

ANNUAL REPORT 2007-08



FROM MOVEMENT TO MOMENTUM

RAMKRISHNA FORGINGS LIMITED

Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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FROM MOVEMENT TO MOMENTUM!

Movement is about taking oneself or some object from one point to another. In one or many directions. Forward or back or sideways. All together or one after the other. All of it may be necessary, and not random, but all of it is not in synergy, so energies tend to disperse.

When all movements are brought together in synergy, powerful energies have been built up within. When directed towards a single goal, they are transformed into a momentum – the inborn power to move on and ahead.

What follows is the story of the many movements that were transformed into the momentum that is taking Ramkrishna Forgings from peak to new peak of performance.

MOVEMENT

In our context, movement is all the things we did as we went about garnering and organising all our resources, putting them in place. Ramkrishna Forgings Ltd. was founded in 1981, since then the Company has moved in many different directions to strengthen and energise every corporate input – technological, material and human – to where it is poised today.



Forward looking st

ABOUT

Ramkrishna Forgings Ltd., one of the foremost players in the Indian forging industry, is a leading manufacturer and supplier forged, heat treated, machined and ring rolled components for sectors including Railways, Automobile, and Mining. Its headquarters are located in

Kolkata and works at Jamshedpur: with the hammer and upset forgings plant in Gamaria, and the machining, heat treatment and ring rolling plants in the Adityapur Industrial Area.

AWARDS & CERTIFICATIONS

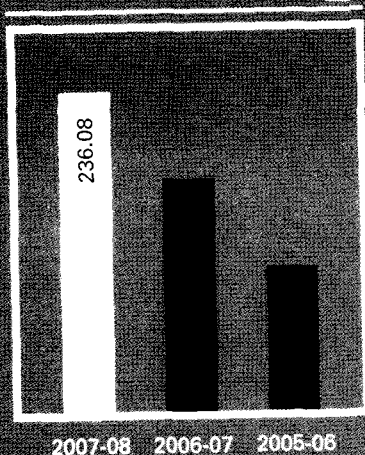
Ramkrishna Forgings has been ranked No. 4 among the top 500 Indian Manufacturing Small and Medium Businesses (SMBs) in the country. The Company received certificates from Original Equipment Manufacturers (OEMs) recognising its quality and services.

Accredited with the TS 16949 certification as well as the ISO 9001:2000 and QS 9000:1998

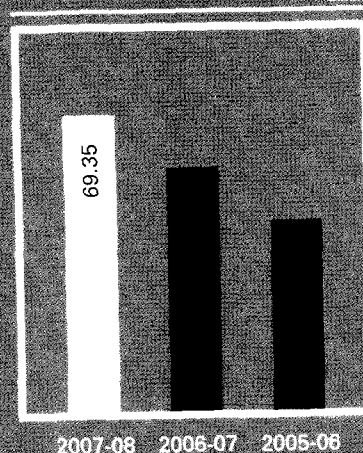
from BVQI (a Bureau Veritas Certification), it is approved by the Research, Design and Standards Organisation (RDSO) of the Indian Railways for supply of critical and safety equipment. Additionally, the Company has also applied for the ISO 14001 and OHSAS 18001 certifications.

HIGHLIGHTS

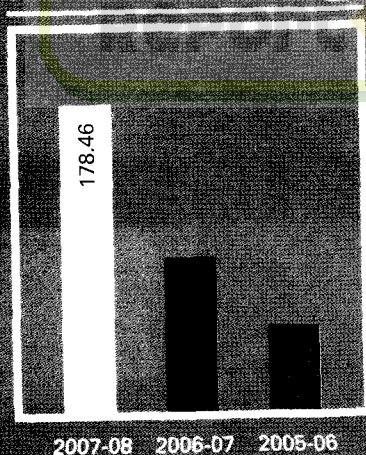
Gross Turnover
(Rs. cr.)



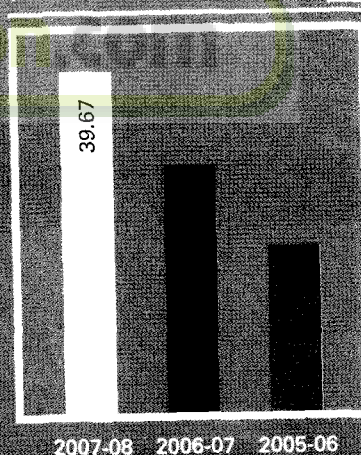
Reserves & Surplus
(Rs. cr.)



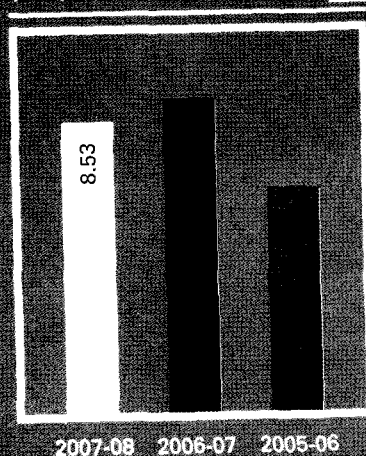
Gross Block
(Rs. cr.)



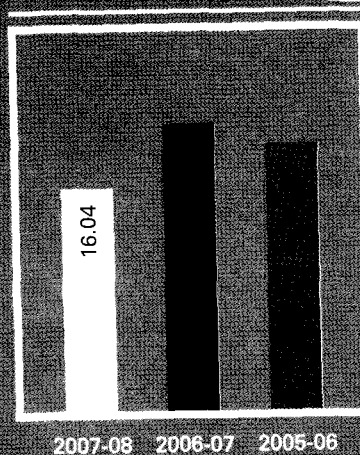
EBIDTA
(Rs. cr.)

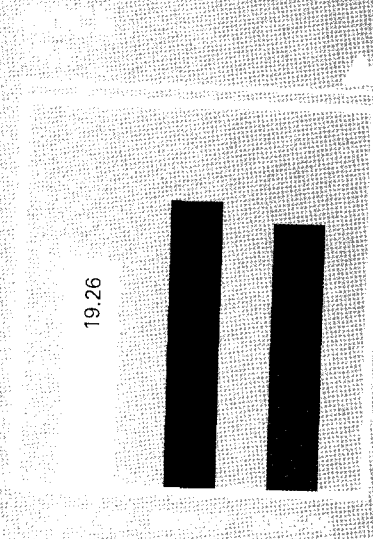


Basic EPS
(Rs.)

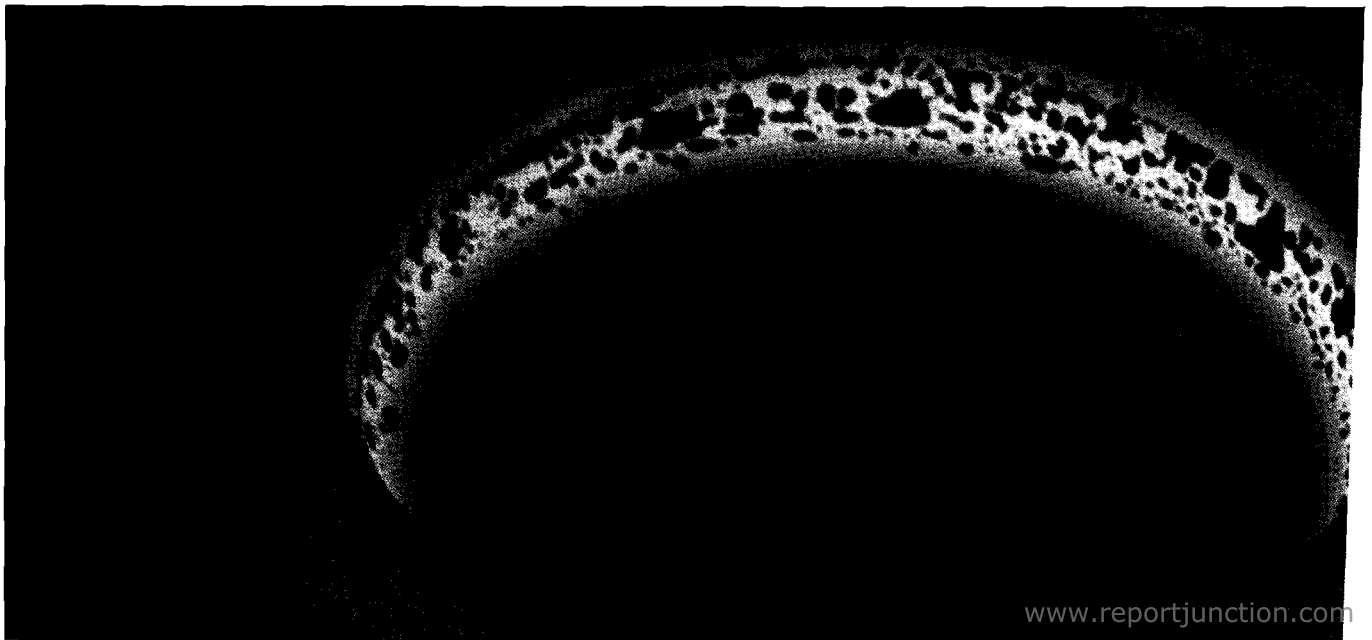


RONW
(%)





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THE RIGHT PEOPLE IN THE RIGHT PLACES

People are for sure the most valuable assets in even the most high-tech industries.

In India, the forging industry is growing to keep pace with the market demand for automotive and infrastructure building equipment. And inevitably, so is the hunt for the best human resources for the forging industry.

We have long recognized the need to recruit the right people and, just as important, to retain their loyalty and whole-hearted support in an environment of global attrition.

The Company's Human Resource management is progressively strengthening the linkages between key people objectives and key

organisational goals – so that we have the right people in the right places at all times.

The people who manage the operations are the Company's key assets. We do the best we can for them through intensive training at various levels, and rewarding challenges to be the best they can be.

Ramkrishna Forgings' total employee strength during 2007-08 was near to 700 people. With the induction of the ring rolling section, a little over 100 new people have come into our fold. With the Company's widened compass of operations, the workforce will grow further in size, and higher in skills, efficiency and productivity.

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SECURING THE BEST CUSTOMERS

Ramkrishna Forgings Ltd. offers its clientele a diverse basket of forged, machined and heat treated products. A significant portion of these components find applications in the automotive industry apart from railways, export and mining. The Company takes great pride in the

fact that we have some of the best corporate names in Indian industry in our client list. This did not happen overnight – we have worked hard to achieve them and doubly hard to retain them over the years for them and, best of all, they remain our honoured customers.

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MARKET-RESPONSIVE PRODUCT MIX

To market is to satisfy a market's need. To grow in a market is to have more and more of what the market needs. The Company has not only pursued the best customers of forgings, it has grown organically, in step with its clients' needs. So we are always prepared for new product opportunities.

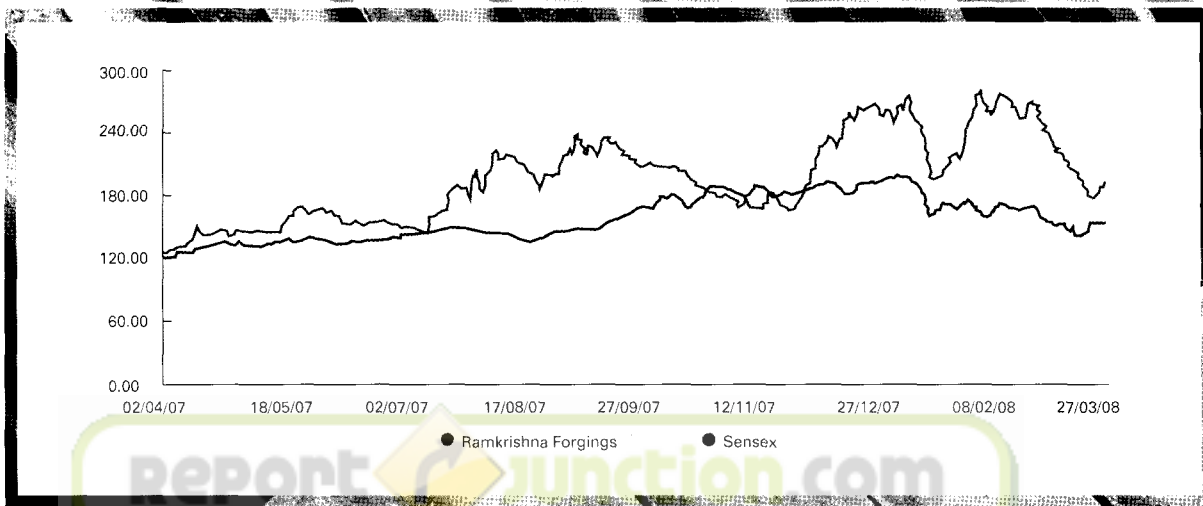
As of now, its marketing teams are organised to focus on two broad market segments, the automotive and the non-automotive. The latter addresses two sub-segments – engineering industries that need forgings to produce their own goods, and the railways, which have their

own specific and unique needs.

Automotive Segment: Includes ready-to-use forgings such as crown wheels (developed in-house), gears, shafts, hubs, spindle axle beam, brackets, pinion drives

Non-Automotive Segment: Includes a range of safety-critical items such as screw couplings, draw gear assemblies, hangers, block hangers and side-frame keys used in railway coaches and wagons and products used in the mining industry.

EARNING THE SHAREHOLDER'S TRUST



On 31.03.2008 the market capitalisation of Ramkrishna Forgings Ltd. was Rs. 302.16 crore. The Company's shares are presently listed on the NSE and BSE.

During 2007-08, the BSE Sensex appreciated 19.68 percent: from 13,072.10 points on 30.03.2007 to 15,644.44 points on 31.03.2008. During the period, the Company's share outperformed market growth by rising 45.80 percent from Rs. 132.05 as on 30.03.2007 to Rs.192.55 per share on 31.03.2008.

In 2007-08, the Company recommended a 10 percent dividend payout, or Rs. 1 per share of face value Rs. 10.