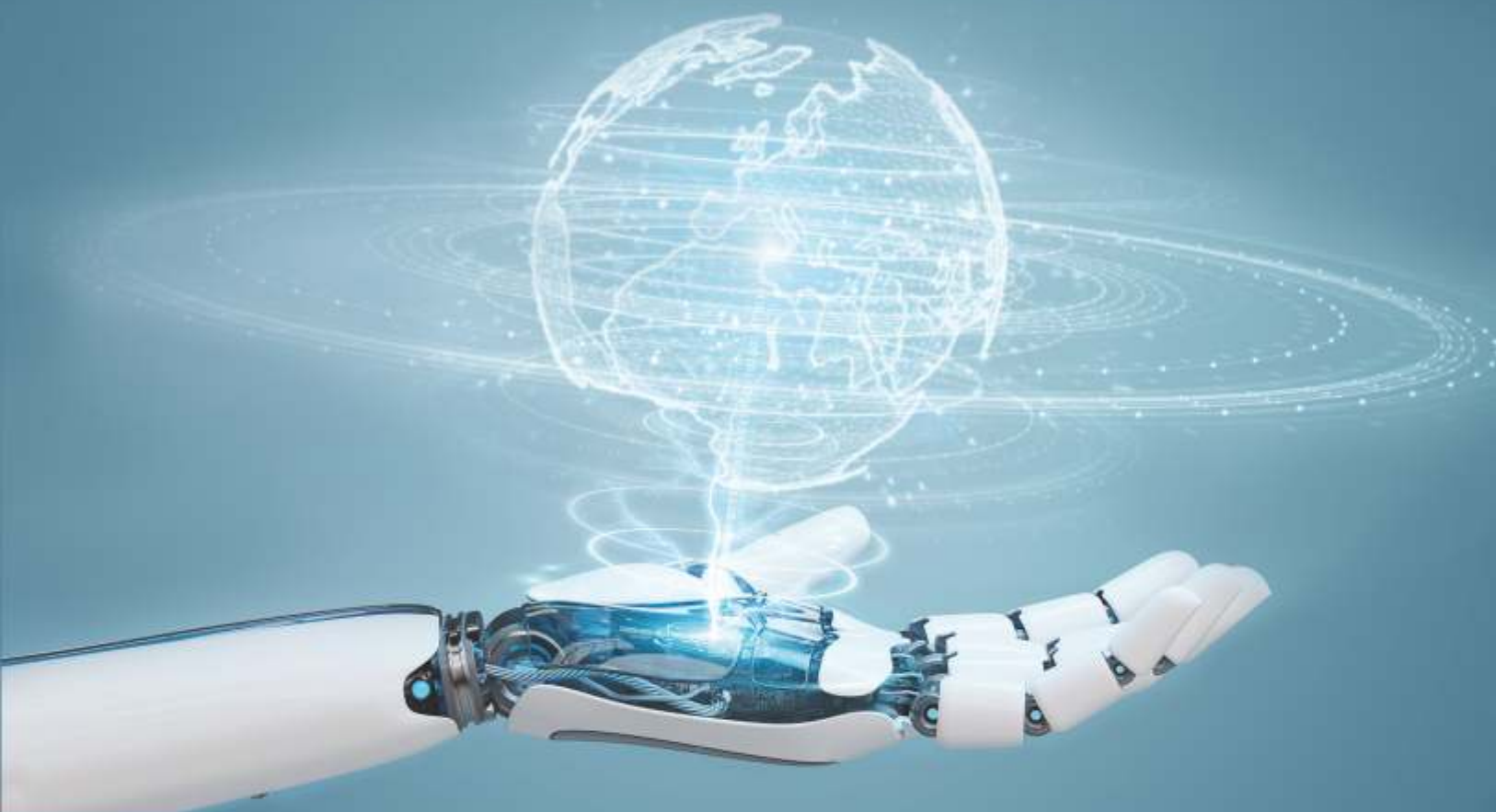


Focused



Ramkrishna Forgings Limited

ANNUAL REPORT 2017-18



For more information
Log on to www.ramkrishnaforgings.com

Corporate Information

CIN

L74210WB1981PLC034281

DIRECTORS

Mr. Mahabir Prasad Jalan	- <i>Chairman</i>
Mr. Naresh Jalan	- <i>Managing Director</i>
Mr. Pawan Kumar Kedia	- <i>Director (Finance)</i>
Mr. Padam Kumar Khaitan	- <i>Non-Executive, Independent Director</i>
Mr. Ram Tawakya Singh	- <i>Non-Executive, Independent Director</i>
Mr. Yudhisthir Lal Madan	- <i>Non-Executive, Independent Director</i>
Mr. Amitabha Guha	- <i>Non-Executive, Independent Director</i>
Ms. Aditi Bagri	- <i>Non-Executive, Independent Director</i>
Mr. Sandipan Chakravorty	- <i>Non-Executive, Independent Director</i>
Mr. Partha Sarathi Bhattacharyya	- <i>Non-Executive, Independent Director</i>

COMPANY SECRETARY

- **Mr. Rajesh Mundhra**

CHIEF FINANCIAL OFFICER (CFO)

- **Mr. Lalit Kumar Khetan**
(Appointed w.e.f. 25.05.2018)

REGISTERED AND CORPORATE OFFICE

"Ramkrishna Chambers"
72, Shakespeare Sarani,
Kolkata - 700 017
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-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. S. R. Batliboi & Co. LLP
22, Camac Street, 3rd Floor, Block 'B'
Kolkata- 700016

INTERNAL 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
Axis Bank Limited
IndusInd 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

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Report of the Directors

Dear Shareholders

Your Directors are pleased to present the Thirty Sixth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2018.

Financial Highlights 2017-18

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Sales and Operating Income (Net)	143546.89	88090.81	149089.95	92072.19
Other Income	419.36	815.40	435.50	737.37
Profit before Interest, Depreciation & Tax (incl. Exceptional Item)	28843.36	16597.41	29223.33	16910.70
Finance Cost	6982.03	7497.98	7251.83	7723.47
Depreciation	8440.21	7472.81	8465.49	7502.06
Profit Before Tax (before Exceptional Items)	13421.12	1626.62	13506.01	1685.17
Exceptional Items	-	-	-	-
Profit Before Tax	13421.12	1626.62	13506.01	1685.17
Provision for taxation:				
- Current Tax	2865.59	531.00	2865.59	531.00
- Deferred Tax	1119.36	3.18	1172.05	32.33
-Tax adjustments for earlier years (Net)	(29.85)	0.13	(24.23)	0.13
Profit After Tax	9466.02	1092.31	9492.60	1121.71
Other Comprehensive Income (Net of Tax)	(9.95)	18.19	(7.09)	13.04
Total Comprehensive Income for the year	9456.07	1110.50	9485.51	1134.75

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Financial Performance.

- Net Sales increased by 62.95 % from ₹ 88,090.81 lakhs in 2016-17 to ₹ 143,546.89 lakhs in 2017-18.
- Export Sales increased by 60.41 % from ₹ 25,725.13 Lakhs in 2016-17 to ₹ 41,265.66 Lakhs in 2017-18.
- EBITDA (excluding other income) increased by 80.10 % from ₹15,782.01 lakhs in 2016-17 to ₹ 28,424.00 lakhs in 2017-18.
- PAT showed an increase of 766.61 % from ₹ 1,092.31 Lakhs in 2016-17 to ₹ 9,466.02 Lakhs in 2017-18.

FY18 was a bumper year for the commercial vehicle segment with strong double-digit growth after nearly six long years. The huge infrastructure push by the government towards road projects, rural development and smart cities has increased demand for larger multi-axle trucks, long-haul trucks and tippers. In fact, the trend reversal in commercial vehicle sales this time around has seen a higher growth in tonnage capacity of vehicles than in number of vehicles.

Moreover, the introduction of the Goods and Services Tax has improved the speed of transport and forced faster migration of the commercial vehicle fleets to higher tonnage vehicles to improve economic viability. This, in turn, has triggered demand growth for replacements.

On an overall basis, M&HCV Production increased by 0.35 % from 3,42,761 vehicles in 2016-17 to 3,43,951 vehicles in 2017-18. The sales of M&HCV increased 12.48 % from 3,02,567 vehicles in 2016-17 to 3,40,313 vehicles in 2017-18. However, the exports of the M&HCV vehicles registered an increase of 0.86 % from 43,719 vehicles in 2015-16 to 44,095 vehicles in 2017-18.

Operational Highlights

Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 45,451 tons during the year under review as compared to 36,098 tons last year registering an increase of about 25.90%. 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. The Company has made 84 new product development in the CNC Turning, 7 new product development in Gear cutting and 11 new products in HMC/VMC Machining centre which has helped to enhance the product basket with existing clients and add new clients in the domestic market and export.

Ring Rolling Line

The Company has produced 28,605 tons during the year as compared to 22,799 tons last year thus registering an increase of about 25.46%. It has achieved full capacity utilisation during the year as compared to 95% capacity utilisation last year. The Company has developed 38 new products during the year.

Press Facility

During the year the company has achieved a production of 47,611 tons as compared to 23,498 tons last year thus registering an increase of 102.62%. The Company has achieved an average capacity utilisation of around 59.50% during the year.

The Company has developed 35 products during the year.

Future Outlook:

With India being the fastest-growing major economy in the world, the CV industry is expected to cross 1 million units in domestic sales by 2022 making India the 4th largest market. India commercial vehicle market is projected to exhibit a CAGR of over 10% to reach US\$21.9 billion by FY 2023, on account of increasing infrastructure development projects, growing logistics sector, ease of financing, etc.

Besides, a big domestic market, better regulations and cost economics make India an ideal destination for a production hub. This emerging reality is also expected to drive demand for commercial vehicles in India. Moreover, commercial vehicles market is anticipated to become more lucrative, as new models and brands are rolled out in the coming years.

In the U.S., the available leading indicators point toward a continuation of the economy's solid upswing. As a result, there is a sense of optimism for this industry in CY 2018 .

Deposits

The Company has not accepted any deposits from the public

and consequently, there are no outstanding deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended.

Transfer to Reserves

Your Company proposes to transfer ₹ 500 lakhs to General Reserve out of the amount available for appropriation and an amount of ₹ 27,560.83 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 2017-18.

The Register of Members and the Share Transfer books will remain closed from 15th September to 22th September, 2018 (both days inclusive) for the purpose of payment of Dividend and Annual General Meeting.

Qualified Institutional Placement (QIP)

During the Financial Year 2017-18, the Company has raised ₹ 199.99 Crore through a Qualified Institutional Placement (QIP) for the purpose of capital expenditure for ongoing and future expansion of projects, acquisition, working capital, repayment of loans and for general corporate purposes.

The Company has issued and allotted 39,21,568 equity shares to Qualified Institutional Buyers at a price of ₹ 510 each on 20th July 2017.

The QIP proceeds has been used for the above mentioned purpose.

Share Capital

The Company has one class of Shares – equity shares of par value of ₹ 10 each.

During the Financial Year 2017-18, the Authorised Share Capital of the Company has been increased from Rs. 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.

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 account of issuance of 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 wholetime

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. However, 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, the Company has granted 20,044 stock options to eligible employees. Further, 17,626 options have been forfeited /cancelled during the financial year 2017-18. There are only 2,61,217 outstanding options as on 31st March, 2018.

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 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

During the year under review your Company's long term rating from ICRA has been upgraded from A-(Stable outlook) to A-(Positive Outlook). Further during the year the Company has voluntarily discontinued the rating from CRISIL.

As on the date of this report, your Company's long term rating has been further upgraded by ICRA from A-(Positive outlook) to A (Stable Outlook) and the short term rating has been upgraded from A2+(A two plus) to A1 (A one).

Details of Directors and Key Managerial Personnel:

(a) Appointment of Independent Directors

During the year under review, no new Independent Director were appointed by 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 Section 149 (6) of the Companies Act and

Regulation 16 (1) (b) of the 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 Regulation 25 (7) 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: <https://www.ramkrishnaforgings.com/investors/familiarization-program-2017-18.pdf>

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

During the Financial Year ended 31st March 2018, none of the Directors resigned from the Company.

(e) Re-Appointment of Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Naresh Jalan (DIN 00375462), Managing Director,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 (3) 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.

(f) Key Managerial Personnel

Mr. Sikandar Yadav, was appointed as the Chief Financial Officer of the Company w.e.f 2nd June 2017. He subsequently resigned w.e.f 14th December 2017.

Your Company has appointed Mr. Lalit Kumar Khetan as the Chief Financial Officer of the Company w.e.f 25th May 2018.

Remuneration Policy

The policy of the Company on Directors and Senior Management appointment and remuneration, including the criteria for determining qualifications, positive attributes

independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, read with Regulation 19 (4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the Company at the following link: <https://ramkrishnaforgings.com/policies>.

During the year, there have been no changes to the Policy.

Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the provisions of Section 134 (3) (p) and other applicable 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 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.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Chairman of the Company and the Board as a whole was evaluated.

The Nomination and Remuneration Committee in terms of Section 178 (2) of the Companies Act, 2013, also carried out evaluation of every Director's performance including Independent Directors.

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, 2018, 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 2017-18 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 2017-18 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 Private Limited) CIN (U62100WB2016PTC216705). A brief highlight of the consolidated performance and its contribution to the overall performance of the Company for the Financial Year 2017-18 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 Gross Revenues from operation	1,50,875.72	5,543.05	3.67
Profit before Taxation (PBT)	13,506.01	85.33	0.63
Profit/(Loss) after Taxation (PAT)	9,492.60	27.01	0.31

(₹ 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	1,50,875.72	0.00	0.00
Profit before Taxation (PBT)	13,506.01	(0.44)	(0.00)
Profit/(Loss) after Taxation (PAT)	9,492.60	(0.44)	(0.00)

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its Subsidiaries prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. 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>.

In addition the financial data of the subsidiary has been furnished under note 43 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.

Your Company does not have any 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 2017-18.

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 tenure of M/s. Singhi & Co, Chartered Accountants, (Firm Registration No. 302049E) as the Statutory Auditors of the Company concluded at the 35th Annual General Meeting of the Company as per section 139 of the Companies Act, 2013.

During the year, the Company received the resignation from M/s Jitendra K Agarwal & Associates, Chartered Accountants, (Firm Registration No. 318086E) as the Joint Statutory Auditors of the Company which has been duly accepted by the Board on 12th August, 2017.

M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) were appointed 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.

Since, the first proviso of Section 139 has been omitted w.e.f from 7th May, 2018 by the Companies (Amendment) Act, 2017 which requires companies to place the appointment of Statutory Auditors for ratification before the members at every Annual General Meeting of the Company, the ratification of appointment of M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) as the Statutory Auditors of the Company will not be placed before the Members at the ensuing Annual General Meeting of the Company.

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

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Companies Act, 2013.

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 2017-18. 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.

The Board has re-appointed M/s. MKB & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2018 – 19.

Cost Auditors

As per Section 148 (3) and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee has 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 2018-19.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor, as approved by the Board, 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. Singhi & Co, Chartered Accountants, (Firm Registration no. 302049E) are 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.

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 is 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 web link: <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 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 material 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 Ind AS-24, the related party transactions are disclosed under Note No. 37 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 2018-19 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 (2) (e) read with

Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in India is presented in the separate section and forms part of the Annual Report.

Corporate Governance

Adoption of Best ethical business 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 also 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 under review, 4 (Four) meetings 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 were 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 17th February, 2018. 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. 6, 33 and 43 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 Act 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

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Act read with rule 5(1)(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, 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. The status of the complaints received, under the whistle blower policy is also placed before the Board. 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 (IEPF)

Pursuant to the provision of Section 124 of the Companies Act, 2013, read with the IEPF Authority (Accounting Audit, Transfer and Refund) Rules, 2016 (the Rules) all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall be transferred to the demat account of the IEPF authority.

Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 45,572 for the Financial Year 2009-10 to the IEPF Fund. Further, 1671 corresponding shares were transferred as per the IEPF Rules. The details are provided at the website of the Company at the following link: <https://www.ramkrishnaforgings.com/unpaid-dividend.html>

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 this report.

There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

GENERAL –

- i. During the year under review, there has been no change in the nature of business of the Company.
- ii. No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended 31st March, 2018 till the date of this Report.
- iii. 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.
- iv. During the year under review, the Company has not issued sweat equity shares.

- v. During the year under review, the Company has not issued shares with differential voting rights.
- vi. During the year under review, the Company did not buy back its shares.
- vii. The Company has not revised any of its financial statements or reports.
- viii. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- ix. The Company has complied with the applicable Secretarial Standards issued by Institute of Company Secretaries of India.

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. The Company an Internal Complaints Committee in all its workplace. 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 2017-18 and Notice of the 36th 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: 28th Day of July, 2018

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