



# The New Normal



**Ramkrishna Forgings Limited**

Annual Report 2020-21

## Focused on the future

The transition from good to great is a state of the mind, an ongoing process. On a very primary, basic level, just like the corporate entities are blessed with the power of perpetual succession, they are also mandated to return to the society more than what they draw from it for their sustenance. The statutory term that defines this symbiotic relationship is Corporate Social Responsibility (CSR). Its reflection, reduced to monetary figures, can be found in the Balance Sheet and Annual Report.

However, when a corporate entity makes the transition upwards and reach out to touch and transform lives of those who are less fortunate, going beyond what it is statutorily mandated to perform as a duty, the transition from the good to the great begins to take shape. Such deeds can rarely be quantified financially and being largely intangible, do not find inclusion in the statements that are recorded and filed. For, these caring touches, performed voluntarily out of a greater compulsion, constitute acts that strengthen and enrich the Balance Sheet of the entity's life. They spell the difference between the good and the great.

At Ramkrishna Forgings Limited, we too are statutorily bound to perform our duties as a socially responsible corporate citizen. And we do it with the same vigour, professionalism and precision with which we conduct ourselves in the normal course of business, as will be evident from the attached annexures in the Director's Report. We have primarily identified the State of Jharkhand and West Bengal where we have drawn up a multipronged and integrated plan that aims at capacity creation and skill development, leading to poverty eradication and grassroots socio-economic development. Healthcare, Sanitation and Education have been singled out for specific action and are being addressed systematically through concerted efforts of RKFL.

The company also has taken up the cause of the differently abled children and promotes their education through a number of livelihood enhancement projects in Kolkata and elsewhere.

The point to be noted here is that right from the composition of the CSR Committee down to the actual implementation of the projects at the grassroots – the entire spectrum is monitored and run from the highest office in RKFL. All employees, both at the plants and the headquarters are encouraged to participate actively in the company's various social outreach programmes to ensure that the activities are conducted in letter and spirit. At Ramkrishna Forgings, being a Socially Responsible Corporate Citizen is not an afterthought, to wax eloquent from glossy brochures, but rather, is a way of life that is built into its very being.

The way RKFL sought to step out and do its bit to fight the menace of Covid 19 can also be seen as an extension of this core belief. The Company was naturally in the forefront and conducted the necessary vaccination drives in all its facilities ensuring that its entire workforce was inoculated at the first possible opportunity. However, what the company did simultaneously, was to organise a number of vaccination camps that were open to the public at large which re-established its humane credentials and, in the process, provided succor to many lives. As many as Nine (9) camps were organised in different locations in the city spread over two Months in which around 6464 doses of the vaccine were administered free of cost to the recipients who were primarily from the economically challenged strata of the society.

On a very basic level, the primary function of a company is to earn profits for its stakeholders and pay the taxes to the exchequer. On a more elevated level, it lives to create wealth for the Nation, adding value, generating resources that fuel progress, acting as a force multiplier. But on the highest level, an entity is an agent of societal change, one that uses its expertise to empower, to foster transformative well-being in the society in which it operates. At Ramkrishna Forgings, we are proud to be walking the talk, proud to be doing what our heart commands, what our spirit beckons.

We are focussed. On leaving for our children a better world than the one we had inherited from our forefathers.



## CORPORATE INFORMATION

CIN : L74210WB1981PLC034281

### Directors

Mr. Mahabir Prasad Jalan	- Chairman
Mr. Naresh Jalan	- Managing Director
Mr. Chaitanya Jalan	- Wholetime Director
Mr. Lalit Kumar Khetan	- Wholetime Director (Appointed w.e.f 20th October 2020)
Mr. Pawan Kumar Kedia	- Director (Finance)
Mr. Padam Kumar Khaitan	- Non-Executive, Independent Director
Mr. Ram Tawakya Singh	- Non-Executive, Independent Director
Mr. Yudhisthir Lal Madan	- Non-Executive, Independent Director
Mr. Amitabha Guha	- Non-Executive, Independent Director
Ms. Aditi Bagri	- Non-Executive, Independent Director
Mr. Sandipan Chakravorty	- Non-Executive, Independent Director
Mr. Partha Sarathi Bhattacharyya	- Non-Executive, Independent Director
Mr. Ranaveer Sinha	- Non-Executive, Independent Director
<b>Company Secretary</b>	- Mr. Rajesh Mundhra

### Chief Financial Officer (CFO)

- Mr. Lalit Kumar Khetan

### Registered and Corporate Office

23, Circus Avenue, Kolkata -700 017  
Telephone: 033-4082 0900/7122 0900 • Fax: 033-4082 0998/7122 0998  
Email id – secretarial@ramkrishnaforgings.com  
Website: www.ramkrishnaforgings.com

### Works :

#### 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

#### Plant V :

Baliguma, Kolabira, Saraikela –  
Kharsawan – 833220. Jharkhand.

#### Plant VII:

Plot No.1988, Plant- VII, Mauza Dugni,  
Block- Saraikela, PO: Dugni, Saraikela  
Kharsawan, Jharkhand- 833220

### Joint Statutory Auditors

M/s. S. R. Batliboi & Co. LLP  
22, Camac Street, 3rd Floor, Block 'B'  
Kolkata - 700026

M/s. S.K. Naredi & Co.

Park Mansions, Block -1, Room no. 1  
3rd Floor, 57A, Park Street  
Kolkata - 700016

### Internal Auditors

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

### Cost & Management Auditors

M/s. Bijay Kumar & Co  
Cost & Management Accountants  
Flat No. 1/1 A- Block, AM Residency  
Balvihar Green, Sonari,  
Jamshedpur- 831011

### 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 India Limited  
DCB Bank Limited  
ICICI Bank Limited  
Standard Chartered Bank  
RBL Bank Limited  
Axis Bank Limited  
IndusInd Bank Limited  
International Finance Corporation  
Landesbank Baden, Wurttemberg  
Qatar National Bank  
Kotak Mahindra Bank Limited  
HDFC Bank Limited  
IDFC Bank Limited  
Indian Bank  
Bandhan Bank

### Registrar and Share Transfer Agents

M/s KFin Technologies (P) Ltd  
Selenium Tower B,  
Plot Nos. 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad- 500 032  
Toll free: 1-800-309-4001  
E mail: einward.ris@kfintech.com  
Website: www.kfintech.com

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## Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 39th Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2021.

### Financial Highlights 2020-21

(Amount ₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Sales and Operating Income (Net)	1,28,837.52	1,11,182.02	1,28,893.21	1,21,647.18
Other Income	461.46	601.60	558.97	679.55
Profit before Interest, Depreciation & Tax (incl. Exceptional Item)	23,453.97	20,973.16	22,829.55	21,408.08
Finance Cost	7,677.53	7,515.17	7,984.91	7,874.79
Depreciation	11,628.46	12,016.49	11,670.44	12,054.06
Profit Before Tax (before Exceptional Items)	4,147.98	1,441.50	3,174.20	1,479.23
Exceptional Items	-	-	-	-
Profit Before Tax	4,147.98	1,441.50	3,174.20	1,479.23
Provision for taxation:				
- Current Tax	726.90	237.79	731.07	271.28
- Deferred Tax	625.28	241.04	348.35	229.69
- Tax adjustments for earlier years (Net)	0.27	1.23	27.97	8.71
Profit After Tax	2,795.53	961.44	2,066.83	969.55
Other Comprehensive Income (Net of Tax)	33.48	(26.95)	34.28	(33.23)
Total Comprehensive Income for the year	2,829.01	934.49	2,101.11	936.32

### State of Company's Affairs

#### Financial Performance

- Revenue from operations increased by 15.88 percent from ₹ 1,11,182.02 lakhs in 2019-20 to ₹ 1,28,837.52 lakhs in 2020-21.
- Export Sales increased by 18.03 percent from ₹ 43,882.30 Lakhs in 2019-20 to ₹ 51,792.42 Lakhs in 2020-21.
- EBIDTA increased by 11.83 percent from ₹ 20,973.16 lakhs in 2019-20 to ₹ 23,453.97 lakhs in 2020-21.
- PAT showed an increase of 190.76 percent from ₹ 961.44 Lakhs in 2019-20 to ₹ 2,795.53 Lakhs in 2020-21.

Hit by the COVID-19 pandemic, commercial vehicle (CV) sales in India dropped considerably - total commercial vehicles sales declined by 20.77% to 5,68,559 units last financial year, as against 7,17,593 units in 2019-20.

The M&HCV segment production volumes declined by 22% from 2,32,414 vehicles in 2019-20 to 1,81,242 vehicles on 2020-21. The sales of M&HCV decreased by 28.4% from 2,24,428 vehicles in 2019-20 to 1,60,688 vehicles in 2020-21. The exports of the M&HCV vehicles decreased by 21.4 % from 22,333 vehicles in 2019-20 to 17,548 vehicles in 2020-21.

The Production of LCVs declined but at a lesser pace by 15.38% from 5,24,311 vehicles in FY 2019-20 to 4,43,697 units in FY 2020-21.

#### Operational Highlights

##### Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 35,040 tons during the year under review as compared to 29,156 tons last year registering an increase of about 29.18%. 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 37 new product development in the CNC Turning, 55 new development in Gear cutting and 44 new products in HMC/VMC Machining centre which has helped to enhance the product basket with existing clients and addnew clients in the domestic and export market.

##### Ring Rolling Line

The Company has produced 20,867 tons during the year as compared to 16,572 tons last year thus registering an increase of about 25.92%. The Company has developed 44 new products during the year.

## Directors' Report

### Press Facility

During the year the Company has achieved a production of 38,738 Tons as compared to 36,166 tons last year thus registering an increase of 7.11%. The Company has achieved an average capacity utilisation of around 45% during the year.

The Company has developed 76 new products during the year out of which 45 products are machined.

### Future Outlook

The M&HCV segment performed consistently above last year from September 2020 onwards and posted their best sales in the month of March 2021.

Sales of commercial vehicles – a barometer of economic activity – are expected to post robust growth in the second half of 2021 driven by replacement demand, a pickup in construction activity amid easing of local lockdowns and higher infrastructure demand including road construction and mining. However the prospects for both the Indian Economy and the CV industry are closely linked to the timely containment of Covid. The government has readied two more such policies to help the market grow, the scrappage policy and production linked incentive (PLI) plan.

The medium-duty and heavy-duty truck and bus markets in the US are expected to show strong recovery following the dip in 2020.

### 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 ₹ 500.00 lakhs to General Reserve out of the amount available for appropriation and an amount of ₹ 40,520.26 lakhs is proposed to be carried over to Balance Sheet as retained earnings.

### Dividend

In view of subdued profits, the Board has not recommended any dividend for the Financial Year 2020-21.

The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 18th September 2021, to Saturday, 25th September, 2021 (both days inclusive) for the purpose of Annual General Meeting.

### Buyback of Equity Shares

The Board of Directors of the Company at its meeting held on 21st March, 2020, approved buy-back of Equity Shares of the Company for a maximum size not exceeding ₹ 40,00,00,000 (Rupees Forty Crore only) (Maximum Buyback Size) at a price not exceeding ₹ 250/- per equity share from the members of the Company from the open market through the Stock Exchange Mechanism in accordance with the regulation, provisions contained in the Companies Act, 2013, rules made thereunder and the SEBI (Buy-Back of Securities) Regulations, 2018.

The Maximum Buyback Size represented 4.81% and 4.82% of the aggregate of the Company's total paid-up equity share capital and free reserves based on the Standalone and Consolidated Audited Financial Statements of the Company as on 31st March, 2019.

The Buy-back commenced on 3rd April, 2020 and closed on 25th September, 2020. The Company during the Buyback period bought back and extinguished 6,74,993 equity shares at an average price of ₹ 191.61 per Equity Share for an aggregate consideration of ₹ 12.93 Crores excluding Transaction Costs which representing 32.33% of the Maximum Buy-back Size.

### Share Capital

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

During the Financial Year 2020-21, the Authorised Share Capital stood at ₹ 33,25,00,000/- consisting of 3,32,50,000 equity shares of ₹ 10/- each.

The Issued, Subscribed and Paid up Share Capital was reduced from ₹ 32,65,29,000 consisting of 3,26,52,900 equity shares of ₹ 10/- each to ₹ 31,97,79,070 divided into 3,19,77,907 equity shares of ₹ 10/- each pursuant to buyback of 6,74,993 equity shares.

### Debentures

During the year under review, the Board of Directors at its meeting held on 26th June, 2020, had approved the issue of unrated, unlisted, collateralized, redeemable, non-convertible debenture denominated in Indian Rupees for an aggregate principal amount of upto INR 1,500,000,000 (Rupees One Hundred and Fifty Crore only) at par, on a private placement basis in one or more tranches/series to International Finance Corporation.



## Directors' Report

As on the date of this report, the Company has issued and allotted 550 unrated, unlisted, collateralized, redeemable, non-convertible debenture debentures at a face value of ₹ 10,00,000/- each.

### Employees Stock Option Scheme

The Company has an ESOP Scheme titled Ramkrishna Forgings Limited – Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015) for the grant upto 7,00,000 stock option, in one or more tranches, to its permanent employees working in India and wholtime Directors of the Company (employees). 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 based on the performance matrix are eligible to receive one fully paid-up equity share of ₹ 10/- against each option.

During the year under review, based on the performance matrix of the eligible employees the Nomination and Remuneration Committee vested 64,160 Stock Options to the eligible employees.

Further, 17,654 options have been forfeited /cancelled during the Financial Year 2020-21. There are 1,76,576 outstanding options as on 31st March, 2021.

During the year the Company has granted 16765 Options to its employees.

The details pursuant to the Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, as amended and SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on the website of the Company at <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 over email on making a request to the Company through email in [secretarial@ramkrishnaforgings.com](mailto:secretarial@ramkrishnaforgings.com).

### Pollution Control Measures

Your Company has the requisite approvals from the concerned authorities for all the units.

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### Credit Rating

As on the date of this report Company's long term rating is ICRA is A - (Stable Outlook) and the short term rating is A2+ (A two plus).

### Details of Directors and Key Managerial Personnel

#### (A) Appointment/Reappointment of Directors

Upon the recommendations of the Nomination and Remuneration Committee, the Board at its Meeting held on 20th October 2020, subject to the approval of the members, appointed Mr. Lalit Kumar Khetan (DIN: 00533671) as an Additional Director. He was also appointed as the Wholtime Director for a period of 5 years w.e.f 20th October 2020, subject to the approval of the members. The Company sought approval of the members for above appointment vide Postal Ballot notice dated 22nd January 2021, which was passed with requisite majority on 31st March 2021.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 22nd January 2021, subject to the approval of the members, re-appointed Mr. Pawan Kumar Kedia (DIN:00375557) as the Wholtime Director, designated as Director (Finance), for a period of 1 year w.e.f. April 1, 2021. The Company sought approval of the members for the above re-appointment vide Postal Ballot notice dated 22nd January 2021, which was passed with requisite majority on 31st March 2021.

Mr. Partha Sarathi Bhattacharyya (DIN: 00329479) and Mr. Sandipan Chakravorty (DIN: 00053550), were appointed as the Independent Directors of the Company for a term of five years in the 34th Annual General Meeting of the Company. Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company, subject to the approval of members in general meeting, approved their reappointment for another term of 5 (five) years with effect from 21st May 2021. The Company sought approval of the members for the above re-appointments vide Postal Ballot notice dated 22nd January 2021, which was passed with requisite majority on 31st March 2021.

Mr. Mahabir Prasad Jalan, (DIN 00354690), Chairman cum Wholtime Director and Mr. Naresh Jalan (DIN: 00375462) Managing Director were reappointed as the Chairman cum Wholtime Director and Managing Director respectively for a period of 5 years w.e.f. 5th November 2016. The Board of directors at its meeting held on 15th May 2021 upon the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company in the general meeting approved their reappointment for a further period of 5 years w.e.f. 5th November 2021. Their approval forms part of the notice of the ensuing Annual General Meeting.



## Directors' Report

### (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 as per the declaration received from the Directors.

### (C) Familiarization Programme Undertaken for Independent Directors

The Director, upon appointment, is formally inducted to the Board. In order to familiarise the Independent Directors about the various business drivers, they are updated through presentations at Board Meetings about the financials of the Company. They are also provided presentations about the business and operations of the Company. The Directors also undertake plant tours to appraise themselves of the operation and technology of the Company. The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as 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>.

### (D) Resignation of Director(s) during the year:

During the Financial Year ended 31st March 2021, none of the Directors have resigned from the Company.

### (E) Re-Appointment of Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Mahabir Prasad Jalan (DIN 00354690) and Mr. Chaitanya Jalan (DIN 07540301) Directors, retire 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 and forms part of the notice of the ensuing 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 Annual General Meeting.

### (F) KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Mahabir Prasad Jalan, Chairman, Mr. Naresh Jalan, Managing Director, Mr. Pawan Kumar Kedia, Wholetime Director, Mr. Chaitanya Jalan, Wholetime Director, Mr. Lalit Kumar Khetan, Chief Financial Officer and Mr. Rajesh Mundhra, Company Secretary and Compliance Officer.

During the year, Mr. Lalit Kumar Khetan, CFO, has also been appointed as the Wholetime Director designated as Director (Executive) w.e.f. 20th October 2020.

### Remuneration Policy

The Company has in place a policy 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.

During the year, there has been no change in the Policy.

The policy is available on the website of the Company at the following link: <https://ramkrishnaforgings.com/policies>.

### 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, annual evaluation of the performance of the Board, its Committees and of individual Director was done.

The evaluation of performance for the year 2020-21 was carried out through structured questionnaires (based on various aspects of the Board's functioning, composition, its committees, culture, governance, execution and performance of statutory duties and obligations). The questionnaire covers all aspects prescribed by SEBI vide its circular no. SEBI/HO/CFD/CMD/ CIR/P/2017/004 dated 5th January, 2017.



## Directors' Report

Further, 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.

The performance evaluation of the Independent Directors was also carried out by the entire Board (excluding the director being evaluated).

The performance evaluation of the Board, its Chairman and the Non-Independent Directors were carried out by the Independent Directors in the Independent Director Meeting held on 19th March 2021.

The Board expressed its satisfaction with the evaluation process and results thereof.

### 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:

- in the preparation of annual accounts for the year ended 31st March 2021, applicable accounting standards have been followed and there are no material departures;
- 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 2020-21 and of the profit of the Company for that period;
- 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;
- they have prepared the annual accounts for 2020-21 on a going concern basis;
- 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;
- 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.

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### Subsidiaries

The Company has three wholly owned subsidiaries i.e. Globe All India Services Limited [previously known as Globe Forex & Travels Limited] (CIN: U63040WB1994PLC062139), Ramkrishna Aeronautics Private Limited [CIN: U62100DL2016PTC361917] and Ramkrishna Forgings LLC, USA.

A brief highlight of the consolidated performance and its contribution to the overall performance of the Company for the Financial Year 2020-21 is as below:

(₹.in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company)	Globe All India Services Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Gross Revenues from operation	1,28,893.21	2,134.57	1.65%
Profit before Taxation (PBT)	3,174.20	(854.00)	(26.90%)
Profit/(Loss) after Taxation (PAT)	2,066.83	(653.16)	(31.60%)

  

Particulars	Ramkrishna Forgings Limited (Holding Company)	Ramkrishna Aeronautics Private Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Gross Revenues from operation	1,28,893.21	0.00	0.00
Profit before Taxation (PBT)	3,174.20	(1.09)	(0.03)
Profit/(Loss) after Taxation (PAT)	2,066.83	(1.09)	(0.05)

  

Particulars	Ramkrishna Forgings Limited (Holding Company)	Ramkrishna Forgings LLC, USA (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Gross Revenues from operation	1,28,893.21	1292.63	1.00%
Profit before Taxation (PBT)	3,174.20	19.84	0.62%
Profit/(Loss) after Taxation (PAT)	2,066.83	15.67	0.75%



## Directors' Report

Pursuant to Section 129(3) of the Companies Act, 2013, and implementation requirements of the Indian Accounting Standards Rules on accounting and disclosure requirements, as applicable and as prescribed under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended 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 Financial Statements of the subsidiary are available at our website at <http://www.ramkrishnaforgings.com>.

In addition, the financial data of the subsidiaries has been furnished under note. 45 of the Consolidated Financial Statements and forms part of this Annual Report.

The Annual Accounts of the Subsidiaries 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 over email on making a request to the Company through Email on [secretarial@ramkrishnaforgings.com](mailto:secretarial@ramkrishnaforgings.com).

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 2020-21.

During the year there has been no change in the nature of the business carried out by the Subsidiary Companies except of M/s. Globe All India Services who has also forayed inter alia into the business of Sanitation, Pest Control, Fumigation, Freight Forwarder and Waste Disposal Management.

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

M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) and M/s. S. K. Naredi & Co, Chartered Accountants, (Firm Registration No. 003333C) acts as the Statutory Auditors 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.

#### 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 2020-21. The Secretarial Audit Report is given as **"Annexure B"** forming part of this Report.

The Secretarial Audit Report for the Financial Year 2020-21 has one qualification. The Company failed to give prior intimation to the Stock Exchange of Board Meeting wherein in-principle approval for issuance of unlisted, secured, unrated, redeemable non-convertible debentures was granted for which the Company has paid the requisite fines to the Stock Exchanges where its securities are listed.

The Board has re-appointed M/s. MKB & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2021-22.

#### Cost Auditors

M/s. S.K. Choudhary & Associates, Cost Accountants, conducted the Audit of the Cost Records of the Company for the F.Y. 2020-21. However, they have submitted their unwillingness to continue as the Cost Auditor of the Company for the FY. 2021-22.

Accordingly, in terms of Section 148 (3) and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit & Risk Management Committee has appointed M/s. Bijay Kumar & Co. (Membership no. 42734/FRN: 004819), Cost Accountants, as Cost Auditors to carry out the audit of the cost records of the Company for the Financial Year 2021-22.

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.

The Company is required to maintain cost records pursuant to Section 148 of the Companies Act, 2013 and accordingly such records and accounts are maintained by the Company.

None of the Auditors of the Company have reported any fraud as specified under the second proviso to Section 143(12) of the Companies Act, 2013.



## Directors' Report

### Risk Management Policy

Your Company has a well defined risk management framework in place and a robust organizational structure for managing and reporting risks.

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.

Risk Management process has been established across your company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives.

### 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 standard operating procedures of the Company and reports its adequacy and effectiveness through periodic reporting.

### Corporate Social Responsibility (CSR)

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, as amended, 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 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 & Risk Management Committee and Board for its approval. In accordance with Ind AS-24, the Related Party Transactions are disclosed under Note No. 39 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 2020-21 have been 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 in terms of 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.