

**Ramkrishna Forgings Limited**  
ANNUAL REPORT 2021-2022



**Outshine.  
Outperform.**

## Committed to Sustainability

Over the last year, we continued to battle with COVID19 and its aftermath, we witnessed resilience, adaptability and strength sweep the nation and the world.

At RKFL, we continued to ramp up our Corporate Social Responsibility efforts to support the needs of our people, their families, and our local communities. In 2021, we also embarked on a journey to understand how we could integrate Environment, Social and Governance (ESG) into our organization and make our organization more resilient, planet friendly while being profitable.

So, we engaged with our key stakeholder groups, including investors, customers, suppliers, and its employees to identify the material environmental and societal issues where Ramkrishna Forgings Limited can play a meaningful role.

As a result, we are pleased to share our ESG areas of focus areas and commitments

1. RKFL for Environmental Consciousness: By preserving and protecting the environment across its operations.

We commit to

- a) To achieve Carbon Neutral by 2050. 50% of its energy use will be from renewable sources by 2028
- b) To recycle 100% of our water, use by 2025 and decrease 50% of its overall waste through the 3R approach

2. RKFL for Communities: By aspiring to be the employer and partner of choice for our employees and suppliers respectively and helping local communities thrive.

We commit to

- a) Launch a well-being program focussed on employees mental and physical health in 2023 and
- b) Work with our suppliers to build a responsible supply chain and
- c) Increase our employee volunteering participation 55% by 2030.

3. RKFL for the long run: By operating ethically and responsibly, with transparency

We will

- a. Continue to raise the bar to drive business growth and deliver on our ESG Vision
- b. Commit to increase women in leaderships positions to 10%.

We have laid out a roadmap to help us deliver on our ambitions and we will continue to work on this commitments and deliver more value to our people, our shareholders, our suppliers and customers.

## CORPORATE INFORMATION

CIN: L74210WB1981PLC034281

### Directors

Mr. Mahabir Prasad Jalan	-	Chairman
Mr. Naresh Jalan	-	Managing Director
Mr. Chaitanya Jalan	-	Whole-time Director
Mr. Lalit Kumar Khetan	-	Whole-time Director
Mr. Pawan Kumar Kedia	-	Whole-time 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
Mr. Sandipan Chakravorty	-	Non-Executive, Independent Director
Mr. Partha Sarathi Bhattacharyya	-	Non-Executive, Independent Director
Mr. Ranaveer Sinha	-	Non-Executive, Independent Director
Ms. Rekha Shreeratan Bagry	-	Non-Executive, Independent Director (Appointed w.e.f 03/05/2022)
Ms. Sanjay Kothri	-	Non-Executive, Independent Director (Appointed w.e.f 03/05/2022)
Ms. Aditi Bagri	-	Non-Executive, Independent Director (Resigned w.e.f 27/04/2022)

### Company Secretary

### Chief Financial Officer (CFO)

### Registered and Corporate Office

Mr. Rajesh Mundhra  
Mr. Lalit Kumar Khetan  
23, Circus Avenue, Kolkata -700 017  
Telephone: 033-4082 0900/7122 0900  
Fax: 033-4082 0998/7122 0998  
Email id – [secretarial@ramkrishnaforgings.com](mailto:secretarial@ramkrishnaforgings.com)  
Website: [www.ramkrishnaforgings.com](http://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 - 833220, Jharkhand

### Joint Statutory Auditors

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

M/s. S. K. Naredi & Co.  
Park Mansions, Block -1, Room no. 1  
3<sup>rd</sup> 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, 5<sup>th</sup> 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  
Canara Bank  
HDFC Limited  
Axis Finance Limited  
Tata Capital Financial Services Limited

### Registrar and Share Transfer Agents

M/s. KFin Technologies Ltd.  
(Formerly KFin Technologies Pvt. 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](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com).

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## Director's Report

### Dear Shareholders,

Your Directors are pleased to present the **40<sup>th</sup> Annual Report** of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March 2022.

### Financial Highlights 2021-22

(Amount ₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Sales and Operating Income (Net)	2,28,536.55	1,28,837.52	2,32,024.66	1,28,893.21
Other Income	160.93	461.46	145.91	558.97
Profit before Interest, Depreciation & Tax (incl. Exceptional Item)	52,857.84	23,453.97	51,845.11	22,829.55
Finance Cost	9,334.69	7,677.53	9,589.76	7,984.91
Depreciation	16,905.90	11,628.46	16,935.32	11,670.44
Profit Before Tax (before Exceptional Items)	26,617.25	4,147.98	25,320.03	3,174.20
Exceptional Items	-	-	-	-
Profit Before Tax	26,617.25	4,147.98	25,320.03	3,174.20
Provision for taxation:				
- Current Tax	8105.25	726.90	8133.03	731.07
- Deferred Tax	(2,307.41)	625.28	(2,784.92)	348.35
-Tax adjustments for earlier years (Net)	169.23	0.27	169.23	27.95
Profit After Tax	20,650.18	2,795.53	19,802.69	2,066.83
Other Comprehensive Income (Net of Tax)	29.09	33.48	42.73	34.28
Total Comprehensive Income for the year	20,679.27	2,829.01	19,845.42	2,101.11

### State of Company's Affairs

#### Financial Performance

- Revenue from operations increased by 77.38% from ₹ 1,28,837.52 lakhs in 2020-21 to ₹ 2,28,536.55 lakhs in 2021-22.
- Export Sales increased by 91.22% from ₹ 51,792.42 Lakhs in 2020-21 to ₹ 99,038.13 Lakhs in 2021-22.
- EBIDTA increased by 125.37% from ₹ 23,453.97 lakhs in 2020-21 to ₹ 52,857.84 lakhs in 2021-22.
- PAT showed an increase of 638.69% from ₹ 2,795.53 Lakhs in 2020-21 to ₹ 20,650.18 Lakhs in 2021-22.

The Production of commercial vehicle (CV) sales in India increased by 28.9% to 8,05,527 units in financial year 2021-22, as against 6,24,939 units in 2020-21.

The M & HCV segment production volumes increased by 50 % from 1,81,242 vehicles in 2020-21 to 2,72,167 vehicles on 2021-22. The sales of M&HCV increased by 49.70 % from 1,60,688 vehicles in 2020-21 to 2,40,577 vehicles in 2021-22. The exports of the M&HCV vehicles increased by 83.4 % from 17,548 vehicles in 2020-21 to 32,181 vehicles in 2021-22.

#### Operational Highlights

##### Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 46,513 tons during the year under review as compared to 35,040 tons last year registering an increase of about 32.75 %. 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 82 new product development in the CNC Turning, 42 new development in Gear cutting and 61 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 and export market.

##### Ring Rolling Line

The Company has produced 28,277 tons during the year as compared to 20,867 tons last year thus registering an increase of about 35.51%. The Company has developed 52 new products during the year.

##### Press Facility

During the year the Company has achieved a production of 69,649 Tons as compared to 38,738 tons last year thus registering an increase of 79.80%. The Company has achieved an average capacity utilisation of around 59.48 % during the year.

## Director's Report (Contd.)

The Company has developed 80 new products during the year out of which 29 products are machined.

### Future Outlook

As per CRISIL, the industry should sustain the double-digit volume growth next fiscal also on continuing economic recovery and infrastructure spending. Commercial vehicle sales volume should increase next fiscal by 18% to 23%.

The sales volume of medium & heavy commercial vehicles (MHCVs) is expected to grow 37% to 42% next fiscal because of strong demand from the infrastructure segments such as construction, roads, mining, steel and cement. Volume in light commercial vehicles (LCVs) is expected to rise 9% to 14% on higher demand for last-mile connectivity from sectors such as FMCG and e-commerce but will be partly offset by supply constraints amid the semiconductor shortage.

The Indian Small Commercial Vehicle Market in the year FY2021 stood at USD 1909.91 million. The market is anticipated to grow further with a CAGR of 15.14% in the forecast years FY2023-FY2027 to achieve a market value of USD 4256.93 million by FY2027.

### 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 ₹ 4,610.81 lakhs is proposed to be carried over to Balance Sheet as retained earnings.

### Dividend

Based on the Company's performance, the Directors have declared following interim dividends:

Particulars.	Financial Year	Interim Dividend Per Share of ₹10 each.	Date of declaration of Interim Dividend in Board Meeting	Cash outflow (₹in lakhs)
1 <sup>st</sup> Interim Dividend	2021-22	Re. 0.50/-	26 <sup>th</sup> July, 2021	159.89
2 <sup>nd</sup> Interim Dividend		Re. 0.50/-	11 <sup>th</sup> October, 2021	159.89
3 <sup>rd</sup> Interim Dividend		Re. 0.50/-	18 <sup>th</sup> January, 2022	159.89
<b>Total</b>		<b>₹ 1.50/-</b>		<b>479.67</b>

The Directors have also recommended a final dividend of Re. 0.20/- per equity share of face value of ₹ 2 each. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 319.78/- lakhs. The total dividend (Interim and Final) for FY 2021-22 would involve a total cash outflow of about ₹ 799.45 lakhs.

The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 10<sup>th</sup> September, 2022 (Saturday), to 17<sup>th</sup> September, 2022 (Saturday)(both days inclusive) for the purpose of Annual General Meeting. The record date for the final dividend will be Friday, 9<sup>th</sup> September, 2022.

### Share Capital

The Company presently has one class of shares – equity shares of par value of ₹ 2/- each.

During the financial year 2021-22, the Authorised Share Capital of the Company has been increased from ₹ 33,25,00,000 consisting of 3,32,50,000 equity shares of ₹10 each to ₹ 38,25,00,000 consisting of 3,82,50,000 equity shares of ₹ 10 each.

During the year, there has been a subdivision of the Equity Shares of the Company in 1:5 ratio i.e 1 (one) equity share of face value of ₹ 10 subdivided into 5 (five) Equity Shares of face value of ₹ 2 each. The record date for the said sub-division was on March 15, 2022.

Accordingly, the Authorised Share Capital of the Company as on 31<sup>st</sup> March, 2022 stands at ₹ 38,25,00,000 divided into 19,12,50,000 Equity Shares of ₹ 2/- each.

Pursuant to subdivision of equity shares the Issued, Subscribed and Paid up Share Capital as on 31<sup>st</sup> March, 2022 stands at ₹ 31,97,79,070/- divided into 15,98,89,535 Equity Shares of ₹ 2/- 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 Whole-time 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 ₹ 2/- against each option.



## Director's Report (Contd.)

During the year under review, based on the performance matrix of the eligible employees the Nomination and Remuneration Committee in its meeting held on 9<sup>th</sup> October, 2021 vested 4,184 Stock Options of face value of ₹ 10 each to the eligible employees.

Further, 2,199 (i.e 10,995 option of ₹ 2 each) options of ₹ 10 each have been forfeited /cancelled during the Financial Year 2021-22.

There are 3,40,000 outstanding options of ₹ 2 each as on 31<sup>st</sup> March, 2022.

During the year the Company has granted 4,184 Options of face value of ₹ 10 each (i.e 20,920 options of ₹ 2 each) 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 <https://www.ramkrishnaforgings.com/investors/esop/ESOP-Report-21-22.pdf>.

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

A Certificate from the Secretarial Auditors with regard to the implementation of ESOP Scheme 2015 shall be available over email on making a request to the Company through Email on [secretarial@ramkrishnaforgings.com](mailto:secretarial@ramkrishnaforgings.com).

### Pollution Control Measures

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

### Credit Rating

The Company has obtained Credit Rating of its various credit facilities and instruments from ICRA Limited & India Ratings. As on the date of this report Company's long term borrowing rating from both the credit rating agencies is A (Stable Outlook) and the short term borrowing rating is A1.

### Details of Directors and Key Managerial Personnel

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

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 18<sup>th</sup> January 2022, subject to the approval of the members, re-appointed Mr. Pawan Kumar Kedia (DIN: 00375557) as the Whole-time Director, designated as Director (Finance), for a period of 1 year w.e.f. April 1, 2022. The Company sought approval of the members for the above re-appointment vide Postal Ballot notice dated 18<sup>th</sup> January 2022, which was passed with requisite majority on 24<sup>th</sup> February, 2022.

Mr. Mahabir Prasad Jalan, (DIN 00354690) Chairman cum Wholetime Director and Mr. Naresh Jalan (DIN: 00375462) Managing Director were reappointed as the Chairman cum Whole-time Director and Managing Director respectively for a period of 5 years w.e.f 5<sup>th</sup> November 2016. Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors and Members of the Company at its respective meeting held on 15<sup>th</sup> May 2021 and 25<sup>th</sup> September, 2021 reappointed them for a further period of 5 years w.e.f 5<sup>th</sup> November, 2021.

Based on the recommendations of the Nomination and Remuneration Committee the Board at its Meeting held on 3<sup>rd</sup> May, 2022, had appointed Mr. Sanjay Kothari (DIN: 00258316) and Mrs. Rekha Shreeratan Bagry (DIN: 08620347), as an Additional Directors w.e.f 3<sup>rd</sup> May, 2022, who shall hold office upto the conclusion of the forthcoming Annual General Meeting. Further pursuant to Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of Nomination and Remuneration Committee, the Board hereby approves their appointment as an Independent Directors on the Board of the Company for a period of 5 (Five) years w.e.f 3<sup>rd</sup> May, 2022 till 2<sup>nd</sup> May, 2027, subject to the approval of the members of the Company through the Postal ballot.

#### (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, 2013 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.

## Director's Report (Contd.)

### (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 <http://www.ramkrishnaforgings.com/investors/Director-Familiarization-Program-21-22.pdf>.

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

During the financial year ended 31<sup>st</sup> March, 2022, none of the Director have resigned from the Company.

Ms. Aditi Bagri (DIN: 06943139), Independent Director had tendered her resignation from the Board of Directors and Committee(s) of the Board w.e.f 27<sup>th</sup> April, 2022 due to a new role in her professional workspace and there are no other material reason. Your Board of Directors' places on record its sincere appreciation for the services rendered by Ms. Bagri.

### (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 and Mr. Lalit Kumar Khetan (DIN: 00533671), Whole-time Director, retires by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. Their appointment will be placed for approval by the members at the ensuing 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, Whole Time Director & Chief Financial Officer and Mr. Rajesh Mundhra, Company Secretary and Compliance Officer.

During the financial year ended 31<sup>st</sup> March 2022, there is no change in Key Managerial Personnel of the Company.

#### 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, the Board at its meeting held on 18<sup>th</sup> January, 2022 has amended the remuneration policy pursuant to SEBI (Listing Obligations and Disclosure Requirements) Third Amendment Regulations, 2021.

The policy is available on the website of the Company at the following link: <https://www.ramkrishnaforgings.com/investors/policy/Remuneration-policy-18.01.2022.pdf>.

#### 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 2021-22 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 5<sup>th</sup> January, 2017.





## Director's Report (Contd.)

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 24<sup>th</sup> February, 2022.

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 31<sup>st</sup> March 2022, 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 2021-22 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 Financial Year 2021-22 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.

### Subsidiaries

The Company had 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 2021-22 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	2,32,024.66	16,547.27	7.13%
Profit before Taxation (PBT)	25,320.03	(158.95)	(0.63%)
Profit/(Loss) after Taxation (PAT)	19,802.69	(123.64)	(0.62%)

(₹ in Lakhs)

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	2,32,024.66	-	0.00
Profit before Taxation (PBT)	25,320.03	(2.41)	(0.01)
Profit/(Loss) after Taxation (PAT)	19,802.69	(2.41)	(0.01)



## Director's Report (Contd.)

(₹ in Lakhs)

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	2,32,024.66	6330.38	2.73%
Profit before Taxation (PBT)	25,320.03	132.29	0.52%
Profit/(Loss) after Taxation (PAT)	19,802.69	104.51	0.53%

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 subsidiary has been furnished under note. 48 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 at the website of the Company at [www.ramkrishnaforgings.com](http://www.ramkrishnaforgings.com) 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 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 2021-22.

During the year there has been no change in the nature of the business carried out 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

The Statutory auditors M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) initially appointed as Statutory Auditors at the Annual General Meeting (AGM) held on 16<sup>th</sup> September, 2017 and would be completing their first term of five years at the ensuing AGM and are eligible for re-appointment for a further period of five years.

Accordingly, the Board recommends to the Members of the Company for the re-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 40<sup>th</sup> Annual General Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting to be held for the financial year 2026-27, at a remuneration to be decided by the Board of Directors. In this regard, the Company has received necessary written consent and certificates under Section 139 of the Companies Act, 2013 from M/s. S. R. Batliboi & Co., LLP, Chartered Accountants to the effect that their appointment, if made, shall be in accordance with the conditions specified therein and they satisfies the criteria as prescribed in Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

M/s. S. K. Naredi & Co, Chartered Accountants, (Firm Registration No. 003333C) acts as the Joint 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



## Director's Report (Contd.)

Secretaries in Practice, to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report is given as "**Annexure B**" forming part of this Report.

The Secretarial Audit Report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark.

The Board has re-appointed M/s. MKB & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2022 – 23.

### Cost Auditors

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 Committee has appointed M/s. Bijay Kumar & Co. (Membership no. 42734/FRN: 004819), Cost and Management Accountants, as Cost Auditors to carry out the audit of the cost records of the Company for the financial year 2022-23.

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.

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.

### Risk Management

A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance has been adopted. Based on a review, major elements of risks have been identified and are being monitored for effective and timely mitigation. Prudence and conservative dealing with risks is at the core of risk management strategy being followed by the Company.

A Risk Management Committee has been constituted by the Board on 26<sup>th</sup> July, 2021, the terms of reference of which includes the review the risk management. The Risk Management policy has been approved by the Committee in its meeting held on 30<sup>th</sup> September, 2021. Risk management is an integral part of the Company's risk management policy adopted by the Board with periodic review by the Committee and the Board. The risks, both internal and external, to which the Company is exposed to and which includes financial, operational, project execution, legal, human resources etc. is taken into consideration for development and maintaining of a robust mechanism for mitigation which is evolving with time and circumstances within which the Company operates.

### 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/investors/policy/csr-policy.pdf>. 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://www.ramkrishnaforgings.com/investors/policy/policy-for-transactions-with-related-parties-2019.pdf>.