KP Capital
A QAPITA Company

KP Capital Advisors Private Limited
IndiQube The Kode, 7th Floor, S.No. 134,
Hissa No. 1/38, Baner Pashan Link Road, Pune 411045
Tel : +91 86002 63374
CIN: U67100PN2019PTC182728
www.kpcapital.in

27th April2026

The Nomination and Remuneration Committee (Compensation Committee)
Ramkrishna Forgings Limited

Sub: Report on Amortization of compensation cost and Disclosures of ESOPs

Dear Sirs,

We are pleased to submit our report on Amortization of compensation cost and Disclosures of ESOPs for the year ended 31st March 2026 for Ramkrishna Forgings Limited.

Please do get in touch with us, should you require any further clarification on the same.

Sincerely yours,

Neha Prasad

Neha Prasad

Authorised Signatory

Report on

Accounting & Disclosure for ESOPs

at

Ramkrishna Forgings Limited

Neha Prasad

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About the Report

Ramkrishna Forgings Limited ("the Company") has granted employee stock options to its employees. The scope of this report is to calculate the fair value of the said options granted under the ESOP Scheme of the Company and includes the following -

1. Computation of the compensation cost (based on the fair value of the options granted) for the Financial Year ended March 31, 2026.

2. Disclosures as required under the Companies Act, 2013 read with Companies (Share Capital and Debentures)

   Rules, 2014.

The report also details the variables used for the calculation of fair value and compensation cost along with the rationale behind them.

1. Computation of the Compensation Cost

As per Ind AS 102, a share-based payment plan can be accounted for using the Fair value method.

Compensation cost is recognized over the vesting period. The compensation cost for each year has been calculated considering each vest as a separate grant.

The total compensation cost for the year based on fair value is given below –

Particulars	Ind AS
Compensation cost for year ending 31st March 2026 (Rs.)	**6,50,61,802.78**

Assumptions -

1. We have relied on the information provided by the Company to the plan management team of ESOP Direct for the date of grant, exercise price, number of options granted, exercised, cancellations and expirations.

The disclosures required to be made as per the Companies Act and Guidance Note and ESOP Activity table are given in Annex 1 in this report.

Employee Stock Option Schemes (ESOSs)

1. The details of stock options as on 31st March 2026 under the ESOP Scheme 2015 and ESOP Scheme 2023:

Sr.No.	Particulars	Ramkrishna Forgings Limited -Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015)	Ramkrishna Forgings Limited -Employee Stock Option Plan 2023 (RKFL ESOP Scheme 2023)
I. Details of the ESOS			
1	Date of Shareholder's Approval	12th September 2015	**16 September 2023**
2	Total Number of Options approved	Upto 700,000	**Upto 30,00,000**
3	Vesting Requirements	Stock options granted under RKFL ESOP Scheme 2015 shall vest after 3 years from the grant date in the follwing proportion 3rd Year- 30% 4th Year- 30% 5rd Year- 40% The above vesting will be dependent upon achievement of certain performance criteria as laid down by Nomination & Remuneration Committee	Stock options granted under RKFL ESOP Scheme 2023 shall vest after 1 year from the grant date in the follwing proportion 1st Year- 25% 2nd Year- 25% 3rd Year- 25% 4th Year- 25% The above vesting will be dependent upon achievement of certain performance criteria as laid down by Nomination & Remuneration Committee
4	Exercise Price or Pricing formula (₹)	Rs.80 of Face Value of Rs.2 each	Rs.556 for each option of Face Value of Rs.2 each and Rs 687 for each option of Rs.2 each
5	Maximum term of Options granted (years)	9 years from the date of grant	8 years from the date of grant
6	Source of shares	Primary/Secondary/Combination	Primary/Secondary/Combination
7	Variation in terms of ESOP	Exercise price has been reduced from 90% of the market price prevailing at the date of the grant of options to Rs. 400/- (Rupees Four Hundred only). By shareholders resolution dated 24th September 2016. Due to subdivision of shares the exercise price has been adjusted to Rs.80 per share of Face Value of Rs.2 each	No variation after Grant
8	Method used to account for ESOP	The Company has recognized compensation cost using a fair value method of accounting. The Company has recognized stock option compensation cost "Nil" in the statement of profit and loss for the Financial Year 2024-25.	The Company has recognized compensation cost using a fair value method of accounting. The Company has recognized stock option compensation cost of Rs. 1364.086 Lakhs in the statement of profit and loss for the Financial Year 2024-25.
9	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company accounted for employee compensation cost on the basis of fair value of the options	The Company accounted for employee compensation cost on the basis of fair value of the options

2. Options Movement during the year-

Particulars		ESOP 2015		ESOP 2023	
		No. Of options*	Wt. Avg Exercise Price	No. Of options	Wt. Avg Exercise Price
1	No. of Options Outstanding at the beginning of the year	39,170	80	747070	558.86
2	Options Granted during the year	0	NA	0	NA
3	Options Forfeited / lapsed during the year	0	80	67060	556
4	Options Vested during the year	0	80	165176	556.60
5	Options Exercised during the year	10,995	80	8610	556
6	Total number of shares arising as a result of exercise of options	10,995	80	8610	556
7	Money realised by exercise of options (Rs.)	8,79,600	NA	0	NA
8	Number of options Outstanding at the end of the year	28,175	80	6,71,400	556.60
9	Number of Options exercisable at the end of the year	28,175	80	3,21,609	556.31

*Options adjusted for stock split- The Face value of equity shares has been subdividedfromRs. 10 per share w.e.f March 15, 2022. Face Value of Equity Shares of the company is Rs. 2 per share.

3. A) Weighted average exercise price of Options granted during the year whose

Sr. No.	Particulars	ESOP Scheme 2015	ESOP Scheme 2023
a)	Exercise price equals market price	NA	NA
b)	Exercise price is greater than market price	NA	NA
c)	Exercise price is less than market price	NA	NA

B) Weighted average fair value of Options granted during the year whose

Sr. No.	Particulars	ESOP Scheme 2015	ESOP Scheme 2023
a)	Fair value equals market price	NA	NA
b)	Fair value is greater than market price	NA	NA
c)	Fair value is less than market price	NA	NA

C) Weighted average contractual life (years)

Particulars	ESOP Scheme 2015	ESOP Scheme 2023
Weighted average contractual life of options outstanding as on 31st March 2026	1.00	4.46

4. Employee-wise details of options granted during the financial year 2025-26 to:

(i)	**Senior managerial personnel:**	
	Name	**No. of options granted**
	NIL	
(ii)	**Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year**	
	Name	**No. of options granted**
	NIL	
(iii)	**Identified employees who were granted option during the year equal to or exceeding 1% of the capital issued (excluding outstanding warrants and conversions) of the company at the time of grant.**	
	Name	**No. of options granted**
	NIL	

5. Method used to estimate the fair value of options granted during the year:

	The fair value has been calculated using the Black Scholes Option Pricing model	
	The Assumptions used in the model are as follows:	
	Date of grant	**Particulars**
	1. Risk Free Interest Rate (%)	NA
	2. Expected Life	NA
	3. Expected Volatility (%)	NA
	4. Dividend Yield (%)	NA
	5. Price of the underlying share in market at the time of the option grant (Rs.)	NA
	6. Weighted average fair value of options	NA

6. Assumptions:

i) Stock Price: Closing price on National Stock Exchange on previous date of grant has been considered

ii) Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

iii) Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

iv) Exercise Price: Exercise Price of each specific grant has been considered.

v) Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

vi) Expected dividend yield: Expected dividend yield has been calculated as last dividend declared before the date of grant

2. Rationale and Assumptions

1. We have reviewed the information made available to us for overall consistency and have not carried out any detailed tests in the nature of audit to establish the accuracy of such information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Company.