPS is calculated by dividing the profit attributable to the equity shareholder by the weighted average number of equity shares outstanding during the year.		
Profit for the period (₹ Lakhs)	1,903.90	5,488.94
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	2,86,69,940	2,79,48,629
Dilutive Impact of Shares Warrant Issued	-	-
Weighted average number of Shares outstanding (Including Diluted)	2,86,69,940	2,79,48,629
Face value of per share (₹)	10.00	10.00
Basic EPS (₹)	6.64	19.64
Diluted EPS (₹)	6.64	19.64

39. Employee Share Based Payment:

a. Employee stock option scheme

- (i) The Board of Directors in the meeting held on 7th August, 2015, approved the Employee Stock Option Scheme 2015 ("ESOP Scheme 2015") for the grant upto 7,00,000 stock option to its permanent employees working in India and wholtime Directors of the Company, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. The same was approved by the members in the 33rd Annual General Meeting of the Company held on 12th September 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the **Ramkrishna Forgings Limited Employee Welfare Trust**. The Board of Directors in their meeting held on 7th November 2015 approved the grant of 3,23,675 options to the eligible employees of the Company. The Scheme was further amended in the 34th Annual General Meeting held on 24th September, 2016 wherein the exercise price per share has been reduced from ₹ 505.58 per share to ₹ 400.00 per share.
- (ii) The above granted options shall vest as under:

Date of Vesting	Eligibility
3rd year	30%
4th year	30%
5th year	40%

Notes to the Financial Statements for the Year ended 31st March, 2017

b. Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended 31st March, 2017 are as follows:

Particulars	Year ended	
	31/03/2017	31/03/2016
Outstanding at beginning of the year	3,04,903	-
Granted during the year	-	3,23,675
Forfeited / Cancelled during the year	46,104	18,772
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	2,58,799	3,04,903
Exercisable at the end of the year	-	-

- c. The employee share based payment plans have been accounted based on the intrinsic value method and accordingly ₹ 37.34 Lakhs (Previous year ₹ 23.79) has been charged as employee compensation cost.

d. Fair Valuation:

- (i) The fair value of the options used to compute net profit and earnings per share have been done by an independent valuer using Black-Scholes-Model. The details of options granted, the key assumptions and the Fair Value on the date of grant are as under:

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Number of Options Granted	3,23,675	3,23,675
Options Grant Date	07-11-2015	07-11-2015
Exercise Price (₹)	400.00	505.58
Risk-Free Interest Rate	7.66%	7.66%
Life of Options Granted	6.11	6.11
Expected Volatility	53.97%	53.97%
Expected Dividend	0.36%	0.36%
Weighted-Average Fair Value per Option (₹)	561.75	561.75

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted.

For the year ended 31st March, 2017, the Company determined ₹ 37.34 lakhs (Previous year ₹ 23.79 Lakhs) as amortized compensation cost for stock options granted. The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

Notes to the Financial Statements for the Year ended 31st March, 2017

(ii) The impact on the profits and EPS of the fair value method is given in the table below -

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Reported Net Profit	1,903.90	5,488.94
Add: Compensation cost under ESOP Scheme as per intrinsic value	37.34	23.79
Less: Compensation cost under ESOP Scheme as per fair value	228.90	146.03
Proforma Net Profit	1,712.34	5,366.70
Reported Earning per Share (EPS):		
Basic EPS (in ₹)	6.64	19.64
Diluted EPS (in ₹)	6.64	19.64
Proforma Earning per Share (EPS):		
Basic EPS (in ₹)	5.97	19.20
Diluted EPS (in ₹)	5.97	19.20

40. Information related to Micro, Small and Medium Enterprises Development Act, 2006 (the Act) is disclosed hereunder. The information given below has been determined to the extent such parties have been identified on the basis of information available with the Company:

(₹ in Lakhs)

	As at	
	31/03/2017	31/03/2016
(a) (i) Principal amount remaining unpaid to any supplier at the end of the accounting year	155.61	1.35
(ii) Interest due on above	-	-
Total	155.61	1.35
(b) Amount of interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-
(c) Amount of interest accrued and remaining unpaid at the end of the financial year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose disallowance as a deductible expenditure under Section 23 of the Act.	-	-

41. (a) C.I.F. value of imports by the Company (Including goods in transit and imported items purchased locally):

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Components and Spare parts	550.01	267.16
Capital Goods	1,693.12	5,039.99

Notes to the Financial Statements for the Year ended 31st March, 2017

(b) Expenditure in foreign currency during the year (Paid or provided):

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Business Promotion Expenses	19.49	-
Carriage Outward Expenses (Export) #	1,061.21	1,146.30
Claims Paid	-	481.62
Commission Paid	-	0.79
Commitment Fees	12.38	-
Consumption of Project Materials	-	6.22
Foreign Bank Charges	-	4.64
Inspection Charges	19.88	47.22
Interest paid on Buyer Credit (FC loan)	-	69.59
Interest paid on FC loan	839.47	805.52
Insurance Charges	0.55	-
Membership Fees	1.37	1.35
Office Equipment	4.98	1.12
Office Furniture	4.52	-
Office Rent	5.80	14.08
Packaging Materials	-	4.30
Postage / Telegram / Telephone	1.40	2.20
Printing & Stationery	1.12	1.30
Processing Charges / Job Work Charges	18.78	47.25
Legal / Professional / Consultation / Retainership Fees	41.30	142.60
Repayment of ECB Loan	2,070.82	-
Rent Deposits	0.69	-
Machine Repair Charges	84.63	35.52
Salary paid	511.32	484.60
Stand Rent for Exhibition	-	7.33
Storage / Warehouse Charges	279.90	270.52
Technical Service & Supervision Charges	-	158.83
Travelling	30.32	46.36

Net off claim received / receivable

(c) Total value of imported raw materials, spare parts and components consumed during the year and the total value of indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption:

	Year ended 31/03/2017		Year ended 31/03/2016	
	Qty (MT)	Value (₹ in Lakhs)	Qty (MT)	Value (₹ in Lakhs)
i. Consumption				
Raw Materials				
Imported	-	-	-	-
Indigenous	103,215.43	42,608.41	93,879.77	42,085.23
Less: Transferred to Capital Work-in-Progress		416.08		1,356.33
		42,192.33		40,728.90
Stores, Spare parts and Dies		7,988.70		6,646.89
Imported		296.72		116.50
Indigenous		7,691.98		6,530.39

Notes to the Financial Statements for the Year ended 31st March, 2017

	Year ended 31/03/2017		Year ended 31/03/2016	
	Qty (MT)	Value (₹ in Lakhs)	Qty (MT)	Value (₹ in Lakhs)
ii. Percentage of Total Consumption				
Raw Materials	100%	100%	100%	100%
Imported	-	-	-	-
Indigenous	100%	100%	100%	100%
Stores and Spare parts		100%		100%
Imported		3.71%		1.75%
Indigenous		96.29%		98.25%

(d) Earnings in Foreign Exchange:

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
(i) Export of goods calculated on F.O.B. basis	24,329.21	38,885.38
(ii) Die design & preparation charged (Recovered)	1,551.59	421.98

42. Details of the Loan given, Investment made and Guarantee given covered under section 186(4) of the Companies Act, 2013
Details of loan given and Investment made are provided under the respective heads.

Corporate Guarantee given by the Company is in respect of the Working Capital Loan taken by Subsidiary as on 31st March, 2017

(₹ in Lakhs)

Sl. No.	Year ended	
	31/03/2017	31/03/2016
Name of the Company		
Globe Forex & Travels Limited	3,200.00	2,700.00

The Guranatee has been given for the business purpose.

43. Corporate social responsibility:

As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in accordance to the CSR Policy of the Company. A CSR committee has been formed by the Company as per the Act. The CSR actiities are undertaken by the Company through a Trust on the activities which are specified in Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year : ₹ 103.63 Lakhs (Previous year ₹ 66.16 Lakhs)
- Amount spent during the year : ₹ 109.62 Lakhs (Previous year ₹ 76.00 Lakhs)

44. The Company has been granted Certificate of Registration to its in- House R&D unit(s) of its Plant located at Village Baliguma, P. O. Kolabera, Thana, Saraikela, Dist Saraikela Kharswan, Jamshedpur, Jharkhand, by the Ministry of Science and Technology, Govt. of India. The below mentioned expenditure are related to R&D facilities of the Company.

Notes to the Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

Expenditure on Research and Development	Year ended	
	31/03/2017	31/03/2016
A. Revenue Expenditure		
Raw Material	27.08	120.00 *
Tools & Consumables	114.58	86.71 *
Salary	569.85	617.53 *
Electricity	2.70	-
Misc Expenses	13.58	19.07 *
Total (A)	727.79	843.31
B. Capital Expenditure	392.57	459.20
Total research and development expenditure (A)+(B)	1,120.36	1,302.51

* Based on Management representation

45. Figures for the previous year have been regrouped and reclassified to conform to the classification of the current period, where necessary.

As per our attached report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Sd/-
(Rajiv Singhi)
Partner
Membership No. 53518
Place: Kolkata
Dated : 19th May, 2017

For Jitendra K Agarwal & Associates
Chartered Accountants
Firm Registration No. 318086E

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653
Place: Kolkata
Dated: 19th May, 2017

For and on behalf of the Board

Sd/-
Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN No.00375557

Sd/-
Naresh Jalan
Managing Director
DIN No. 00375462

Sd/-
Rajesh Mundhra
Company Secretary
ACS - 12991

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
Ramkrishna Forgings Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **RAMKRISHNA FORGINGS LIMITED** ("hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors and other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditor's Report (Contd.)

OTHER MATTER

We did not audit the financial statements of one (1) Indian subsidiary whose financial statements reflect total assets of ₹ 7.10 Lakhs as at 31st March, 2017, total revenue amounting to ₹ Nil and net cash inflow amounting to ₹ 7.10 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of Act and Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the report of other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries referred in the Other Matters paragraph above we report, to the extent applicable, that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the report of other auditor;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies and its associate companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, (as amended) in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group – Refer Note 30 to the consolidated financial statements;
 - ii. The Group has long-term contracts including derivative contracts as at 31st March, 2017 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2017. However in case of subsidiary companies, based on the audit procedure and report of the other auditor, there were no amounts which are required to be transferred to the Investor Education and Protection Fund; and

Independent Auditor's Report (Contd.)

- iv. The Group has provided requisite disclosures in its consolidated financial statements as regards to the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management's representations and the report of the other auditor, we report that the disclosure are in accordance with the books of accounts maintained by the company and subsidiary companies, - Refer Note 17(b) to the consolidated financial statements.

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Sd/-

(Rajiv Singhi)

Partner

Membership No.-053518

Place: Kolkata

Date: 19th May, 2017

For **Jitendra K Agarwal & Associates**

Chartered Accountants

Firm's Registration No. 318086E

Sd/-

(Abhishek Mohta)

Partner

Membership No. 066653

Place: Kolkata.

Date: 19th May, 2017

Annexure - A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Ramkrishna Forgings Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date and based on the comments made by the Independent Auditors of the Subsidiary with respect to the internal financial controls over financial reporting as required in terms of sub-section (3) (i) of Section 143 of the Act, we report as under :

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit of the Holding Company and its subsidiary companies. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the subsidiary companies, which are company incorporated in India, in terms of the reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Holding Company and its subsidiaries, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

Annexure - A to the Independent Auditor's Report (Contd.)

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one (1) Subsidiary Company which are companies incorporated in India, is based on the corresponding report of the other auditor of such company.

Our opinion is not modified in respect of this matter.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E
Sd/-
(Rajiv Singhi)
Partner
Membership No.-053518

Place: Kolkata
Date: 19th May, 2017

For **Jitendra K Agarwal & Associates**
Chartered Accountants
Firm's Registration No. 318086E
Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653

Place: Kolkata.
Date: 19th May, 2017

Consolidated Balance Sheet as at March 31, 2017

(₹ in Lakhs)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	2,866.99	2,866.99
Reserves and Surplus	'3'	46,135.13	44,169.65
		49,002.12	47,036.64
Non-Current Liabilities			
Long-Term Borrowings	'4'	43,016.12	50,720.31
Deferred Tax Liabilities	'5'	5,943.17	5,333.55
Other Long-Term Liabilities	'6'	1,143.14	1,053.69
Long-Term Provisions	'7'	183.69	151.99
		50,286.12	57,259.54
Current Liabilities			
Short-Term Borrowings	'8'	36,100.30	32,087.21
Trade Payables	'9'		
(a) Dues of micro enterprises and small enterprises		155.61	1.35
(b) Dues of creditors other than micro enterprises and small enterprises		29,319.29	17,571.77
Other Current Liabilities	'10'	16,809.02	13,761.70
Short-Term Provisions	'11'	75.61	759.34
		82,459.83	64,181.37
		181,748.07	168,477.55
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'12'	95,414.45	93,960.12
Intangible Assets	'12'	860.85	786.10
Capital Work-in-Progress		2,758.63	3,506.25
Non-Current Investments	'13'	10.50	10.50
Long-Term Loans and Advances	'14'	7,023.19	6,901.40
		106,067.62	105,164.37
Current Assets			
Inventories	'15'	32,197.17	22,005.42
Trade Receivables	'16'	35,299.29	33,829.86
Cash and Cash equivalents	'17'	195.41	218.12
Short-Term Loans and Advances	'18'	6,510.23	5,547.01
Other Current Assets	'19'	1,478.35	1,712.77
		75,680.45	63,313.18
		181,748.07	168,477.55

Significant Accounting Policies

'1'

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For and on behalf of the Board

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

For Jitendra K Agarwal & Associates
Chartered Accountants
Firm Registration No. 318086E

Sd/-
Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Sd/-
Naresh Jalan
Managing Director
DIN No. 00375462

Sd/-
(Rajiv Singhi)
Partner
Membership No. 53518
Place: Kolkata
Dated : 19th May, 2017

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653
Place: Kolkata
Dated: 19th May, 2017

Sd/-
Pawan Kumar Kedia
Finance Director
DIN No. 00375557

Sd/-
Rajesh Mundhra
Company Secretary
ACS - 12991

Consolidated Statement of Profit and Loss for the Period ended 31st March, 2017

(₹ in Lakhs)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
REVENUES			
Revenue from Operations (Gross)	'20'	95,961.70	96,878.40
Less: Excise Duty		7,113.45	5,824.59
Revenue from Operations (Net)		88,848.25	91,053.81
Other Income	'21'	193.70	231.96
Total Revenues		89,041.95	91,285.77
EXPENSES			
Cost of Raw Materials Consumed	'22'	42,192.33	40,728.90
Changes in inventories of Finished Goods, Work in Progress, Dies, Scrap and Stock-in-Trade	'23'	(7,624.35)	(3,090.63)
Employee Benefits Expenses	'24'	8,749.71	8,128.03
Power & Fuel		8,777.70	7,084.47
Finance Costs	'25'	7,541.38	5,432.59
Depreciation and Amortization Expenses	'26'	6,933.59	5,332.14
Other Expenses	'27'	19,933.68	20,174.20
Total Expenses		86,504.04	83,789.70
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2,537.91	7,496.07
Tax Expense:			
Current tax		558.33	1,599.33
MAT Credit Entitlement		(558.33)	(1,599.33)
Tax adjustments for earlier years (Net)		0.13	1.41
Deferred tax		609.63	2,040.70
Profit/ (Loss) for the period		1,928.15	5,453.96
Earnings per Share (EPS) (Weighted Average):	'35'		
Basic EPS (in ₹)		6.73	19.52
Diluted EPS (in ₹)		6.73	19.52

Significant Accounting Policies

'1'

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Sd/-
(Rajiv Singhi)
Partner
Membership No. 53518
Place: Kolkata
Dated : 19th May, 2017

For Jitendra K Agarwal & Associates
Chartered Accountants
Firm Registration No. 318086E

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653
Place: Kolkata
Dated: 19th May, 2017

For and on behalf of the Board

Sd/-
Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN No.00375557

Sd/-
Naresh Jalan
Managing Director
DIN No. 00375462

Sd/-
Rajesh Mundhra
Company Secretary
ACS - 12991

Consolidated Cash Flow Statement for the Year Ended March 31, 2017

(₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET(LOSS)/PROFIT BEFORE EXTRAORDINARY ITEM AND TAXES	2,537.91	7,496.09
Adjustments for:		
Depreciation	6,933.59	5,332.14
Sundry Balance written (back) / Off	(85.25)	22.72
(Profit) / Loss on sale of Fixed Assets/Discarded Assets	45.52	13.76
Employees Stock Option Expenses	37.34	23.79
Interest income on others	(113.43)	(163.26)
Interest income on Income Tax Refund	(5.44)	(9.55)
Interest expense	7,508.70	5,415.92
Effect of Exchange rate change (Net)	(1,239.67)	262.67
Liability no longer written back	(19.93)	-
Operating Profit/(Loss) before Working Capital Changes	15,599.34	18,394.28
Movements in Working Capital		
Decrease/(Increase) in Trade receivable	(1,306.14)	(3,704.45)
Decrease/(Increase) in Loans & Advances & Others Current & Non-Current Assets	(323.60)	(603.78)
Decrease/(Increase) in Inventories	(10,191.75)	(4,444.87)
(Decrease)/Increase in Trade Payables	11,879.24	2,040.13
(Decrease)/Increase in Loans & Others Current Liabilities	109.94	262.03
Direct Tax paid	(466.43)	(1,591.06)
	(298.74)	(8,042.00)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	15,300.60	10,352.28
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including Capital Work in Progress)	(7,524.13)	(17,103.23)
Proceeds from Sale of Fixed Assets / Adjusted	24.53	6.94
Fixed Deposits (Net)	(1.48)	(5.23)
Interest Received	110.77	155.59
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(7,390.31)	(16,945.93)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital including Securities Premium	0.00	1,220.00
Proceed from Long Term Borrowings	7,859.90	9,139.34
Repayment of Long Term Borrowings	(11,478.32)	(3,196.49)
Short Term Borrowings (Net)	4,032.41	5,989.55
Interest Paid	(7,710.15)	(5,838.86)
Dividend including Dividend Tax	(693.38)	(659.25)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	(7,989.54)	6,654.29
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(79.25)	60.64
OPENING CASH AND CASH EQUIVALENTS	135.43	74.79
CLOSING CASH AND CASH EQUIVALENTS	56.18	135.43
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(79.25)	60.64

Consolidated Cash Flow Statement for the Year Ended March 31, 2017 (₹ in Lakhs)

Notes:

- a) Above statement has been prepared under indirect method except in case of interest, dividends and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities.

	2016 - 17	2015 - 16
b) Cash and Cash Equivalents Include:		
- Cash in hand	6.63	10.06
- With Scheduled Bank -		
a) Fixed deposit Account	3.00	90.06
b) Current Account	46.55	35.31
	56.18	135.43

- c) Closing Cash and Cash Equivalents represents "Cash & Bank Balance" except ₹ 1.51 lakhs lying in Current Account with schedule bank on account of unclaimed dividends which are not available for use by the Company.

As per our attached report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Sd/-
(Rajiv Singhi)
Partner
Membership No. 53518
Place: Kolkata
Dated : 19th May, 2017

For Jitendra K Agarwal & Associates
Chartered Accountants
Firm Registration No. 318086E

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653
Place: Kolkata
Dated: 19th May, 2017

For and on behalf of the Board

Sd/-
Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN No.00375557

Sd/-
Naresh Jalan
Managing Director
DIN No. 00375462

Sd/-
Rajesh Mundhra
Company Secretary
ACS - 12991

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

1. Significant Accounting Policies

A. Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to **Ramkrishna Forgings Limited** (the Company) and its Subsidiary (the Group). The CFS has been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21), and is prepared on the following basis:

- (a) The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits / losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the CFS as Goodwill or Capital Reserve, as the case may be. Minority Interest's share in net profit / loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the CFS is identified and recognized after taking into consideration:-
 - (i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - (ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - (iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 - (iv) The excess of loss over the minority interest in the equity, is adjusted against Reserve of the Company.
- (b) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

B. Accounting Convention

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the Assets & Liabilities are classified as Current or Non-current as per criteria set out in Schedule III to the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the items of Income and Expenditure have been recognized on accrual basis except certain Insurance claim, Sales Tax / Excise claims / refunds which are accounted on cash basis where the amounts are unascertainable. The accounting policies applied by the Group are consistent with those used in last year except where otherwise stated.

C. Use of Estimates

In preparing Group's CFS in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of Contingent Liabilities at the date of financial statement and reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates. Difference between actual result and estimates are recognized in the period in which the results are known/materialized.

D. Fixed Assets

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, construction and improvement made, which are inclusive of freight, duty (net of Cenvat), taxes, incidental expenses, interest and fund raising cost and other pre-operative expenses apportioned.
- (ii) Capital work-in-progress are stated at cost including interest, fund raising cost and related expenses incurred during construction or pre-operative period.

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

- (iii) Machinery spares which can be used only in connection with an item of Fixed Asset and whose use as per technical assessment is expected to be irregular are capitalised and depreciated prospectively over the residual life of the respective assets.

E. Depreciation and Amortization

- (i) Depreciation on tangible fixed assets is provided on Straight Line Method over the useful life of assets as prescribed in Part-C of Schedule II of the Companies Act, 2013 except for the following assets where the useful life considered is different than that prescribed in Schedule II on the basis of management technical evaluation. The management believes that the useful life as given below represents the period over which management expects to use these assets :

a) CNC Machines	- 20 Years
b) Furnace	- 20 Years
c) Press, Hammer & Upsetter	- 40 Years
d) Production Resource Tools	- 10 Years
e) Pumps & Motors	- 10 Years

For remaining assets the useful life has been determined as per Schedule -II.

- (ii). Depreciation for assets purchased / sold during a period is proportionately charged. Depreciation on change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis. Leasehold lands are amortized over the lease period. Depreciation and amortisation method, useful live and residual values are reviewed periodically, including at each financial year end.

F. Impairment of Assets

The Group on an annual basis makes an assessment of any indicator that may lead to Impairment of Assets. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and charged to Statement of Profit & Loss. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

G. Inventories

Inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale. Cost of Inventories of Raw Materials, Stores and Spares and fuel are determined on Weighted average method. Inventories of Finished Goods and Work in Progress are valued at weighted average method which includes material cost, cost of conversion, depreciation and other overheads to the extent applicable. Scrap is valued at net realisable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be used are expected to be sold at or above cost.

H. Investments

- (i) Long Term investments are stated at cost less provisions, if any for diminution in value, which are considered to be other than temporary in nature.
- (ii) Current Investments are stated at lower of cost or fair value.

I. Foreign Currency Transactions

- (i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Year end balance of foreign currency transaction are translated at the year end rate.

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

- (ii) Any Income or Expense on account of exchange rate difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case of long term borrowings relating to acquisition of fixed assets where resultant exchange rate difference has been adjusted to the carrying cost of such assets.
- (iii) In respect of transactions covered under forward foreign exchange contracts the difference between the forwards rate and the exchange rate at the inception of contract is recognized as income or expense over the life of the contract.

J. Employee Benefits

- (i) Short term employees benefit are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- (ii) Post employment and other long term benefit are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined at the year end on the basis of an actuarial valuation using projected unit credit method. Actuarial gains and losses in respect of post employment and other long term benefit are charged to Statement of Profit and Loss.
- (iii) The Company's contribution to the Provident Fund and the Family pension fund are charged to statement of Profit and Loss.

K. Employee Stock Option Scheme / Share-based payments

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on graded method basis over the vesting period of the option. In case of forfeiture of option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

L. Revenue Recognition

Sales revenue is recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer. Commission on tickets and service charges from customers are recognised net of purchase on sales of the tickets. Income from MICE is recognised as and when booking is confirmed. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled. Dividend income on investment is accounted for when the right to receive the payment is established.

M. Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition / construction of qualifying fixed assets are capitalised up to date when such assets are ready for its intended use / commercial production started and other borrowing costs are charged to Statement of Profit and Loss.

N. Government Grant

Government grants are recognised when there is a reasonable assurance that the same will be received. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to Capital Reserve.

O. Taxation

Provision for current Income Tax is made in accordance with the provisions of the Income Tax Act 1961. Deferred Tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that asset will be realised in future.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

P. Excise Duty

Excise Duty and Cess on manufacturing goods is accounted for at the time of their clearances from the factory. Excise Duty and Cess in respect of stock of finished goods and Scrap awaiting clearance from the factory at the year-end are considered for valuation of inventory.

Q. Earning per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

R. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

2. Share Capital:	As at 31/03/2017		As at 31/03/2016	
	Numbers	(₹ in Lakhs)	Numbers	(₹ in Lakhs)
Authorized:				
Equity Shares of ₹ 10/- each	2,97,50,000	2,975.00	2,97,50,000	2,975.00
		2,975.00		2,975.00
Issued:				
Equity Shares of ₹ 10/- each fully paid up	2,86,69,940	2,866.99	2,86,69,940	2,866.99
		2,866.99		2,866.99
Subscribed and Paid-up:				
Equity Shares of ₹ 10/- each fully paid-up	2,86,69,940	2,866.99	2,86,69,940	2,866.99
		2,866.99		2,866.99

i. Reconciliation of the number of Shares outstanding:

(₹ in Lakhs)

Equity Shares	As at	
	31/03/2017	31/03/2016
Outstanding at the beginning of the year	2,86,69,940	2,74,69,940
Add: Shares issued on conversion of warrants	-	12,00,000
Outstanding at the end of the year	2,86,69,940	2,86,69,940

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

3. Reserves and Surplus:	As at	
	31/03/2017	31/03/2016
(a) Capital Reserve		
As per last Financial Statement	3,546.01	3,546.01
	3,546.01	3,546.01
(b) Securities Premium Reserve		
As per last Financial Statement	18,719.83	17,039.83
Add: On conversion of warrants into equity shares	-	1,680.00
	18,719.83	18,719.83
(c) Revaluation Reserve		
As per last Financial Statement	78.67	78.67
	78.67	78.67
(d) Employee's Stock Options Outstanding Account		
As per last Financial Statement	23.79	-
Add : ESOP Cost amortised during the year	37.34	23.79
	61.13	23.79
(e) General Reserve		
As per last Financial Statement	2,198.15	1,448.15
Add: Transfer from Statement of Profit and Loss	250.00	750.00
	2,448.15	2,198.15
(f). Surplus in the Statement of Profit and Loss		
As per last Financial Statement	19,603.19	15,592.61
Add: Profit for the period	1,928.15	5,453.96
	21,531.34	21,046.57
Less: Proposed Dividend on Equity Shares	-	573.40
Less: Tax on Proposed Equity Dividend	-	119.98
Less: Transfer to General Reserve	250.00	750.00
	21,281.34	19,603.19
	46,135.13	44,169.65

(₹ in Lakhs)

4. Long-Term Borrowings	Non Current Portion		Current Maturities	
	As at 31/03/2017	As at 31/03/2016	As at 31/03/2017	As at 31/03/2016
Secured				
From Banks				
Term Loan	43,016.12	48,220.31	8,389.39	5,389.61
	43,016.12	48,220.31	8,389.39	5,389.61
Unsecured				
From Banks	-	2,500.00	-	-
Term Loan	-	2,500.00	-	-
	43,016.12	50,720.31	8,389.39	5,389.61
Less: Disclosed under the head current liabilities (Refer Note No. 10)	-	-	8,389.39	5,389.61
	43,016.12	50,720.31	-	-

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

5. Deferred Tax:	As at	
	31/03/2017	31/03/2016
Major components of Deferred Tax arising on account of temporary timing differences are given below:		
(a) Deferred Tax Liabilities		
Depreciation and Amortization Expenses	10,890.87	8,206.49
	10,890.87	8,206.49
(b) Deferred Tax Assets		
On Retirement benefits expenses as per AS - 15	84.11	71.51
On Others	-	122.84
Business Losses including Unabsorbed Depreciation (i)	4,863.59	2,678.59
	4,947.70	2,872.94
Deferred Tax Liabilities (Net)	5,943.17	5,333.55

- (i) In view of revised profitability projections considering additional contribution from new plant, the Company is now certain that there would be sufficient taxable income in future periods, accordingly it has recognised deferred tax assets on business losses including unabsorbed depreciation calculated as per Income Tax Act 1961.

(₹ in Lakhs)

6. Other Long - Term Liabilities:	As at	
	31/03/2017	31/03/2016
Other Liabilities	1,143.14	1,053.69
	1,143.14	1,053.69

(₹ in Lakhs)

7. Long-Term Provisions:	As at	
	31/03/2017	31/03/2016
Provision for Employee Benefits	183.69	151.99
	183.69	151.99

(₹ in Lakhs)

8. Short-term Borrowings:	As at	
	31/03/2017	31/03/2016
Secured		
Loans repayable on demand		
From Banks - Working Capital Loan	34,153.10	28,086.57
	34,153.10	28,086.57
Unsecured		
Loan repayable on demand		
From Bank	1,947.20	3,950.92
From Others	-	49.72
	1,947.20	4,000.64
	36,100.30	32,087.21

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

9. Trade Payables:	As at	
	31/03/2017	31/03/2016
Dues of micro & small Enterprises (Refer Note No.37)	155.61	1.35
Dues of creditors other than micro & small Enterprises	29,319.29	17,571.77
	29,474.90	17,573.12

(₹ in Lakhs)

10. Other Current Liabilities:	As at	
	31/03/2017	31/03/2016
Current maturities of long-term debt (Refer Note 4)	8,389.39	5,389.61
Interest accrued but not due on borrowings	312.82	320.62
Amount shall be credited to Investor's Education and Protection Fund (as and when due)		
Unpaid Dividends	1.51	1.19
Project Liabilities	3,604.98	3,489.12
Advance from Customers	88.82	117.42
Payable to Employees	1,050.53	1,007.17
Statutory dues	540.09	394.96
Other Payables #	2,820.88	3,041.61
	16,809.02	13,761.70

Other payable represents Repairs & Maintenance, Carriage Outward Expenses etc.

(₹ in Lakhs)

11. Short-Term Provisions:	As at	
	31/03/2017	31/03/2016
Provision for Employee Benefits		
- Gratuity	59.34	57.91
- Leave Encashment	16.27	8.05
Proposed Dividend	-	573.40
Tax on Proposed Dividend	-	119.98
	75.61	759.34

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

Description	Gross Block			Depreciation / Amortization				Net Block	
	As at 01-04-2016	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2017	As at 01-04-2016	For the Year	Deductions/ Adjustments	As at 31-03-2017	As at 31-03-2016
12. Fixed Assets:									
A. Tangible Assets									
Land & Land Development									
Lease Hold Land	138.34	-	-	138.34	53.82	4.48	-	58.30	84.52
Free Hold Land	595.37	-	-	595.37	-	-	-	-	595.37
Total	733.71	-	-	733.71	53.82	4.48	-	58.30	679.89
Factory Shed & Building	9,293.05	77.28	-	9,370.33	905.49	300.13	-	1,205.62	8,387.56
Office Building	5,937.07	49.96	-	5,987.03	237.24	185.55	-	422.79	5,699.83
Plant and Equipment	94,119.01	7,781.67	95.41	1,01,805.27	18,223.02	5,737.97	53.48	23,907.51	75,895.99
Vehicles	538.37	141.04	46.56	632.85	163.73	73.19	22.27	214.65	374.65
Furnitures & Fixtures	2,671.79	215.27	-	2,887.06	765.89	283.95	-	1,049.84	1,905.93
Computer	1,003.67	49.91	1.45	1,052.13	610.21	134.77	0.83	744.15	393.46
Office Equipments	271.27	12.35	14.73	288.89	174.05	36.89	11.51	199.43	97.21
Air Condition Machine	646.67	19.54	-	666.21	121.07	65.67	-	186.74	525.60
Total (A)	1,15,214.61	8,347.02	158.15	1,23,403.48	21,254.52	6,822.60	88.09	27,989.03	93,960.12
B. Intangible Assets									
Goodwill on Consolidation	503.19	-	-	503.19	-	-	-	-	503.19
Computer Software	700.53	185.74	-	886.27	423.44	109.28	-	532.72	277.10
Online Portal Website Development	10.50	-	-	10.50	4.69	1.70	-	6.39	5.81
Total (B)	1,214.22	185.74	-	1,399.96	428.13	110.98	-	539.11	786.10
Total (A+B)	1,16,428.83	8,532.76	158.15	1,24,803.43	21,682.65	6,933.58	88.09	28,528.14	94,746.22
Previous Year	69,632.31	46,865.01	68.49	1,16,428.83	16,401.45	5,332.14	50.97	21,682.62	53,230.91

Board & Management Reports

Standalone Financial Section

Consolidated Financial Section

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

13. Non-Current Investments:	As at	
	31/03/2017	31/03/2016
(i) Other than Trade		
Investments in Equity Instruments (Unquoted) (at cost)		
In Equity Shares of Subsidiary Company - Fully paid-up		
1050 Equity Shares (P.Y. 1050 Equity Shares) of "Adityapur Auto Cluster" of ₹ 1000/- each fully paid up	10.50	10.50
	10.50	10.50

- (ii) Although the book value of investments (amount not ascertained) is lower than cost, considering the strategic and long term nature of the investments in the opinion of the management such decline is temporary in nature and no provision is necessary for the same.

(₹ in Lakhs)

14. Long-Term Loans and Advances:	As at	
	31/03/2017	31/03/2016
Capital Advance #		
Unsecured, Considered Good	278.82	2,232.79
Security Deposits #		
Unsecured, Considered Good	1,191.53	1,212.34
MAT Entitlement Receivable*	3,803.79	3,262.46
Other loans and advances - Advances Recoverable from Unsecured, Considered Good		
- Prepaid Expenses	107.56	60.24
- Employees	86.47	81.76
- Others #	1,555.02	51.81
	7,023.19	6,901.40

Doubtful ₹ Nil (Previous year ₹ Nil)

*In view of revised profitability projections considering additional contribution from new plants the company is having convincing evidence that there would be sufficient taxable income in future periods to utilize MAT credit entitlements.

(₹ in Lakhs)

15. Inventories (Valued at lower of Cost and Net Realisable Value):	As at 31/03/2017		As at 31/03/2016	
	In transit	In hand	In transit	In hand
Work-in-Progress	-	15,201.60	-	9,267.58
Raw Materials	-	3,695.59	-	2,644.05
Fuel & Gas	-	117.42	-	69.83
Stores and Spares	-	5,580.11	-	4,433.40
Die Block	-	6,838.16	-	4,971.19
Vendor Managed Inventory	6.39	2.17	-	30.60
Finished Goods	-	240.27	-	81.32
Forgings Scrap	-	515.46	-	507.45
	6.39	32,190.78	-	22,005.42

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

16. Trade Receivables:	As at	
	31/03/2017	31/03/2016
Outstanding for a period exceeding six months (from due date)		
Unsecured, Considered Good	1,621.55	138.72
Outstanding for a period less than six months (from due date)		
Unsecured, Considered Good	33,677.74	33,691.14
	35,299.29	33,829.86

(₹ in Lakhs)

17. Cash and Cash Equivalents:	As at	
	31/03/2017	31/03/2016
a. Cash and Cash Equivalents		
Cash on hand	6.63	10.06
Balance with Banks:		
- In Current Accounts	46.55	35.31
- Deposits with less than 3 months initial maturity	3.00	90.05
	56.18	135.42
Other Balances		
- Deposits with more than 3 months initial maturity	139.23	82.70
	139.23	82.70
	195.41	218.12

- b. Disclosure regarding Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 (closing) to 30/12/2016 as per direction given by Ministry of Corporate Affairs vide Notification dated 30.03.2017 is as under :-

Particulars	SBN's (₹)	Other Denomination Notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	25,24,500	5,68,059	30,92,559
(+) Permitted Receipts	-	58,01,942	58,01,942
(-) Permitted Payments	-	35,87,130	35,87,130
(-) Amount Deposited in Banks	25,24,500	17,95,154	43,19,654
Closing cash in Hand as on 30.12.2016	-	9,87,717	9,87,717

(₹ in Lakhs)

18. Short-Term Loans and Advances:	As at	
	31/03/2017	31/03/2016
Security and Other Deposits #		
Unsecured, Considered Good	310.52	31.10
Others - Advances Recoverable from		
Unsecured, Considered Good		
- Income Tax Refundable	299.97	261.93
- Advances with Airlines (LCC)	24.41	28.28
- Employees	100.36	78.34
- Suppliers of Goods & Services	1,580.66	933.80
- Balance with Customs, Port Trusts, Excise	3,629.39	3,754.75
- Prepaid Expenses	564.92	458.81
	6,510.23	5,547.01

Doubtful ₹ Nil (Previous year ₹ Nil)

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

19. Other Current Assets:	As at	
	31/03/2017	31/03/2016
Accrued Interest	85.27	86.76
Accrued Export and Other Incentives	1,089.71	1,530.06
Others #	303.37	95.95
	1,478.35	1,712.77

Includes Insurance claims receivable etc.

(₹ in Lakhs)

20. Revenue from Operations:	Year ended		Year ended	
	31/03/2017		31/03/2016	
Sale of Products				
- Steel Forgings		91,547.65		92,472.39
Job Work Sales		204.94		599.11
Sale of Services				
Sale of Air Tickets and Other Receipts	18,299.87		18,176.27	
Less : Purchase of Air Tickets and Other Receipts	17,929.77	370.10	17,710.20	466.07
Commission & Incentive		927.10		872.37
Other Operating Revenues		2,936.19		2,919.76
		95,985.98		97,329.70
Less: Excise Duty Paid		7,113.45		5,824.59
		88,872.53		91,505.11
Less: Transfer to Capital Work-in-Progress		24.28		451.30
		88,848.25		91,053.81

(₹ in Lakhs)

21. Other Income:	Year ended	
	31/03/2017	31/03/2016
Interest Income		
On Others	113.43	163.26
On Income Tax Refund	5.44	9.55
Other Non-Operating Income (Net)	74.83	59.15
	193.70	231.96

(₹ in Lakhs)

22. Cost of Raw Materials Consumed:	Year ended	
	31/03/2017	31/03/2016
Steel Round	24,988.53	27,906.25
Steel Billets	17,619.88	14,178.98
	42,608.41	42,085.23
Less: Transferred to Capital Work-in-Progress	416.08	1,356.33
	42,192.33	40,728.90

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

23. Changes in inventories of Finished Goods, Work in Progress, Dies, Scrap and Stock-in-Trade :	Year ended	
	31/03/2017	31/03/2016
Opening Stock		
Vendor Managed Inventory (Refer Note (b))	30.60	87.89
Work-in-Progress (Refer Note (a))	9,267.58	6,189.75
Finished Goods (Refer Note (a))	81.32	0.13
Dies and dies under fabrication	2,838.27	2,346.59
Forging Scrap	507.45	252.92
	12,725.22	8,877.28
Less: Closing Stock		
Vendor Managed Inventory (Refer Note (b))	8.57	30.60
Work-in-Progress (Refer Note (a))	15,201.60	9,267.58
Finished Goods (Refer Note (a))	240.27	81.32
Dies and dies under fabrication	4,596.48	2,346.59
Forging Scrap	515.46	507.45
	20,562.38	12,233.54
(Increase) / Decrease in Stock	(7,837.16)	(3,356.26)
Add: Excise Duty on (Increase) / Decrease in Stock	18.54	37.31
	(7,818.62)	(3,318.95)
Add: Stock of Trial run production	194.27	228.32
	(7,624.35)	(3,090.63)

(₹ in Lakhs)

	Year ended 31/03/2017		Year ended 31/03/2016	
	Opening	Closing	Opening	Closing
(a) Details of Work-in-Progress Stock & Finished Goods under broad heads are given below:				
Steel Forging-Work-in-Progress	9,267.58	15,201.60	6,189.75	9,267.58
Steel Forging-Finished Goods	81.32	240.27	0.13	81.32
	9,348.90	15,441.87	6,189.88	9,348.90
(b) Details of Vendor Managed Inventory under broad heads are given below:				
Steel Forging-Vendor Managed Inventory	30.60	8.57	87.89	30.60
	30.60	8.57	87.89	30.60

(₹ in Lakhs)

24. Employee Benefits Expenses:	Year ended	
	31/03/2017	31/03/2016
Salaries, Wages, Bonus, Exgratia, Incentive etc.	8,007.18	7,928.85
Gratuity fund contributions	103.64	69.99
Provident Fund / Employees Pension Fund & E. S. I. Contribution	423.17	370.68
Expense on Employee Stock Option Scheme (ESOP)	37.34	23.79
Staff welfare expenses	302.76	331.28
	8,874.09	8,724.59
Less: Transferred to Capital Work-in-Progress	124.38	596.56
	8,749.71	8,128.03

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

25. Finance Costs:	Year ended	
	31/03/2017	31/03/2016
Interests Expenses	6,663.47	5,285.96
Other Borrowing Costs	1,071.56	688.33
Profit/(Loss) on Foreign Currency Transactions and Translation (Net)	-	412.95
	7,735.03	6,387.24
Less: Transfer to Capital Work-in-Progress	193.65	954.65
	7,541.38	5,432.59

(₹ in Lakhs)

26. Depreciation and Amortization Expenses:	Year ended	
	31/03/2017	31/03/2016
Depreciation and Amortization Expenses	6,933.59	5,332.14
	6,933.59	5,332.14

(₹ in Lakhs)

27. Other Expenses:	Year ended	
	31/03/2017	31/03/2016
Carriage Inward Expenses	273.11	257.11
Stores, Spares (Including Packing Material)	6,503.72	6,307.34
Die Block Consumed	1,484.98	339.55
Processing Charges	4,400.47	3,669.21
Repairs to:-		
- Plant & Machinery	348.98	275.19
- Factory Shed & Building	85.55	81.85
Business Promotion Expenses	31.80	20.05
Rent	83.75	104.42
Rates & Taxes	18.84	17.08
Insurance Charges	377.34	300.05
Repairs & Maintenance	398.04	431.84
Miscellaneous Expenses	1,166.34	901.69
Director Sitting Fees & Commission	20.05	99.90
Bank Charges & Commission	89.12	84.59
Postage, Telegraph & Telephone	102.40	112.87
Legal & Professional Expenses	510.09	701.92
Travelling & Conveyance Expenses (Including Directors Travelling ₹ 410.44 lakhs (previous Year ₹ 320.34 lakhs))	801.79	689.28
Advertisement Expenses	30.03	31.24
Payment to Auditors	44.52	42.26
Brokerage & Commission Expenses	126.68	112.50
Vehicle Running Expenses	96.67	81.14
Carriage Outward Expenses	957.40	781.71
Export Expenses	3,078.17	4,813.42
Discount & Rebate (Net)	284.23	720.46
Exchange Rate Difference	(1,239.67)	262.67
Sundry Balances Written Off (Net)	(105.18)	22.72
Discarded Assets	30.60	5.36

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

27. Other Expenses:	Year ended	
	31/03/2017	31/03/2016
Tax Expenses	47.88	48.25
Prior Period Expenses	1.86	-
Preliminary Expenses written off	2.96	-
Swatch Bharat Cess Expenses	41.20	12.68
Krishi Kalyan Cess Expenses	33.00	-
	20,126.72	21,328.35
Less: Transfer to Capital Work-in-Progress	193.04	1,154.15
	19,933.68	20,174.20

28. The list of subsidiary which is included in the CFS of the Group and the Group's effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership	Group's Proportion of Ownership
Globe Forex & Travels Ltd.	Subsidiary	India	100.00%	100.00%
Ramkrishna Aviation Land Systems Maritime Pvt. Ltd.	Subsidiary	India	100.00%	100.00%

29. The excess managerial remuneration paid to Mr. Mahabir Prasad Jalan is ₹ 65.62 Lakhs and ₹ 106.38 Lakhs for the financial year 2012-13 and 2013-14 respectively for which the representation is still pending with Central Government. However, the excess amount so paid, has been refunded during this financial year and credited to employee benefit expenses.

(₹ in Lakhs)

30. Contingent Liabilities and Commitments (to the extent not provided):	Year ended	
	31/03/2017	31/03/2016
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt	1,293.43	181.63
(b) Bank Guarantee	567.63	567.63
(c) Custom duty on Capital goods imported under EPCG Scheme / Advance Licence, against which export obligation of ₹ 42,588.81 Lakhs (Previous year ₹ 46,528.35 Lakhs) is to be fulfilled.	6,127.09	6,636.69
B. Commitments:	567.63	567.63
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,730.57	3,047.30

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

31. Employee Benefits:	As at	
	31/03/2017	31/03/2016
(a) Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits :		
(i) In respect of Gratuity a defined benefit scheme (based on actuarial valuation)		
a) Expenses recognized during the year.		
Current Service Cost	89.69	115.07
Past Service Cost	-	(1.30)
Interest Cost	45.38	36.35
Expected return on plan assets	(37.90)	(33.31)
Actuarial (Gain) / Loss	(30.82)	(58.90)
Net Cost	66.35	57.91
b) Net Assets / Liability recognized in the Balance Sheet at the year end		
Present Value of Fair value of plan assets at the end of the year	612.26	516.96
Present value of obligation	678.61	574.87
Amount recognized in Balance Sheet	66.35	57.91
c) Reconciliation of opening and closing balances of Defined Benefit obligation		
Present Value of Defined Benefit obligation at the beginning of the year	574.87	483.65
Current Service Cost	89.69	115.07
Past Service Cost	-	(1.30)
Interest Cost	45.38	36.35
Actuarial (Gain) / Loss on obligation	(31.33)	(58.90)
Benefit paid	-	-
Present Value of Defined benefit obligation at the year end	678.61	574.87
d) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of plan assets at beginning of the year	516.96	389.37
Expected return on plan assets	37.90	33.31
Actuarial Gain / (Loss)	(0.51)	-
Employer contribution	57.91	94.28
Benefit Paid	-	-
Fair value of plan assets at the end of the year	612.26	516.96
e) Investment details		
Insurer Managed Funds 100%	612.26	516.96
f) Actuarial Assumptions	L.I.C. (2006 - 08), Ultimate Table	L.I.C. (2006 - 08), Ultimate Table
Mortality Table (LIC)		
Discount Rate (Per Annum)	7.45%	7.90%
Rate of escalation in salary (per annum)	6% for the first two years, 5% for the next three years and 4% thereafter	5.00%

The company has funded scheme for payment of Gratuity to all eligible employees calculated at specified number of days of last salary drawn depending upon tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exist otherwise and is provided for on the basis of actuarial valuation made at the year end using projected unit credit method.

- (ii) Leave salary – compensated absence : - The company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on basis of actuarial valuation at the year end.

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

- (iii) In respect of Defined contribution Scheme: - The company contributes 12% of salary for all eligible employees towards Provident Fund managed by the Central Government. Total expenses recognized towards Employer's contribution to Provident Fund ₹ 366.78 Lakhs (Previous year ₹ 323.99 Lakhs).

32. Related Parties - As per Accounting Standard (AS) - 18 disclosure of related parties and their relative with whom transaction has taken place during the year.

- (a) Name of related parties and nature of relationship where control exists are as under:

(i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence.	(i) M/s. Riddhi Portfolio Pvt. Ltd.
	(ii) M/s. Eastern Credit Capital Pvt. Ltd.
	(iii) M/s. Ramkrishna Rail & Infrastructure Pvt. Ltd.
	(iv) M/s. Clifftop Infrabuild Pvt. Ltd.
	(v) M/s. Northeast Infra Properties Pvt. Ltd.
	(vi) M/s Dove Airlines Pvt. Ltd. (100% subsidiary of M/s Riddhi Portfolio Pvt. Ltd w.e.f 15.07.2016)
(ii) ESOP Trust of the Company	M/s Ramkrishna Forgings Employee Welfare Trust
(iii) Key Management Personnel	Mahabir Prasad Jalan
	Chairman cum Whole Time Director.
	Naresh Jalan
	Managing Director
	Pawan Kumar Kedia
	Finance Director
(iv) Relative of Key Management Personnel	Rashmi Jalan
	Wife of Mr. Naresh Jalan

- (b) Transaction with related parties:

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Nature of Transaction during the year.		
(i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant conversion money received and converted in to Equity Shares	-	1,220.00
Rent Paid - Riddhi Portfolio (P) Ltd.	6.00	0.50
Interest free Deposit - Riddhi Portfolio (P) Ltd.	1.50	1.50
Flying Charges - Dove Airlines Private Limited	200.59	-
Dividend paid - Riddhi Portfolio (P) Ltd.	145.77	121.45
Dividend paid - Eastern Credit Capital (P) Ltd.	112.37	112.37
Dividend paid - Ramkrishna Rail & Infrastructure Pvt. Ltd.	0.04	0.04
(ii) Key Management Personnel		
Managerial Remuneration **		
i) Mahabir Prasad Jalan	228.29	223.65
ii) Naresh Jalan	171.98	141.13
iii) Pawan Kumar Kedia	34.35	36.19
Rent Paid - Naresh Jalan	6.00	6.00
Lease Rent - Naresh Jalan	24.00	24.00
Dividend	22.91	22.88
Commission- Mahabir Prasad Jalan	-	45.00
Commission- Naresh Jalan	-	35.00

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
(iii) Relative of Key Management Personnel		
Dividend paid - Rashmi Jalan	8.38	8.38
(c) Balance outstanding as at 31st March, 2017		
(i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence.		
Commission Payable-Mahabir Prasad Jalan	-	45.00
Commission Payable-Naresh Jalan	-	35.00
(ii) Advances paid to Dove Airlines Private Limited	115.05	-

Note : ** Excludes leave encashment and gratuity which is based on actuarial valuation provided on overall Company basis.

33. Exchange Rate Difference:

Foreign currency exchange difference Gain of ₹ 824.12 Lakhs (Previous year Loss of ₹ 1,249.57 Lakhs) on long term borrowing for acquisition of Fixed Assets, has been adjusted to carrying cost of fixed assets which is in compliance with the treatment prescribed under AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 (G.S.R. 913 (E) dt. 29.12.2011) issued by Ministry of Corporate Affairs.

34. Segment information:

- Primary Segment Information: The Group is operating in Forgings and Tours & Travels segments. However, the Tours & Travels segment does not form a part of reportable segment as per the criteria prescribed under AS-17 Segment Reporting.
- Information about Secondary Segments : Geographical

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Revenue by Geographical Market		
India	61,571.53	50,484.20
Outside India	27,276.72	40,569.61
	88,848.25	91,053.81
Carrying Amount of Segment Assets		
Outside India	18,062.02	19,031.69

Note: All the plants of the Company are located in India and accordingly Debtors and Stock lying outside India has been considered segment assets outside India.

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

(₹ in Lakhs)

35. Earning per share (EPS)	Year ended	
	31/03/2017	31/03/2016
EPS is calculated by dividing the profit attributable to the equity shareholder by the weighted average number of equity shares outstanding during the year.		
Profit for the period (₹ in Lakhs)	1,928.15	5,453.96
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	2,86,69,940	2,79,45,350
Dilutive Impact of Shares Warrant Issued	-	-
Weighted average number of Shares outstanding (Including Diluted)	2,86,69,940	2,79,45,350
Face value of per share (₹)	10.00	10.00
Basic EPS (₹)	6.73	19.52
Diluted EPS (₹)	6.73	19.52

36. Employee Share Based Payment:

a. Employee stock option scheme

- (i) The Board of Directors in the meeting held on 7th August, 2015, approved the Employee Stock Option Scheme 2015 ("ESOP Scheme 2015") for the grant upto 7,00,000 stock option to its permanent employees working in India and wholtime Directors of the Company, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. The same was approved by the members in the 33rd Annual General Meeting of the Company held on 12th September 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the **Ramkrishna Forgings Limited Employee Welfare Trust**. The Board of Directors in their meeting held on 7th November 2015 approved the grant of 3,23,675 options to the eligible employees of the Company. The Scheme was further amended in the 34th Annual General Meeting held on 24th September, 2016 wherein the exercise price per share has been reduced from ₹ 505.58 per share to ₹ 400.00 per share.

- (ii) The above granted options shall vest as under:

Date of Vesting	Eligibility
3rd year	30%
4th year	30%
5th year	40%

b. Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended 31st March, 2017 are as follows:

(₹ in Lakhs)

Particulars	Year ended	
	31/03/2017	31/03/2016
Outstanding at beginning of the year	3,04,903	-
Granted during the year	-	3,23,675
Forfeited/Cancelled during the year	46,104	18,772
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	2,58,799	3,04,903
Exercisable at the end of the year	-	-

- c. The employee share based payment plans have been accounted based on the intrinsic value method and accordingly ₹ 37.34 Lakhs (Previous year ₹ 23.79) has been charged as employee compensation cost.

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

d. Fair Valuation:

- (i) The fair value of the options used to compute net profit and earnings per share have been done by an independent valuer using Black-Scholes-Model. The details of options granted, the key assumptions and the Fair Value on the date of grant are as under:

	As at	
	31/03/2017	31/03/2016
Number of Options Granted	3,23,675	3,23,675
Options Grant Date	07-11-2015	07-11-2015
Exercise Price (₹)	400.00	505.58
Risk-Free Interest Rate	7.66%	7.66%
Life of Options Granted	6.11	6.11
Expected Volatility	53.97%	53.97%
Expected Dividend	0.36%	0.36%
Weighted-Average Fair Value per Option (₹)	561.75	561.75

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted.

For the year ended 31st March, 2017, the Company determined ₹ 37.34 lakhs (Previous year ₹ 23.79 Lakhs) as amortized compensation cost for stock options granted. The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

- (ii) The impact on the profits and EPS of the fair value method is given in the table below -

(₹ in Lakhs)

	Year ended	
	31/03/2017	31/03/2016
Reported Net Profit	1,928.15	5,453.96
Add: Compensation cost under ESOP Scheme as per intrinsic value	37.34	23.79
Less: Compensation cost under ESOP Scheme as per fair value	228.90	146.03
Proforma Net Profit	1,736.59	5,331.72
Reported Earning per Share (EPS):		
Basic EPS (in ₹)	6.73	19.52
Diluted EPS (in ₹)	6.73	19.52
Proforma Earning per Share (EPS):		
Basic EPS (in ₹)	6.06	19.08
Diluted EPS (in ₹)	6.06	19.08

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

37. Information related to Micro, Small and Medium Enterprises Development Act, 2006 (the Act) is disclosed hereunder. The information given below has been determined to the extent such parties have been identified on the basis of information available with the Group :

(₹ in Lakhs)

	As at	
	31/03/2017	31/03/2016
(a) (i) Principal amount remaining unpaid to any supplier at the end of the accounting year	155.61	1.35
(ii) Interest due on above	-	-
Total	155.61	1.35
(b) Amount of interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-
(c) Amount of interest accrued and remaining unpaid at the end of the financial year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose disallowance as a deductible expenditure under Section 23 of the Act.	-	-

38. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
Parent				
Ramkrishna Forgings Limited	100.18	49,091.40	98.74	1,903.90
Subsidiary				
Globe Forex & Travels Limited	2.67	1,308.76	1.42	27.36
Ramkrishna Aviation Land Systems Maritime Private Limited	0.01	6.89	(0.16)	(3.11)
Total	102.86	50,407.05	100.00	1,928.15
Consolidation Adjustment	(2.86)	(1,404.93)	-	-
Ramkrishna Forgings Limited Consolidated Financial Statements	100.00	49,002.12	100.00	1,928.15

39. Salient Features of Financial Statements of Subsidiary as per Companies Act, 2013 (₹ in Lakhs) :

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Investments	Total Revenues	Profit Before Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
a. Globe Forex & Travels Limited	INR	478.77	841.73	6,236.89	-	1,375.06	54.21	27.36	-	100.00%
b. Ramkrishna Aviation Land Systems Maritime Private Limited	INR	10.00	(3.11)	7.10	-	-	(3.11)	(3.11)	-	100.00%

Notes to the Financial Statements for the Year ended 31st March, 2017

40. Figures for the previous year have been regrouped and reclassified to conform to the classification of the current period, where necessary.

As per our attached report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Sd/-
(Rajiv Singhi)
Partner
Membership No. 53518
Place: Kolkata
Dated : 19th May, 2017

For Jitendra K Agarwal & Associates
Chartered Accountants
Firm Registration No. 318086E

Sd/-
(Abhishek Mohta)
Partner
Membership No. 066653
Place: Kolkata
Dated: 19th May, 2017

For and on behalf of the Board

Sd/-
Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN No.00375557

Sd/-
Naresh Jalan
Managing Director
DIN No. 00375462

Sd/-
Rajesh Mundhra
Company Secretary
ACS - 12991



Ramkrishna Forgings Limited

CIN : L74210WB1998PLC034281

Ramkrishna Chambers, 72, Shakespeare Sarani, Kolkata - 700 017

Phone : +91 33 3984 0900, Fax : +91 33 3984 0998

E-mail : info@ramkrishnaforgings.com

Website : www.ramkrishnaforgings.com