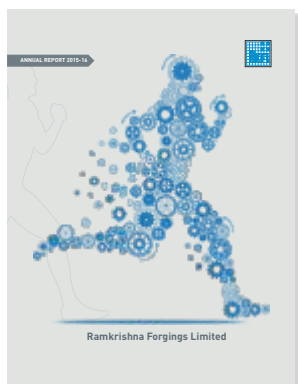


Ramkrishna Forgings Limited



For more information
Log on to www.ramkrishnaforgings.com

Corporate Information

CIN

L74210WB1981PLC034281

Directors

Mr. Mahabir Prasad Jalan

-Chairman

Mr. Naresh Jalan

-Managing Director

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. Satish Kumar Mehta

-Non-Executive Director

(Resigned w.e.f. 09.05.2016)

Mr. Sandipan Chakravorty

- Non-Executive, Independent Director

(Appointed w.e.f. 21.05.2016)

Mr. Partha Sarathi Bhattacharyya

- Non-Executive, Independent Director

(Appointed w.e.f. 21.05.2016)

Company Secretary

Mr. Rajesh Mundhra

Chief Financial Officer (CFO)

Mr. Alok Kumar Sharda

(Resigned w.e.f. 23.05.2016)

Registered and Corporate Office

Ramkrishna Chambers,

72, Shakespeare Sarani,

Kolkata -700 017

Telephone: 033-39840900

Fax: 033-39840998

Email id : neha.gupta@ramkrishnaforgings.com

Works

- (i) Plot No. M-6, Phase-VI,
Gamaria, Jamshedpur-832108
- (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 Singhi & Co.

161, Sarat Bose Road, Kolkata- 700026

Internal Auditors

M/s. Deloitte Haskins & Sells

Bengal Intelligent Park

Building Alpha, 1st Floor, Block-EP & GP,

Sector-V, Salt Lake Electronics Complex

Kolkata – 700091

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

Federal 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

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Directors Report for the year 2015-16

Dear Shareholders,

Your Directors are pleased to present this Thirty Fourth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements of Accounts for the financial year ended 31st March 2016.

Financial Highlights 2015-2016

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Sales and Operating Income (Net)	89,715.37	74,075.95	91,285.77	75,205.95
Other Income	342.96	573.32	231.96	490.63
Profit before Interest, Depreciation & Tax (incl. Exceptional Item)	18,014.22	13,993.38	18,260.80	14,247.06
Finance Cost	5,238.62	3,029.55	5,432.59	3,154.11
Depreciation	5,302.62	3,121.65	5,332.14	3,163.79
Profit Before Tax (before Exceptional Items)	7,473.35	7,095.96	7,496.07	7,182.94
Exceptional Items	-	746.22	-	746.22
Profit Before Tax	7,473.35	7,842.18	7,496.07	7,929.16
Provision for taxation:				
- Current Tax	1,595.00	1,642.00	1,599.33	1,656.60
- MAT Credit Entitlement	(1,595.00)	(1,642.00)	(1,599.33)	(1,656.60)
- Deferred Tax	1,983.00	353.99	2,040.70	373.64
- Tax adjustments for earlier years (Net)	1.41	14.61	1.41	14.61
Profit After Tax	5,488.94	7,473.58	5,453.96	7,540.92
Add: Surplus Brought Forward	15,479.85	9,685.51	15,749.85	9,685.51
Surplus available	21,238.79	17,159.09	21,046.57	17,001.85
Appropriations :				
- Transfer to General Reserve	750.00	750.00	750.00	750.00
- Dividend	573.40	549.40	573.40	549.40
- Tax on Distributed profits	119.98	109.85	119.98	109.85
Balance carried to Balance Sheet	19,795.41	15,749.84	19,603.19	15,592.61

State of Company's Affairs and Future Outlook

Financial Performance

- Net Sales increased by 21.11 percent from ₹ 74,075.95 lakhs in 2014-15 to ₹ 89,715.37 lakhs in 2015-16.
- Export Sales increased by 14.30 percent from ₹ 35123.71 Lakhs in 2014-15 to ₹ 40147.63 Lakhs in 2015-16.
- EBITDA (excluding exceptional items and other income) increased by 39.43 percent from ₹ 12673.83 lakhs in 2014-15 to ₹ 17671.27 lakhs in 2015-16.
- PAT showed a decline of 26.56 percent from ₹ 7,473.58 Lakhs in 2014-15 to ₹ 5,488.94 Lakhs in 2015-16.

After showing a downward trend in last three years, some segments of Indian Commercial Vehicle (CV) industry have started showing signs of recovery in the FY 2015-16.

The overall sales of Commercial Vehicles segment recorded a double digit growth at 11.51% in the financial year April-March 2016 as against the same period a year ago. Medium & Heavy Commercial Vehicles (M&HCVs) sector witnessed a growth of 29.91% and Light Commercial Vehicles (LCV) segment recorded a marginal growth of 0.30% during April-March 2016. Strong replacement demand, coupled with improving economics of freight operators (lower fuel, interest costs, stable freight rates) helped keep the commercial vehicle numbers robust. Further, renewal of mining activities in the states of Karnataka and Goa and renewal of construction activities also contributed to the momentum.

The heavy-duty truck industry saw a decent 30% plus growth in 2015-16 with the sale of around 2.58 lakh trucks were sold. This is largely owing to investments being made by the Centre in infrastructure and core –sector projects.

During the Financial Year 2015-16, while overall vehicle exports from India registered a growth of 1.91%, commercial vehicle exports grew at 16.97%.

Operational Highlights

Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 36989 tons during the year under review as compared to 33267 tons last year registering an increase of about 11.19 %. 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, DIN 3962 (Class 9) in Hard Stage. The Company has made 43 new product development in the CNC machining and 52 new development in Gear cutting, which has helped to enhance the product basket with existing clients and add new clients in the domestic market and export.

Ring Rolling Line

Ring rolling is a cost-effective and efficient production process for production of ring-shaped components like crown wheels, bearing rings etc. The equipment is fully capable of meeting the requirements of the automobile industry, especially that of commercial vehicles (primarily medium and heavy vehicles).

The Company has produced 25179 tons during the year as compared to 22645 tons last year thus registering an increase of about 11.19 percent. It has achieved a full capacity utilisation during the year as compared to around 94 percent last year on account of good export demand in the initial part of the financial year and demand from the domestic commercial vehicle segment.

The Company has developed 25 new products during the year and out of that 14 new parts are towards export. The Company has been able to enhance its export portfolio by enhancing its product range .

Press Facility

The Company had commissioned 3150 ton Pressline and 4500 ton Pressline during the financial year 2014-15. The Company has further commissioned 6300 Pressline on 4th August, 2015 and 12500 ton Pressline on 21st December, 2015.

The production capacity of the Company has increased by 80000 Tons by the Commissioning of all the Presslines.

During the year the company has achieved a production of 14736 Tons during the year as compared to 5596 tons last year. The Company has achieved an average capacity utilisation of around 35 % during the year.

During the Year there has been no change in the nature of the business carried by the Company.

Future Outlook

The improvement displayed by the Indian commercial vehicles industry is expected to gain momentum, driven by continuing trends towards the replacement of ageing fleet vehicles and expectations of increases in demand from the infrastructure and industrial sectors due to reforms being initiated by the Government of India. The expectation are that the demand for new commercial vehicles will also be driven by gradual acceptance of advance trucking platforms, the progression to Bharat Stage V emissions norms and the introduction of technologies, such as anti-lock braking systems. The passing of the GST is further expected to provide significant impetus to the growth of the Indian commercial vehicle sector over the coming years.

Transfer to Reserves

Your Company proposes to transfer ₹ 750 lakhs to General Reserve out of the amount available for appropriation and an amount of ₹ 19,795.41 lakhs is proposed to be carried over to Balance Sheet.

Dividend

In view of the continuing good performance of your Company, your Directors are pleased to recommend a dividend of ₹ 2 per share for the financial year 2015-16. The total payout on dividend (including dividend tax), if the dividend is approved by the members at the ensuing Annual General Meeting, will be ₹ 693.38 lakhs during the year under review.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid to shareholders whose names appear on the register of members at the close of business on 17th September, 2016 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on 17th September, 2016 .

Share Capital

During the year the Board of Directors have at its Meeting held on 7th November 2015 allotted 12,00,000 equity shares of ₹ 10 each vide conversion of 12,00,000 Warrants issued to M/s. Riddhi Portfolio Pvt. Ltd. on Preferential basis at the price of ₹ 150/- per share.

On account of this allotment to M/s. Riddhi Portfolio Pvt. Ltd, Promoter group, the Issued, Subscribed and Paid up Share capital has been increased to ₹ 28,66,99,400 consisting of 2,86,69,940 Equity Shares of ₹ 10/- each from ₹ 27,46,99,400 consisting of 2,74,69,940 Equity Shares of ₹ 10/- each.

Employees Stock Option Scheme

The Nomination and Remuneration Committee & the Board of Directors in the meeting held on 7th August, 2015, approved the Ramkrishna Forgings Limited – Employee Stock Option Plan 2015 for the grant upto 700,000 stock option to its permanent employees working in India and Wholetime Directors of the Company, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. The same was approved by the members in the 33rd Annual General Meeting of the Company held on 12th September 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the Ramkrishna Forgings Limited Employee Welfare Trust as an incentive to attract, retain and reward the employees and enable them to participate in future growth and financial success of the Company.

During the year under review the Nomination and Remuneration Committee & the Board of Directors in the meeting held in November, 2015 granted 323,675 Stock Options under the ESOP Scheme 2015.

The particulars with regard to ESOP scheme as on 31 March 2016, as required to be disclosed pursuant to the provisions of Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014 are set out in “**Annexure A**” to this Report.

A Certificate from the Statutory Auditors with regard to the implementation of ESOP Scheme 2015 would be placed at the forthcoming Annual General Meeting.

Project

The Company had embarked upon a project to manufacture front axle beams, crankshafts, stub axles and connecting rods on press lines. The Project consists of 12500 Ton pressline imported from SMS, GmbH, 6300 Ton pressline, 4500 Ton pressline and 3150 ton pressline. It also includes installation of state of the art Machining Centers and Heat Treatment facilities for supply of the machined Products.

The Company has already commenced commercial production of 3150 Ton pressline and 4500 Tonpressline on 21st July, 2014. During the Year the Company has commissioned 6300 Pressline on 4th August, 2015 and 12500 ton Pressline on 21st December, 2015 thus enhancing the Production capacity of the Company by 80000 Tons.

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

Your Company's long term rating is BBB+ (Positive outlook) from CRISIL and A- (Stable outlook) from ICRA.

Details of Directors and Key Managerial Personnel:

(A) APPOINTMENT OF INDEPENDENT DIRECTORS

During the financial year ended 31st March 2016, there has been no change in the Independent Directors of the Company. However, on 21st May 2016, Mr. Sandipan Chakravorty (DIN: 00053550) and Mr. Partha Sarathi Bhattacharyya (DIN: 00329479) have joined the Company as Additional Independent Directors for a period of 5 years. Their appointment will be placed for approval of the members at the forthcoming Annual General Meeting.

(B) STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB- SECTION (6) OF SECTION 149 of the Companies Act, 2013

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 Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

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 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/familiarisatio%20n-program-of-independent-directors.pdf>

(D) RESIGNATION OF DIRECTOR(S) DURING THE YEAR:

During the financial year ended 31st March 2016 none of the Directors had resigned from the Company. However, Mr. Satish Kumar Mehta (DIN 00871822) Non-Executive Director, resigned from the Directorship of the Company with effect from 9th May 2016. Your Directors place on record the valuable contributions of Mr. Mehta towards the progress of the Company during his association with 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) Chairman, 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.

(F) KEY MANAGERIAL PERSONNEL

During the financial year ended 31st March 2016 there has been no change in the Key Managerial Personnel position of the Company. However, Mr. Alok Kumar Sharda, Chief Financial Officer of the Company resigned w.e.f. 23rd May 2016.

REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated a policy relating to the appointment, remuneration and removal of Directors, Key Managerial Personnel and other senior management personnel of the Company, in accordance with the provisions of Section 178 of the Act. The Remuneration policy for Directors, Key Managerial Personnel and Senior Management personnel of the Company is available in the website of the Company at the following link: <http://ramkrishnaforgings.com/remuneration-policy.pdf>.

PERFORMANCE EVALUATION

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the directors. On the basis of the policy for performance evaluation, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors and found it satisfactory.

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 2016, 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 2015-16 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 2015-16 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 one Subsidiary i.e. Globe Forex & Travels Limited (CIN: U63040WB1994PLC062139). It is a wholly owned subsidiary of your Company and is into Travelling, MICE & Leisure business. A brief highlight of the consolidated performance and its contribution to the overall performance of the Company as on 31st March, 2016 is as below:

Particulars	Ramkrishna Forgings Limited (Holding Company) ₹ in Lakhs	Globe Forex & Travels Limited (Subsidiary Company) ₹ in Lakhs	% of contribution to the overall performance of the Holding Company
Turnover	91285.77	1379.24	1.51%
Net Profit before Taxation (PBT)	7496.07	22.74	0.31%
Profit/(Loss) after Taxation (PAT)	5453.93	(34.96)	-0.64%

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements the Audited Consolidated Financial Statements are provided in the Annual Report. In addition the financial data of the subsidiary has been furnished under note 40 & 41 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. 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>.

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 2015-16.

During the Year there has been no change in the nature of the business carried by the Subsidiary Company.

Auditors

Statutory Auditors

At the 32nd Annual General Meeting held on 17th June 2014, M/s Singhi & Co, Chartered Accountants, were appointed as the Statutory Auditors of the Company pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 to hold office from the conclusion of that Annual General Meeting till the conclusion of the 3rd consecutive Annual General Meeting, i.e. till the conclusion of the 35th Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors. Accordingly, the Board recommends to the Members of the Company for ratification of the appointment of M/s Singhi & Co. Chartered Accountants as the Statutory Auditors of the Company. In this regard, M/s Singhi & Co, Chartered Accountants have submitted their written consent that they are eligible and qualified to be re-appointed as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The Standalone and Consolidated Auditors' Report to the shareholders for the year under review does not contain any qualifications or adverse remarks and the same is enclosed along with this Annual Report .

As the appointment of M/s. Singhi & Co, Chartered Accountants, done at the 32nd Annual General Meeting of the Company will expire at the conclusion of the next Annual General Meeting (AGM) it is proposed for smooth transition to appoint M/s. Jitendra K Agarwal & Associates, Chartered Accountants, (Firm Registration No. 318086E) as the Statutory Auditors of the Company, for a period of 5 years from the conclusion of this meeting till the conclusion of the 39th AGM of the Company. Further, they shall hold office as Joint Statutory Auditors with M/s. Singhi & Co, from the conclusion of this AGM until the conclusion of the 35th AGM of the Company.

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 Secretary in Practice, to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report is given as "**Annexure B**" forming part of this Report.

The Secretarial Audit Report for the year under review does not contain any qualifications.

The Board has re-appointed M/s. MKB & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2016 – 17.

Cost Auditors

As per Section 148 and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee had 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 2016-17.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor 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. Deloitte, Haskins & Sells 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.

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

Your Company has in place the following Programs under its CSR activity i.e Ramkrishna Jan KalyanYojana, Ramkrishna Shiksha Yojana, Ramkrishna Swastya Yogana and Ramkrishna Sanskriti Yogana.

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 details of the CSR Activities 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 significant 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 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 Accounting Standard 18, the related party transactions are disclosed under Note No. 34 of the Standalone Financial Statements.

Stock Exchange

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.

Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The annual listing fees for the year 2016-17 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 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 financial year ended 31st March 2016, the Board had 4 meetings. These meetings were held on 16.05.2015, 07.08.2015, 07.11.2015 and 12.02.2016. The intervening gap between the Meetings was within the period prescribed under the statutory laws and the necessary quorum was present at all the meetings.

b) Meetings of Independent Directors

In accordance with the requirement of the Statutory Laws a separate meeting of the Independent Directors was held on 11th March, 2016. In the meeting, the Directors 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. 13(i), 14, 18 and 45 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

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report along with the disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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. 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

Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has transferred ₹ 13,480 to the Investor Education and Protection Fund being the unpaid and unclaimed Dividend amount for the financial year 2007-2008. Amount of dividend lying unclaimed and unpaid have been disclosed in the website of the company.

Committees

The Company has also formulated the under-mentioned Statutory Committees.

a) Audit Committee

The Board has a qualified and independent Audit Committee in accordance with the provisions of section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of Audit Committee of the Board of Directors of the Company as on 31st March, 2016 is as below:

Sl. No.	Name of Director	Designation
1.	Mr. Yudhisthir Lal Madan	Chairman
2.	Mr. Amitabha Guha	Member
3.	Ms. Aditi Bagri	Member

During the financial year ended 31st March 2016, the Audit Committee met 5 times. These meetings were held on 16.05.2015, 07.08.2015, 07.11.2015, 12.02.2016 and 11.03.2016. The Company Secretary acts as the Company Secretary of the Committee. The terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There are no instances during the year under review where any recommendation of the Audit Committee has not been accepted by the Board of Directors.

b) Nomination and Remuneration Committee

Your Company has a Nomination and Remuneration Committee in place in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of Nomination and Remuneration Committee of the Company as on 31st March, 2016 is as below:

Sl. No.	Name of Director	Designation
1.	Mr. Padam Kumar Khaitan	Chairman
2.	Mr. Yudhisthir Lal Madan	Member
3.	Mr. Satish Kumar Mehta	Member

During the financial year ended 31st March 2016, the Nomination and Remuneration Committee met 4 times. These meetings were held on 16.05.2015, 07.08.2015, 07.11.2015 and 12.02.2016. The Company Secretary acts as the Company Secretary of the Committee. The Terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report which forms part of the Annual Report.

c) Stakeholder Relationship Committee:

Your Company has a Stakeholders Relationship Committee in place in terms of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of Stakeholders Relationship Committee of the Company as on 31st March, 2016 is as below:

Sl. No.	Name of Director	Designation
1.	Mr. Satish Kumar Mehta	Chairman
2.	Mr. Yudhisthir Lal Madan	Member

During the financial year ended 31st March 2016, the Stakeholders Relationship Committee met 4 times. These meetings were held on 11.07.2015, 30.09.2015, 7.11.2015 and 12.02.2016. The Company Secretary acts as the Secretary of the Committee. The Terms of reference of the Stakeholder Relationship Committee has been furnished in the Corporate Governance Report which forms part of the Annual Report.

d) Corporate Social Responsibility Committee

Your Company has a Corporate Social Responsibility Committee in place in terms of Section 135 of the Companies Act, 2013. The Composition of Corporate Social Responsibility Committee of the Company as on 31st March, 2016 is as below:

10	Directors' Report	Annexure to Directors' Report	Management Discussion and Analysis	Corporate Governance Report
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Sl. No.	Name of Director	Designation
1.	Mr. Ram Tawakya Singh	Chairman
2.	Mr. Mahabir Prasad Jalan	Member
3.	Mr. Naresh Jalan	Member

During the financial year ended 31st March 2016, the Corporate Social Responsibility Committee met 4 times. These meetings were held on 16.05.2015, 07.08.2015, 07.11.2015 and 12.02.2016. The Company Secretary acts as the Secretary of the Committee.

GENERAL –

- The Company has not accepted any deposit during the year.
- 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.
- During the year under review, the Company has not issued sweat equity shares.
- During the year under review, the Company has not issued shares with differential voting rights.
- During the year under review, the Company did not buy back its shares.
- The Company has not revised any of its financial statements or reports.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

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. 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 2015-16 and Notice of the 34th 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 committee services by the Company's executives, staff and workers.

On behalf of the Board

Place : Kolkata
Dated : 13th Day of August, 2016

Mahabir Prasad Jalan
Chairman

ANNEXURE A

Employee Stock Option Scheme 2015 ("ESOP Scheme 2015")

Pursuant to the provisions of Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014 as on 31st March, 2016:

Sl. No.	Particulars (as on 31st March, 2016)	Employee Stock Option Scheme 2015
a.	Options Granted	3,23,675
b.	Options Vested	Nil
c.	Options exercised	Nil
d.	The total number of shares arising as a result of exercise of option	Not Applicable
e.	Options Lapsed/forfeited/cancelled	18,772
f.	The exercise price	₹ 505.58
g.	Variation of terms of options	Not applicable
h.	Money realized by exercise of options	Not applicable
i.	Total number of options in force	3,04,903
j.	Employee wise details of options granted to:- (i) Key managerial Personnel (ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year. (iii) Identified employees who were granted option, during one year equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant	36,387 Nil Nil
k.	Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with AS 20	Not applicable
L	Difference between the employee compensation cost computed using the intrinsic value of stock options and the employee compensation cost that shall have been recognized had the fair value of options, were used	Fair Value : ₹ 146.03 lakhs Intrinsic Value : ₹ 23.79 lakhs Difference : ₹122.24 lakhs
M	Impact of this difference on the profits of the Company	Negative
N	Impact of this difference on EPS of the Company	Basic and Diluted EPS would reduce from ₹19.64 to ₹ 19.20
O	Description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted- average information: (a) Risk free interest rate (b) Expected life (c) Expected volatility (d) Expected Dividends, and (e) The price of the underlying share in the market at the time of option grant	Black Scholes Method 7.66% 6.11 53.97% 0.36% ₹ 561.75

12	Directors' Report	Annexure to Directors' Report	Management Discussion and Analysis	Corporate Governance Report
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ANNEXURE - B

SECRETARIAL AUDIT REPORT

Form No. MR-3 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
RAMKRISHNA FORGINGS LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RAMKRISHNA FORGINGS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2016, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:
 - a) Indian Explosive Act, 1884.

- b) The Gas Cylinders Rules, 2004.
- c) Standards of Weights & Measures (Enforcement) Act, 1985.
- d) Petroleum Act 1934 & Rules thereunder.
- e) Indian Electricity Act & Rules.
- f) Hazardous Wastes (Management & Handling) Rules 1989.
- g) Jharkhand Municipal Corporation Act.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. [Applicable from July 1, 2015].
- b) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [Applicable from December 1, 2015].

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that subject to our observation above there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has passed following special resolutions which authorize the Board to exercise powers in relation thereto, but presently do not have any major bearing on the Company's affairs:

- (a) Increase in borrowing limits under section 180(1)(c) of the Companies Act, 2013.
- (b) Sell, lease or dispose of whole or substantially the whole of the undertaking of the Company under section 180(1)(a) of the Companies Act 2013.
- (c) Formulation and implementation of "Ramkrishna Forgings Limited - Employee Stock Option Plan 2015" and power to the Board to create, offer and grant up to 7,00,000 Employee Stock Option.

We further report that the Board of the Directors of the Company has allotted 12,00,000 Equity Shares of ₹ 10/- each to Riddhi Portfolio Private Limited upon conversion of 12,00,000 Share Warrants.

For **MKB & Associates**
Company Secretaries

Saheb Ali
Partner

Date : 2nd August, 2016
Place : Kolkata

ACS no. 33361
COP no. 12653

ANNEXURE - C**Annual Report on Corporate Social Responsibility (CSR) Activities**

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1) A brief outline of the Company's CSR Policy, including overview of Projects or Programs proposed to be undertaken and a reference to the weblink to the CSR Policy and Projects or Programs:

Corporate Social Responsibility (CSR) embodies the various initiatives and programs of Ramkrishna Forgings Limited ("Company") in the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company to contribute towards economic and social development and growth.

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. The CSR activities and programs are intended to be initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development. The Company understands the need for promoting education, health, growth and development of the lower socio-economic sections of society including children and had drawn up various activities to promote education, health, growth and development of society during the Financial Year 2015-16.

The CSR Policy of the Company is disclosed on the website of the Company. <http://ramkrishnaforgings.com/csr-policy.pdf>

2. CSR Committee:

The Corporate Social Responsibility Committee (CSR Committee) consists of three directors, out of which the Chairman is an Independent Director. The composition of the committee as on 31st March 2016 is as follows:

1. Mr. R.T. Singh – Chairman.
2. Mr. Mahabir Prasad Jalan – Member
3. Mr. Naresh Jalan – Member.

3. Average Net Profit of the Company for the last three Financial Year: 33.07 Cr

4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above): 0.66 Cr

5. Details of CSR spent during the Financial Year:

- a) Total Amount to be spent for the Financial Year: 0.66 Cr.
- b) Amount unspent, if any: N.A.
- c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs was undertaken	Amount outlay (budget) Project or Program wise (Rs. in Lakhs)	Amount spent on the Projects or Programs (1) Direct Exp. (2) Over head	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1.	Shiksha Yojana	Promotion of education	Contribution to DBMS School for promotion of the Education needs of the Children below poverty line. Jamshedpur	4.00	4.00	4.00	Direct
2.	Jankalyan Yojana	Availability of safe Drinking Water	Installation of 12 tube wells Sarekela Region, Jharkhand	25.00	8.60	8.60	Direct

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs was undertaken	Amount outlay (budget) Project or Program wise (Rs. in Lakhs)	Amount spent on the Projects or Programs (1) Direct Exp. (2) Over head	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
3.	Swastya Yogana	Promoting Health Care including preventive health care	Medical Centre Sariekela Region, Jharkhand	80.00	27.81	27.81	Through IA-Ramkrishna Foundation Trust
4.	Shiksha Yojana	Promoting vocational training and enhancement of vocational skill	To provide technical education Sariekela Region, Jharkhand	25.00	1.68	1.68	Direct and Through IA-Ramkrishna Foundation Trust
5.	Sanskriti Yogana	Protection of art and culture	Renovation of temple Sariekela Region, Jharkhand	4.00	4.00	4.00	Through IA-Ramkrishna Foundation Trust
6.	Jankalyan Yojana	Eradication of poverty	Saree distribution among poor women. Sariekela Region, Jharkhand	1.5	1.5	1.5	Through IA-Ramkrishna Foundation Trust
7.	Shiksha Yojana	Promoting Education	Erection of a roof over the open air stage in School. Jamshedpur, Jharkhand	5.00	5.00	5.00	Direct
8.	Jan kalyan Yojana	Promote rural Sports	Development of Sport talent of Jan Jati Youth Jharkhand	5.55	5.55	5.55	Through IA-Ramkrishna Foundation Trust
9.	Sanskriti Yojana	Protection of art and culture	Development of Joharstan for tribals Sariekela Region, Jharkhand	6.38	6.38	6.38	Through IA-Ramkrishna Foundation Trust
11.	Swastya Yojana	Promoting healthcare including preventive healthcare	Free medical treatment for weaker section of society, Liluah, Howrah /Kolkata	40.00	6.00	6.00	Through IA-Ramkrishna Foundation Trust
12	Shiksha Yojana	Promoting Education	Establishment of Recreational activities for Children at School. Jamshedpur, Jharkhand	11.95	6.00	6.00	Through IA-Ramkrishna Foundation Trust

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report: **Not Applicable**

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Place : Kolkata

Dated : 13th August, 2016

Ram Tawakya Singh
(Chairman of the Committee)

Mr. Naresh Jalan
(Managing Director)

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Annexure - D**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

The Company did not have any material related party transaction during the financial year 2015-16 and thus details as required in Form AOC-2 is not applicable to the Company.

All related party transactions, which were not material in nature, entered into by the Company were in the ordinary course of business and are on an arm's length basis.

Place : Kolkata
Date : 13th August 2016

On behalf of the Board

Mahabir Prasad Jalan
Chairman

Annexure - E

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken.

The company provides high Priority to energy conservation schemes to conserve natural resources and remain competitive. Some of the significant measures adopted are:

- (1) Replaced the water cooled connecting cable with Busbar in IBH 1600 kw
- (2) Modified the heat treatment cycle in the Heaters.
- (3) Improved the Power Factor.
- (4) Installation of Flameless Electrically Heated Furnace.
- (5) Modification in the Bofco 4 Ton furnace to conserve electricity.

(b) Additional Investment Proposals, if any, being implemented for reduction of consumption of energy.

The Company has converted the existing oil fired furnace into Induction furnaces.

(c) Impact of the Measures at (a) and (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods.

On account of the measures taken and proposed to be taken by the company it is confident of improving raw material yield and reduce the cost incurred towards fuel costs. The measures taken will in turn help to reduce the cost of production of the goods and will make our products more competitive.

(d) Total Energy consumption and energy consumption per unit of production.

Energy consumption and energy consumption per unit of production

Particulars	2015-16	2014-15
1 Electricity		
A) Purchased		
Units (KWH)	9,46,29,090	6,65,34,135
Total Amount (Rs)	51,17,16,639	31,95,84,532
Rate / Unit (Rs)	5.4	4.8
B) Own Generation		
Units (KWH)	4,98,543	2,28,273
Ltrs consumed	1,44,890	60,047
Cost/Unit (Rs)	14.4	15.5
C) Total (A+B)		
Units (KWH)	9,51,27,633	6,67,62,408
Total Amount	51,88,87,391	32,31,31,659
Rate/Unit	5.5	4.8
2 Furnace Oil		
Quantity (in Ltrs)	30,10,565	25,52,010
Total cost (Rs.)	6,48,10,439	8,83,11,411
Avg. Rate per Ltr (Rs)	21.5	34.6

Particulars	2015-16	2014-15
3. Others		
i) Propane Gas		
Quantity (in Kgs)	28,91,729	23,80,119
Total cost (Rs.)	11,77,40,099	13,63,67,135
Avg. Rate per kgs (Rs)	40.7	57.3
ii) Diesel		
Quantity (in Ltrs)	2,20,724	1,67,333
Total cost (Rs.)	1,09,22,571	98,84,794
Avg. Rate per Ltr (Rs)	49.5	59.1
Consumption per unit of Production		
Product: Steel forging in Tons		
Electricity (KWH)	1236.97	1085.43
Furnace Oil (Ltrs)	81.39	76.71
Propane Gas(Kgs)	72.45	84.28
Diesel (Ltrs)	2.87	2.72

e) Steps taken for utilising alternate sources of energy and the capital investment on energy conservation equipments:

The Company is presently using diesel in the DG set installed by the Company, Propane Gas and the Furnace oil for alternative source of energy.

B. TECHNOLOGY ABSORPTION

The particulars with respect to technology absorption is given below:

a) Research and Development(R & D):

1. Specific areas in which the R & D carried out by the Company:

The Company has been continuously putting effort to develop new products for new applications to commercial vehicle segments. During the year the Company has developed 120 new components for this segment. The Company is doing many research activities in the areas of component weight reduction, process design, process improvement etc.

2. Benefits derived as a result of the above R & D

- Market expansion and improved competitive position through significantly improved products for new markets.
- Improved competency for designing process & products for customers.
- Acquiring competency in new areas like Machining, gear cutting & sub-assemblies.
- Up gradation of technical skill of employees for higher productivity & more consistent quality.

3. Future Plan Action:

Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavors.

The company is planning to get its In-House R&D Recognized from Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, New Delhi in the ensuing year.

4. Expenditure on R & D

Revenue : ₹ 843.31 Lakhs

Capital : ₹ 459.20 Lakhs

b) Technology absorption, adaptation and innovation**1. Efforts, in brief, made towards technology absorption, adaptation and innovation**

Continuous efforts are made on conservation of raw material by improving design and layout of the dies.

2. Benefits derived as a result of above efforts:

Reduction in Raw Material Consumption.

3. Technology imported during the last 3 years: Nil**C. FOREIGN EXCHANGE EARNING AND OUTGO****Activities relating to exports:**

The Company has derived ₹ 40,147.63 Lakhs from exports which forms 44.75 % of the net turnover.

Initiatives taken to increase exports:

The Company has identified exports to be a thrust area and has entered into a long term contract with one of the export customer. Vigorous efforts are also being made to develop new customers and to expand the product portfolio with the existing customer. The company has also opened overseas office and appointed representative to develop new markets and to strengthen the existing market.

The Particulars of the Total foreign exchange used and earned are given below:

(₹ in Lakhs)

Particulars	2015-16	2014-15
Earned:		
Exports (FOB)	38885.38	33997.89
Die Design & Preparation Charges	421.98	2510.92
Spent:		
Advertisement Expenses	-	1.01
Carriage Outward Expenses (Export)	1146.30	4.98
Claim against export sales	481.62	-
Commission Paid	0.79	6.21
Commitment Fees	-	23.84
Consumption of Project Materials	6.22	-
Foreign Bank Charges	4.64	12.75
Inspection Charges	47.22	-
Interest paid on Buyer Credit (FC loan)	69.59	8.77
Interest paid on FC Loan	805.22	1532.71
Membership fees	1.35	-
Office Equipment	1.12	1.28

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Particulars	2015-16	2014-15
Office Rent	14.08	9.20
Package Materials	4.30	-
Postage/Telegram/Telephone	2.20	0.05
Printing and Stationery	1.30	-
Processing Charges/ Job Work Charges	47.25	9.14
Legal/Professional/Consultation/ Retainership Fees	142.60	49.72
Recruitment Fees	-	10.11
Machine Repair Charges	35.52	-
Salary Paid	484.60	129.26
Stand Rent for Exhibition	7.33	-
Storage/Warehouse Charges	270.52	56.13
Technical Service & Supervision Charges	158.83	565.81
Travelling	46.36	42.24

For and on behalf of the Board

Place : Kolkata

Dated : 13 August, 2016

Mahabir Prasad Jalan*Chairman*

Annexure – F**Form MGT-9**

Extract of Annual Return as on the financial year ended on 31st March, 2016

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L74210WB1981PLC034281
ii)	Registration Date	12/11/1981
iii)	Name of the Company	Ramkrishna Forgings Ltd
iv)	Category of the Company	Public Company
v)	Sub Category of the Company	Limited by shares
vi)	Address of the Registered office and contact details :	
	Address	"Ramkrishna Chambers", 72, Shakespeare Sarani
	Town / City	Kolkata
	State	West Bengal
	Pin Code	700 017
	Country Name	India
	Telephone No	033- 39840900
	Fax Number	033- 39840998
	Email Address	neha.gupta@ramkrishnaforgings.com
	Website	www. ramkrishnaforgings.com
	Name of the Police Station having jurisdiction where the registered office is situated	Beniapukur P.S.
	Address for correspondence, if different from address of registered office :	N.A.
vii)	Whether listed company	Yes
viii)	Name and Address of Registrar & Transfer Agents (RTA)	
	Name of Registrar & Transfer Agents	M/s Karvy Computershare Pvt Limited
	Address	Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
	Town / City	Nanakramguda
	State	Hyderabad
	Pin Code	500 032
	Country Name	India
	Telephone No	040 - 6716 1565
	Fax Number	Nil
	Email Address	einward.ris@karvy.com

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II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturer of Forgings	259	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Globe Forex & Travels Ltd. Address : 8, Ho Chi Minh Sarani, Kolkata - 700071	U63040WB1994PLC062139	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters :									
(1) Indian									
a) Individual/ HUF	1544250	NIL	1544250	5.62	1544250	0	1544250	5.39	-0.24*
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	11645915	NIL	11645915	42.4	11706819	1200000	12906819	45.02	2.62
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1) :	13190165	NIL	13190165	48.02	13251069	1200000	14451069	50.4	2.39
(2) Foreign									
a) NRIs Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2) :	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	13190165	NIL	13190165	48.02	13251069	1200000	14451069	50.4	2.39

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding :									
(1) Institutions									
a) Mutual Funds	3845189	NIL	3845189	14.00	3154874	NIL	3154874	11	-2.99
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	880011	NIL	880011	3.20	2037597	NIL	2037597	7.11	3.9
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	2283539	NIL	2283539	8.31	1044215	NIL	1044215	3.64	-4.67
FOREIGN BODIES CORPORATE (includes Wayzatta II Indian Ocean Ltd)	693062	NIL	693062	2.52	NIL	NIL	NIL	NIL	-2.52
INSTITUTION OTHERS (includes International Finance Corporation)	1590477	NIL	1590477	5.79	1044215	NIL	1044215	3.64	-2.15
Sub-total (B)(1) :	7008739	NIL	7008739	25.51	6255220	NIL	6255220	21.82	-3.70
(2) Non-Institutions :									
a) Bodies Corporate									
i) Indian	2524328	NIL	2524328	9.19	2603034	NIL	2603034	9.08	-0.11
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2106518	5136	2111654	7.69	2555229	136	2555365	8.91	1.23
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2300168	NIL	2300168	8.37	2555217	NIL	2555217	8.91	0.54
c) Others (specify)									
(i) NRI/ OCB	260590	NIL	260590	0.95	215061	NIL	215061	0.75	-0.20
(ii) Trust	NIL	NIL	NIL	NIL	700	NIL	700	NIL	NIL
(iii) Clearing Member	74296	NIL	74296	0.27	34274	NIL	34274	0.12	-0.15
Sub-total (B)(2) :	7265900	5136	7271036	26.47	7963515	136	7963651	27.78	1.31
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14274639	5136	14279775	51.98	14218735	136	14218871	49.6	-2.39
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	27464804	5136	27469940	100	27469804	1200136	28669940	100	0.00

* The decrease in shareholding is due to increase in paid up capital as a result of conversion of warrants into Equity shares during the year.

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ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RIDDI PORTFOLIO PRIVATE LIMITED	6027415	21.94	0	7288319	25.42	0	3.48*
2	EASTERN CREDIT CAPITAL PRIVATE LIMITED	5618500	20.45	0	5618500	19.60	0	-0.86**
3	MAHABIR PRASAD JALAN	451000	1.64	0	451000	1.57	0	-0.07**
4	RASHMI JALAN	418750	1.52	0	418750	1.46	0	-0.06**
5	NARESH JALAN	285750	1.04	0	285750	1.00	0	-0.04**
6	NARESH JALAN (HUF)	268750	0.98	0	268750	0.94	0	-0.04**
7	MAHABIR PRASAD JALAN (HUF)	120000	0.44	0	120000	0.42	0	-0.02**
		13190165	48.02*	0	14451069	50.4	0	2.39

Note

* The percentage for the year 31.3.2015 has been calculated on 27469940 shares and the percentage for the year 31.3.2016 on 28669940 shares, i.e. on their respective paid up share capitals.

** The decrease in shareholding is due to increase in paid up share capital due to allotment of shares during the year.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Riddhi Portfolio Private Limited

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	6027415	21.94		
01-04-2015	Acquisition of share	10000	0.04	6037415	21.98
08-04-2015	Acquisition of share	10000	0.03	6047415	22.01
25-08-2015	Acquisition of share	25000	0.1	6072415	22.11
08-09-2015	Acquisition of share	4793	0.01	6077208	22.12
07-11-2015	Allotment on conversion of warrants	1200000	3.26	7277208	25.38
11-11-2015	Acquisition of share	1111	0.01	7278319	25.39
13-11-2015	Acquisition of share	10000	0.03	7288319	25.42
31-03-2016	At the End of the year	7288319	25.42	7288319	25.42

Eastern Credit Capital Private Limited

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	5618500	20.45		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	5618500	19.60	5618500	19.60

Mahabir Prasad Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	451000	1.64		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	451000	1.57	451000	1.57

Rashmi Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	418750	1.52		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	418750	1.46	418750	1.46

Naresh Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	285750	1.04		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	285750	1.00	285750	1.00

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NARESH JALAN (HUF)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	268750	0.98		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	268750	0.94	268750	0.94

MAHABIR PRASAD JALAN (HUF)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	120000	0.44		
	Date wise Increase / Decrease in Share holding during the Year		NIL	NIL	NIL
31-03-2016	At the End of the year	120000	0.42	120000	0.42

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	International Finance Corporation	1590477	5.79	31/03/2015			1590477	5.79
				10/04/2015	-112000	Sale	1478477	5.38
				17/04/2015	-88000	Sale	1390477	5.06
				15/05/2015	-1672	Sale	1388805	5.06
				22/05/2015	-48479	Sale	1340326	4.88
				26/06/2015	-51286	Sale	1289040	4.69
				10/07/2015	-2259	Sale	1286781	4.68
				17/07/2015	-115584	Sale	1171197	4.26
				24/07/2015	-16418	Sale	1154779	4.20
				07/08/2015	-110564	Sale	1044215	3.80
				31/03/2016			1044215	3.64
2	Reliance Capital Trustee Co. Ltd. - A/C Reliance	1438917	5.24	31/03/2015			1438917	5.24
				20/11/2015	-46503	Sale	1392414	4.86
				27/11/2015	-230624	Sale	1161790	4.05
				25/12/2015	-42170	Sale	1119620	3.91
				31/12/2015	-39620	Sale	1080000	3.77
				31/03/2016			1080000	3.77

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
3	Lata Bhanshali	958975	3.49	31/03/2015			958975	3.49
				31/03/2016			958975	3.34
4	SBI Magnum Balanced Fund	837086	3.05	31/03/2015			837086	3.05
				26/06/2015	-46222	Sale	790864	2.88
				03/07/2015	-42797	Sale	748067	2.72
				10/07/2015	-48067	Sale	700000	2.55
				17/07/2015	-210000	Sale	490000	1.78
				31/03/2016			490000	1.71
5	Wayzata li Indian Ocean Limited	693062	2.52	31/03/2015			693062	2.52
				10/04/2015	-107201	Sale	585861	2.13
				17/04/2015	-148636	Sale	437225	1.59
				24/04/2015	-43721	Sale	393504	1.43
				01/05/2015	-17952	Sale	375552	1.37
				08/05/2015	-26605	Sale	348947	1.27
				22/05/2015	-19987	Sale	328960	1.20
				29/05/2015	-20015	Sale	308945	1.12
				05/06/2015	-10914	Sale	298031	1.08
				12/06/2015	-26097	Sale	271934	0.99
				19/06/2015	-43961	Sale	227973	0.83
				26/06/2015	-175065	Sale	52908	0.19
				30/06/2015	-29344	Sale	23564	0.09
				03/07/2015	-23564	Sale	0	0.00
				31/03/2016			0	0.00
6	Uti-Mid Cap Fund	383211	1.40	31/03/2015			383211	1.40
				31/03/2016			383211	1.34
7	Kalyani Technoforge Limited	346976	1.26	31/03/2015			346976	1.26
				24/07/2015	-87135	Sale	259841	0.95
				31/07/2015	-55371	Sale	204470	0.74
				07/08/2015	-37506	Sale	166964	0.61
				14/08/2015	-17891	Sale	149073	0.54
				21/08/2015	-53524	Sale	95549	0.35
				28/08/2015	-90	Sale	95459	0.35
				04/09/2015	-39090	Sale	56369	0.21
				09/10/2015	-500	Sale	55869	0.20
				31/03/2016			55869	0.19

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SI No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
8	Kotak Mahindra (UK) Ltd A/c India Midcap (Mauritius)	335163	1.22	31/03/2015			335163	1.22
				17/04/2015	58760	Purchase	393923	1.43
				24/04/2015	10092	Purchase	404015	1.47
				01/05/2015	44851	Purchase	448866	1.63
				29/05/2015	2443	Purchase	451309	1.64
				05/06/2015	41326	Purchase	492635	1.79
				12/06/2015	9883	Purchase	502518	1.83
				19/06/2015	11039	Purchase	513557	1.87
				26/06/2015	-9459	Sale	504098	1.84
				03/07/2015	5769	Purchase	509867	1.86
				28/08/2015	51410	Purchase	561277	2.04
				04/09/2015	44010	Purchase	605287	2.20
				11/09/2015	8882	Purchase	614169	2.24
				18/09/2015	34328	Purchase	648497	2.36
				25/09/2015	16314	Purchase	664811	2.42
				16/10/2015	4514	Purchase	669325	2.44
				23/10/2015	183006	Purchase	852331	3.10
				06/11/2015	24314	Purchase	876645	3.19
				20/11/2015	37636	Purchase	914281	3.19
				27/11/2015	20000	Purchase	934281	3.26
				25/12/2015	15496	Purchase	949777	3.31
				08/01/2016	577	Purchase	950354	3.31
				15/01/2016	61487	Purchase	1011841	3.53
				31/03/2016			1011841	3.53
9	Kotak Emerging Equity Scheme	243515	0.89	31/03/2015			243515	0.89
				17/04/2015	-15000	Sale	228515	0.83
				15/05/2015	-14707	Sale	213808	0.78
				26/06/2015	-30000	Sale	183808	0.67
				17/07/2015	-8000	Sale	175808	0.64
				14/08/2015	2000	Purchase	177808	0.65
				21/08/2015	510	Purchase	178318	0.65
				28/08/2015	35174	Purchase	213492	0.78
				06/11/2015	18147	Purchase	231639	0.84
				27/11/2015	10000	Purchase	241639	0.84

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				15/01/2016	29171	Purchase	270810	0.94
				22/01/2016	10082	Purchase	280892	0.98
				04/03/2016	42591	Purchase	323483	1.13
				31/03/2016			323483	1.13
10	Vallabh Roopchand Bhanshali	251900	0.92	31/03/2015			251900	0.92
				31/03/2016			251900	0.88

v) Shareholding of Directors and Key Managerial Personnel :

Mahabir Prasad Jalan – Chairman Cum Wholetime Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	451000	1.64		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	451000	1.57	451000	1.57

Naresh Jalan – Managing Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	285750	1.04		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	285750	1.00	285750	1.00

Pawan Kumar Kedia – Director (Finance)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	13629	0.05		
	Date wise Increase / Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2016	At the End of the year	13629	0.05	13629	0.05

Yudhisthir Lal Madan – Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Ram Tawakya Singh – Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Padam Kumar Khaitan - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Amitabha Guha – Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Aditi Bagri – Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Satish Kumar Mehta – Non Executive Director (Resigned w.e.f. 9th May, 2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Sandipan Chakrovorty – Additional Independent Director (Appointed w.e.f. 21st May 2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Partha Sarathi Bhattacharyya – Additional Independent Director (Appointed w.e.f. 21st May 2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the Year	N.A.	N.A.	N.A.	N.A.
31-03-2016	At the End of the year	N.A.	N.A.	N.A.	N.A.

Alok Kumar Sharda – Chief Financial Officer (resigned w.e.f. 23rd May, 2016)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	49000	0.18	N.A.	N.A.
26-06-2015	Sale	500	-	48500	0.18
03-07-2015	Sale	250	-	48250	0.18
10-07-2015	Sale	500	-	47750	0.18
17-07-2015	Sale	250	-	47500	0.18
18-09-2015	Sale	500	-	47000	0.18
25-09-2015	Sale	200	-	46800	0.17
05-10-2015	Sale	46800	(0.17)	NIL	-
31-03-2016	At the End of the year	NIL	-	NIL	0.00

Rajesh Mundhra – Company Secretary

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
01-04-2015	At the beginning of the year	15289	0.06	N.A.	N.A.
13-04-2015	Sale	59	-	15230	-
31-03-2016	At the End of the year	15230	0.05	15230	0.05

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment : (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	70,962.61	1,062.50	-	72,025.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	70,962.61	1,062.50	-	72,025.11
Change in Indebtedness during the financial year				
• Addition	21,725.69	6,450.92		28,176.62
• Exchange Difference	2,722.76			2,722.76
• Reduction	15,589.13	1,062.50		16,651.63
Net Change	8,859.32	5,388.42		14,247.74
Indebtedness at the end of the financial year				
i) Principal Amount	79,821.88	6,450.92		86,272.80
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	79,821.88	6,450.92	-	86,272.80

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director and Whole-time Directors :****Mahabir Prasad Jalan – Chairman cum Whole Time Director**

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of Director – Mahabir Prasad Jalan				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				223.65	223.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	Nil
2.	Stock Option				Nil	Nil
3.	Sweat Equity				Nil	Nil
4.	Commission				Nil	Nil
	- as % of profit				-	45.00
	- others, specify...				Nil	Nil
5.	Others, please specify				Nil	Nil
	Total (A)				-	268.65
	Ceiling as per the Act				-	789.35

Naresh Jalan – Managing Director

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of Director – Naresh Jalan				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				165.13	165.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	Nil
2.	Stock Option				Nil	Nil
3.	Sweat Equity				Nil	Nil
4.	Commission				Nil	Nil
	- as % of profit				-	35.00
	- others, specify...				Nil	Nil
5.	Others, please specify				Nil	Nil
	Total (A)				-	200.13
	Ceiling as per the Act				-	789.35

Pawan Kumar Kedia – Whole Time Director

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of Director – Pawan Kumar Kedia				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				34.66	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				1.53	36.19
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	Nil
2.	Stock Option				Nil	Nil
3.	Sweat Equity				Nil	Nil
4.	Commission				Nil	Nil
	- as % of profit				Nil	Nil
	- others, specify...				Nil	Nil
5.	Others, please specify				Nil	Nil
	Total (A)				-	36.19
	Ceiling as per the Act				-	789.35

B. Remuneration of other Directors**Yudhisthir Lal Madan – Independent Director**

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of Director – Yudhisthir Lal Madan				Total Amount
	• Fee for attending board / committee meetings				4.35	-
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	4.35

Ram Tawakya Singh – Independent Director

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of Director – Ram Tawakya Singh				Total Amount
	• Fee for attending board / committee meetings				2.90	-
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	2.90

Padam Kumar Khaitan – Independent Director

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of Director – Padam Kumar Khaitan				Total Amount
	• Fee for attending board / committee meetings				3.05	-
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	3.05

Amitabha Guha – Independent Director

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of MD/ WTD/ Manager				Total Amount
	• Fee for attending board / committee meetings				3.75	-
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	3.75

Aditi Bagri – Independent Director

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of MD/ WTD/ Manager				Total Amount
	• Fee for attending board / committee meetings				3.25	-
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	3.25

Satish Kumar Mehta – Non-Executive Director (resigned w.e.f. 9th May 2016)

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of Director – Satish Kumar Mehta				Total Amount
	• Fee for attending board / committee meetings				2.60	-
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	2.60

C. Remuneration of Key Management Personnel

Alok Kumar Sharda – Chief Financial Officer (Resigned w.e.f. 23rd May 2016)

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of KMP – Alok Kumar Sharda				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				67.60	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				2.09	69.69
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil	Nil
	- as % of profit					
	- others, specify...					
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)					69.69

Rajesh Mundhra – Company Secretary

(₹ in Lakhs)

Sl. No.	Particular of Remuneration	Name of KMP – Rajesh Mundhra				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				30.79	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				0.84	31.63
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil	Nil
	- as % of profit					
	- others, specify...					
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)					31.63

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

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Annexure - G**DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES**

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the Performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2015-16 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Mahabir Prasad Jalan	268.65	0.75%	102.15
2	Mr. Naresh Jalan	200.13	-10.03%	76.10
3	Mr. Pawan Kumar Kedia	36.19	51.42%	13.76
4	Mr. Padam Kumar Khaitan	3.05***	38.64%	1.16
5	Mr. Satish Kumar Mehta*	2.60***	26.83%	0.98
6	Ms. Aditi Bagri	3.25***	225%	1.23
7	Mr. Yudhisthir Lal Madan	4.35***	70.58%	1.65
8	Mr. Ram Tawakya Singh	2.90***	75.75%	1.10
9	Mr. Amitabha Guha	3.75***	150%	1.42
10	Mr. Rajesh Mundhra	31.63	54.14%	12.02
11	Mr. Alok Kumar Sharda**	69.69	42.28%	26.50

* Mr. Satish Kumar Mehta, Non-Executive Director of the Company resigned w.e.f. 9th May 2016.

**Mr. Alok Kumar Sharda, Chief Financial Officer of the Company resigned w.e.f. 23rd May 2016.

*** Represents sitting fees paid to Non-Executive Directors for attending Board and Committee Meetings.

- II. The median remuneration of employees of the Company during the Financial Year 2015-16 was ₹ 2.63 Lakh. In the Financial Year 2015-16, the median remuneration of employees was 20.64% higher compared to previous year.
- III. There were 1584 permanent employees on the rolls of Company as on 31 March, 2016.
- IV. Average percentage increase made in the salaries of employees other than the Managerial Personnel in the Financial Year 2015-16 was 28% over previous year. There were no exceptional circumstances for increase in Managerial Remuneration.
- V. Affirmation that the Remuneration is as per the Remuneration Policy of the Company : It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

Statement as per Rule 5(2) of The Companies (Appointment and Remuneration of Managerial personnel) Rules 2014

Sl. No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (Rs in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
A. Details of top ten Employees in terms of remuneration drawn for the financial year ended 31st March, 2016								
1	Mr. Kasi Nath	64 years	Executive Vice President	331.88	MBA, Master of Technology (M. Engg), Bachelor of Engineering (Hons), Dip in Business Administration	29	01.07.2012	Director Global Purchasing, Meritor Inc.

Sl. No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (Rs in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
2	Mr. Alok Kumar Sharda	48 years	CFO	69.69	CA & ICWAI	21	12.09.2008	NA
3	Mr. Shridhar Kulkarni	53 years	Chief Operating Officer (North America)	64.95	Bachelor of Engineering (Mechanical)	30	01.12.2015	Dana Corporation
4	Mr. Kanchan Chaudhuri	57 years	Plant Head	64.84	Bachelor equivalent	35	09.10.2012	NA
5	Mr. Rajat Subhra Datta	51 years	Vice President IT	60.37	M.Sc	22	01.02.2010	NA
6	Mr. Sibaji Mitra	48 years	Chief People Officer	53.98	MBA	25	12.08.2014	NA
7	Mr. Vijay Kumar Mishra	55 years	Plant Head	45.06	MTech	27	05.05.2006	NA
8	Mr. Milesh Gandhi	36 years	Sr. General Manager	39.63	Diploma	16	01.09.2000	NA
9	Mr. Kali Kumar Ghosh	51 years	General Manager	39.27	MTech	31	08.05.2012	NA
10	Mr. Paul Pradeep Madhu	55 years	Vice President	36.48	BE	32	10.04.2012	NA
B Details of Employee employed throughout the year and in receipt of remuneration not less than ₹ 10,200,000/- p.a.								
Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (Rs in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
1.	Mr. Mahabir Prasad Jalan	67 years	Chairman cum Wholetime Director	268.65	B.Tech	45	12.11.1981	NA
2.	Mr. Naresh Jalan	40 years	Managing Director	200.13	MBA	19	05.11.2001	NA
3.	Mr. Kasi Nath	64 years	Executive Vice President	331.88	MBA, Master of Technology (M. Engg), Bachelor of Engineering (Hons), Dip in Business Administration	29	01.07.2012	Director Global Purchasing, Meritor Inc.
C Details of Employee employed part of the year and in receipt of remuneration not less than ₹ 850,000/- p.m.								
1	Shridhar Kulkarni	53 years	Chief Operating Officer (North America)	64.95	Bachelor of Engineering (Mechanical)	30	01.12.2015	Dana Corporation

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Notes:

1. Gross Remuneration includes Basic Pay, Allowances, Monetary value of Perquisites, Lease Rent, Commissions, Retirement benefits and Healthcare Insurance, if any.
2. Mr. Mahabir Prasad Jalan, Chairman cum Wholetime Director and Mr. Naresh Jalan, Managing Director are related to each other.
3. The nature and terms of the employment are as per resolution or the appointment letter.
4. Mr. Mahabir Prasad Jalan holds 4,51,000 equity shares and Mr. Naresh Jalan holds 2,85,750 equity shares as on 31st March, 2016 representing 1.57 % and 1.00 % of the paid up share capital respectively.

Management discussion and analysis

Global GDP growth is projected at 3.4% in 2016 and 3.6% in 2017. Growth in advanced economies is projected to rise by 0.2 percentage point in 2016 to 2.1% and hold steady in 2017. Growth in emerging market and developing economies is projected to increase from 4% in 2015—the lowest since the 2008-09 financial crisis to 4.3% and 4.7% in 2016 and 2017, respectively.

ECONOMIC OVERVIEW

A global perspective

In 2015, global economic activity remained subdued as GDP grew at a modest 3.1% in 2015 against 3.4% in 2014.

Growth in emerging market and developing economies—while still accounting for over 70% of global growth—declined for the fifth consecutive year, while a modest recovery continued in advanced economies.

Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the US in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.

Overall growth in China is evolving broadly as envisaged, but with a faster-than-expected slowdown in imports and exports, in part reflecting weaker investment and manufacturing activity. These developments, together with market concerns about the future performance of the Chinese economy, are having spillovers to other economies through trade channels and weaker commodity prices, as well as through diminishing confidence and increasing volatility in financial markets.

Global GDP growth is projected at 3.4% in 2016 and 3.6% in 2017. Growth in advanced economies is projected to rise by 0.2 percentage point in 2016 to 2.1% and hold steady in 2017. Growth in emerging market and developing economies is projected to increase from 4% in 2015—the lowest since the 2008-09 financial crisis—to 4.3% and 4.7% in 2016 and 2017, respectively (Source: IMF, January 2016).

The US

The economy expanded 2.4% for the full year 2015, which matched 2014's result. Throughout last year, the country confronted weakened exports stemming from the strong dollar, falling commodity prices due to the Chinese slowdown, and a broader global weakening in demand as commodities-dependent emerging market economies lost steam.

Even the stock markets, which had rallied for 6 years continuously, finished flat in 2015. Consumer demand, the chief engine of the U.S. economy and accountable for nearly 70% of economic activity, rose over the previous year. This could be due to an improvement in consumer sentiment which in turn stems from an improved labour market.

Investments declined as energy companies pared back spending in light of the rout in the price of crude oil. Investment in the mining sector dropped by more than a third in 2015.

The Fed raised rates from historic lows in December, with a robust recovery in the jobs market strengthening its confidence. The economy has added 13.6m jobs since bottoming in 2010.

Going forward, the US economy is likely to continue along a stable path. Weakness in the manufacturing sector is expected to continue, but the labour market and the consumer confidence is set to build on 2015s gains.

The EU overview

For the 19 countries that use the euro, quarterly economic growth held steady in the final three months of 2015 -- making for an annual rate of expansion of 1.5% for the quarter and the year as a whole. By comparison, the U.S. economy grew by 0.7% in the fourth quarter, and 2.4% for 2015. Gross fixed capital formation and Household final consumption expenditure had positive contributions to GDP growth. (Source: CNN Money -- <http://money.cnn.com/2016/02/12/news/economy/europe-economy-growth-2015/>)

The ongoing moderate recovery is projected to continue, with GDP growth reaching 1.7% in 2017. Sustained monetary stimulus and low oil prices will support demand, but the slowdown in emerging market economies will weigh on exports. As a result, the large external surplus will decrease slightly. The decline in unemployment should also continue at a modest pace, but differences across euro area countries will persist. Continued cyclical slack and some second-round effects from cheaper energy will hold inflation well under the ECB's target of just below 2% (Source: OECD - <http://www.oecd.org/eco/outlook/euro-area-economic-forecast-summary.htm>).

The Indian perspective

India's economy expanded at a faster pace in 2015-16 despite a slowdown in GDP expansion in the third quarter of the fiscal under review. India's GDP growth stood at 7.6% in 2015-16 against 7.2% in 2014-15 catalysed by a superior performance of the manufacturing sector (9.5% growth in 2015-16 against 5.5% in 2014-15). The growth in the manufacturing sector was due to a significant fall in inputs costs following the collapse of global commodity prices (source: Economic Survey 2015-16)

India's economy recovery was also facilitated by other factors

- A large gain in terms of trade (about 2.5% of GDP)
- Positive policy actions by the Government
- Reduced external vulnerabilities

The RBI policies helped contain demand pressures, created a buffer against external shocks and kept a check on the volatility of the rupee and inflation.

According to the Economic Survey 2015-16, inflation measured by the Consumer Price Index (CPI), which averaged 6.5% in 2014-15 could decline to 5.0-5.5% in 2015-16. The slide in global oil prices since late 2014 boosted economic activity in India and underpinned a further improvement in the current account and fiscal positions.

During the year, the government undertook important initiatives to bolster the otherwise sluggish infrastructure sector.

- The government has pushed the Project Monitoring Group for providing speedy resolution to the bottlenecks that have 315 stalled projects entailing an investment of ₹ 13.33 lakh crore
- The RBI reduced interest rates in a bid to provide reasonably priced funds to the infrastructure sector; a 25 bps reduction was done on April 6, 2016.

- The Government has announced a record budgetary allocation of ₹ 2.21 lakh crore for infrastructure sector, in a crucial move to revive investments in the sector with the participation of the private players
- The road sector alone has been allocated ₹ 97,000 crore as the government plans to award 10,000 kilometres of new road projects in FY17, including ₹ 19,000 crore earmarked for rural roads under the Pradhanmantri Gram Sadak Yojna.
- The finance minister announced a series of measures for modernising existing ports and building new ports along India's east and west coasts

Looking ahead, the Economic Survey 2015-16 has projected GDP growth of 7-7.75% in 2016-17. According to the IMF, India continues to be the bright spot in an otherwise slowing global economy. It forecasts India's GDP growth at 7.5% in FY17 supported by stronger domestic demand.

Forging industry

The Indian forging industry is an integral part and a major contributor to the manufacturing sector. Forgings are required by almost the entire manufacturing sector, from general engineering, capital goods, to power generation and distribution, to name a few, which are the backbone of the manufacturing sector. Besides, we have defence, railways and the automotive and the aircraft industry. The Indian forging industry is recognised globally for its technical capabilities. With an installed capacity of around 37.7 lakh tonnes per annum (tpa), Indian forging industry has a capability to forge variety of raw materials like carbon steel, alloy steel, stainless steel, super alloy, titanium and aluminum.

Forging is a process in which metals are shaped into desired designs by applying compressive forces. This technique is very robust compared to a number of other metal shaping techniques because of the strength acquired by the metal during forging. Some metals are processed hot while others are processed cold.

There are over 380 forging units operating in the country with a total turnover of ₹ 28,000 crore, of which export revenue is ₹ 6,100 crore.

Forging units are usually classified on the basis of installed capacity of the forging unit. The forging units may be classified on the basis of physical capacity. So we have: 1. Very Large (capacity above 75,000 tpa); 2. Large (capacity between 30,000 and 75,000 tpa); 3. Medium (capacity between 12,500 and 30,000 tpa); 4. Small (capacity between 5,000 and 12,500 tpa) and 5. Very Small (capacity below 5,000 tpa).

Forgings v/s castings

Forged components make possible designs that accommodate the highest loads, operating temperatures and stresses. Economically, forged products are attractive because of their inherent superior reliability, improved tolerance capabilities and the higher efficiency with which forgings can be machined and further processed by automated methods. The degree of structural reliability achieved in forging is unexcelled by any other metalworking process. There are no internal gas pockets or voids that could cause unexpected failure under stress or impact. To the designer, the structural integrity of forgings means safety factors based on material that will respond predictably to its environment without costly special processing to correct internal defects.

Based on this classification 87% of the total number of units falls under the small and very small category, while only about 5% are large and very large units. The balance of about 8% constitutes the medium sized units.

Major forging clusters in the country are Maharashtra, Punjab, Gujarat, Tamil Nadu, Haryana, Delhi, Karnataka, Jharkhand, West Bengal and Andhra Pradesh.

The automotive sector currently accounts for about 61% of the forging sales, while the non-automotive sector contributes about 39%. However, going forward in order to de-risk and reduce its dependence on the automotive sector, the Indian forging industry is consciously making efforts towards upgrading technologies and diversifying product range to expand its customer base to emerging sectors including aerospace, energy, oil & gas, heavy engine parts, defence, construction equipment, power generation, power transmission and distribution.

The Make in India initiative has definitely been a good move in the right direction to give the necessary boost to the overall manufacturing sector. It has created an all-round positive business environment and sentiments.

Since the Indian forging industry is primarily influenced by the automotive sector, globally and in India, it would be relevant to analyse its performance and prospects in light of the automotive sector. Moreover, as Ramkrishna Forging has a business-critical exposure to the commercial vehicle space -- globally and in India – it would be more appropriate to focus the discussion on this vertical within the automotive space.

The US truck and bus market

Key Statistics Snapshot

Revenue

\$31.2bn

Annual Growth 11-16

1.5%

Annual Growth 16-21

4.6%

Profit

\$1.6bn

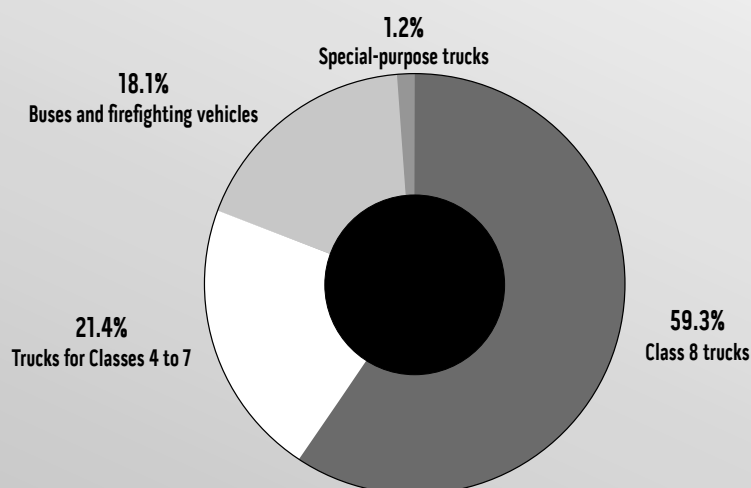
Exports

\$14.7bn

Businesses

69

Products and services segmentation (2016)



It is a mature industry

The Truck and Bus Manufacturing industry is in the mature stage of its life cycle. Over the 10 years to 2021, industry value added (IVA), a measure of the industry's contribution to the overall economy, is expected to grow at an annualised rate of 3.5%. Comparatively, GDP is forecast to grow at an annualised rate of 2.3% over the same period. Although IVA is expected to grow at a faster rate than the overall economy, this is not indicative of a growing industry because the industry started at a relatively low base during the post-recessionary period.

There are two separate life cycle trends within this industry. Within the truck segment, mergers and acquisitions are negligible, with companies focusing on downsizing and consolidating production facilities. This trend is distinct from the fire-fighting, emergency vehicle and bus segments of the industry. These segments mostly depend on government purchases rather than cyclical business purchases. However, these segments represent a small portion of revenue.

Performance and promise

Operators in the Truck and Bus Manufacturing industry experienced volatile swings over the past five years; however, recent activity in key downstream markets has the industry rolling along smoothly. Truck and bus manufacturers have experienced heightened demand for their products as the economy continues to rebound from recessionary levels, resulting in higher trade and freight volumes. Additionally, the Environmental Protection Agency (EPA) enacted a final phase of emissions standards in 2010. As a result, truck manufacturers experienced increased demand for vehicles that are compliant with these new standards. As trucking activity continues to recover, industry revenue is expected to climb 2.2% in 2016. Moreover, IBIS World expects industry revenue to grow at an annualised rate of 1.5% to US\$31.2 billion over the five years to 2016.

The next five years are expected to be brighter for the industry. Strengthening global growth will likely lead to higher trade and freight volumes and, in turn, increased demand for trucks to carry goods, creating greater demand for new truck purchases. Furthermore, as a result of previous EPA regulations, truck and bus manufacturers have heavily invested in new technologies. Trucks that make use of fuel-efficient technologies and alternative fuels will be appealing as diesel fuel prices rise over the next five years. IBIS World expects industry revenue to grow at an average annual rate of 4.6% to US\$39.0 billion in the five years to 2021.

Key external drivers

Demand from truck transportation: Long-haul and short-haul trucking companies are the industry's primary customers; therefore, increased trucking activity creates demand for new truck manufacturing. Demand from downstream truck transportation is expected to increase over 2016, presenting a potential opportunity for the industry.

Total trade value: The overall level of trade is a good indicator of demand for truck and bus manufacturing. Higher trade activity results in increased demand for trucks to transport the associated freight. Total trade value is expected to increase throughout 2016.

Regulation for the industry: Heavy truck and bus manufacturers are subject to regulations imposed by the Environmental Protection Agency and the National Highway Traffic Safety Administration. Regulations place limits on truck weight, width and emissions. Changes in regulation require engineering and research efforts to ensure future compliance which is expected to increase slowly in 2016.

Average age of vehicle fleet: Heavy trucks have a finite life and need repair or replacement parts after long periods of use. The average age of the fleet indicates how soon repair or replacement will be required to continue operations. Demand for truck and bus manufacturers rises as vehicle ages increase. The average age of vehicle fleets is expected to increase over 2016.

Industrial production index: High levels of industrial production generally lead to increased freight levels; therefore, when the industrial production index is high, truck and bus manufacturers typically benefit. The industrial production index is expected to increase in 2016.

Turning around: The US economy continues to improve and hence new and replacement demand will continue to support industry growth. Freight demand depends on nearly every sector of the economy. For example, imports of vehicles, clothing and consumer electronics will grow over the next five years as consumer confidence continues to improve; therefore, trucks will be needed to transport these goods. As a result, trucking businesses will keep growing and eventually demand new trucks. Furthermore, a built-up inventory of old trucks will push demand upward, as new trucks are needed to replace aging fleets and accommodate the uptick in freight volume. Industry players that target freight operators with old trucks will be competitive in the US market.

Trade continues upward: To increase profitability, IBIS World expects industry operators to continue to outsource manufacturing facilities to countries with relatively low wage costs and less stringent regulations, such as Mexico. Additionally, outsourcing operations to Mexico allows industry players to take advantage of the North American Free Trade Agreement (NAFTA). As more participants outsource operations to Mexico, imports are expected to trend higher. IBISWorld expects imports to rise at an annualised rate of 2.9% to US\$36.2 billion over the five years to 2021. Moreover, exports are expected to increase at an annualised rate of 3.0% to US\$17.1 billion over the five-year period, bolstered by rising demand in Canada, which also benefits from NAFTA. Despite expected investment in other countries, industry operators are also expected to increase production capacity in the US. Although the US has relatively high wage costs and stringent regulatory standards, it remains a hub for vehicle manufacturers.

Indian automobile sector

Automobile industry is one of the fastest growing industries in India, accounting for 22% of the country's manufacturing gross domestic product (GDP) and contributing around 18% of excise duties to the state exchequer. India is one of the largest Auto markets in the world with an annual production of 239.60 lakh vehicles in FY2016. The industry employs more than 19 million people directly and indirectly. Changing lifestyle, poor public transport system, favourable duty structure, tailor-made finance schemes, rising family income and an increasing interest of companies in exploring rural markets have been key demand drivers of the industry. In terms of volume, India is the biggest market for tractors as well as two-wheelers. It is also one of the Top five and Top ten markets for Medium & Heavy Commercial Vehicles (M&HCVs) and Passenger Vehicles, respectively.

Currently, nine out of the top ten global automotive manufacturers have a presence in India, which clearly indicates the country's importance as a strategic automotive market.

Domestic commercial vehicle space

The future of Indian commercial vehicles industry is closely tied with the country's GDP growth, investment environment and infrastructure development. As the country's economy starts to grow, bargaining power of fleet operators enhance, which leads to higher freight rates and incentives for fleet operators to add capacity. Usually, the capacity addition tends to be higher than underlying demand, which generates overcapacity in the system and consequently impacts fleet operator's earnings during periods of slowdown.

Legacy: Following the impact of global financial crisis in FY09, the Indian commercial vehicles industry improved sharply over the next two years, experiencing growth of about 30% in each of the following two years (i.e. FY10 and FY11). Besides recovery in the country's economy, reduction of interest rates and Government backed stimulus packages triggered recovery in the industry. However,

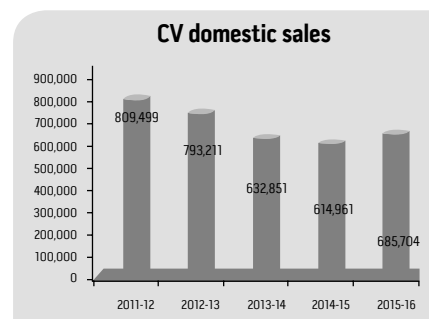
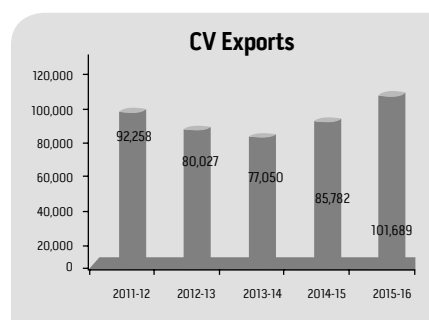
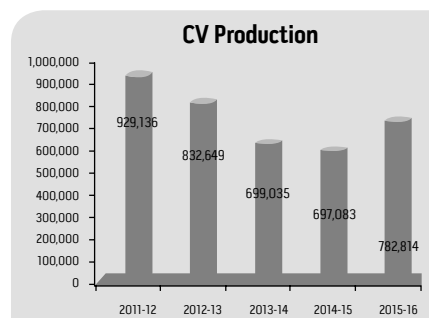
the industry witnessed sharp decline between FY13 to FY15, with the sales of commercial vehicles declining by an average CAGR of about 9%. With weak macro-economic environment, subdued industrial activity (i.e. IIP grew by only 0.1% in YTD 2013-14), the demand for new commercial vehicles was very low.

Performance, FY16: After showing a downward trend in last three years, some segments of Indian Commercial Vehicle (CV) industry have started showing signs of recovery in the FY 2016.

The overall sales of Commercial Vehicles segment recorded a double digit growth at 11.51% in the financial year April-March 2016. Medium & Heavy Commercial Vehicles (M&HCVs) sector witnessed a growth of 29.91% while and Light Commercial Vehicles (LCV) segment recorded a growth of 0.30% during April-March 2016. Strong replacement demand, coupled with improving economics of freight operators (lower fuel, interest costs, stable freight rates) helped keep the commercial vehicle numbers robust. Further, renewal of mining activities in the states of Karnataka and Goa and renewal of construction activities also contributed to the momentum. .

The heavy-duty truck industry saw a decent 30%-plus growth in 2015-16 with the sale of around 2.58 lakh trucks were sold. This is largely owing to investments being made by the Centre in infrastructure and core sector projects such as roads, ports, mining, railways and smart cities. It is expected that the sale of heavy duty trucks could cross 2.80 lakh units in 2016-17.

In April-March 2016, while overall vehicle exports from India registered a growth of 1.91%, commercial vehicle exports grew at 16.97%.



(Source : SIAM)

Rolling ahead: The improvement displayed by the Indian commercial vehicles industry is expected to gain momentum, driven by continuing trends towards the replacement of ageing fleet vehicles and expectations of increases in demand from the infrastructure and industrial sectors due to reforms being initiated by the Government of India. The expectation are that the demand for new commercial vehicles will also be driven by gradual acceptance of advance trucking platforms, the progression to Bharat Stage V emissions norms and the introduction of technologies, such as anti-lock braking systems. The passing of the GST is further expected to provide significant impetus to the growth of the Indian commercial vehicle sector over the coming years.

Setting a roadmap for the automobile industry for the next ten years, Government of India and Society of Indian Automobile Manufacturers (SIAM) have launched the second Automotive Mission Plan 2016-26 (AMP 2026).

AMP 2026 envisions that by 2026 the auto industry in India will be among the top three in the world in terms of engineering, manufacturing and export of vehicles as well as auto components and will encompass safe, efficient and environment friendly conditions for affordable mobility of people and transportation of goods in India. AMP 2026 is aiming a growth 3.5 to 4 times in value from its current output to about ₹ 1,616,000- ₹ 1,888,500 crore by 2026. This will be based on a growth of 5.8% with an average GDP growth of 7.5% during this period.

Indian Railways

Indian Railways is planning to invest US\$142bn over the next five years, and intends to double the investment in the next five-year cycle. To meet this ambitious goal, the Indian Railways has permitted 100% private sector investments in the majority of railway infrastructure segments such as suburban rail, metro rail, locomotives and rolling stock, manufacturing and maintenance, signalling and electric works, and dedicated freight lines.

Further, Indian Railways, the world's fourth-largest railroad aims to pour ₹ 8.6 lakh crore into new tracks, faster trains and station redevelopment to drag a network with roots in British colonial rule into the 21st century.

These investments promise important growth opportunities for the forgings sector over the coming years.

Company overview

Founded in 1982, Ramkrishna Forgings is one of India's leading forging companies that has earned the respect of manufacturing quality products at its state-of-the-art manufacturing facilities to leading corporates in India and across the globe.

The Company is respected for its ability to customise product to suit client requirements – enabling it to create a considerably large product basket. It is also a critical safety item supplier for Screw Coupling, Bolster suspension, Side frame keys and Draw Gear Assembly for Railway Coaches and wagon.

As a progressive organisation, the Company has made timely investments in capacity augmentation and upgradation enabling it to stay at the cutting-edge of technology. The Company enjoys preferred supplier status for leading OEM's in India and we are also a global supplier for leading companies.

Ramkrishna Forgings has established a strong presence in the global market. It successfully commenced the supplies to Tier-1 customers in the US. To strengthen its global presence, the Company has appointed marketing representatives in key markets namely Europe and Latin America. Further, the Company has cleared field audits with important international OEMs paving the way for firm contracts over the coming years.

Strengths

- Proximity to raw material sources.
- Graduated from manufacturing components to sub-assemblies – which improves value addition.
- Increased scale of operations resulting in economies of scale.
- Integrated facility, which houses best-in class equipment, resulting in a wide product portfolio
- High quality standards endorsed by global certifications, resulting in growing repeat and referral business.
- New product development leading to widening of the growth opportunity.
- Investing in new technology to remain cost competitive.

Opportunities

- Positioning India as a global manufacturing hub through the Government's 'Make in India' mission should fuel demand for more vehicles.
- Stricter implementation of the new emission, ABS braking and anti-overloading norms.
- Subdued fuel prices strengthen the relevance of road transport; lowered interest rates strengthen the case for replacement of old vehicles.
- Increasing need to transport products between production centres and consuming markets.

Weaknesses

- Fragmented and unorganised industry.
- Concentration in the automotive industry.

Threats

- Demand Volatility in the Export Markets
- Volatility in raw material prices.
- Slowdown in the Domestic CV Industry.

Human resources

The Company considers human resources as its most important asset. It is the invaluable contribution of the Company's large and energetic team that has primarily resulted in your Company's position of strength in the industry. The Company has implemented various initiatives create a worker friendly organisation that motivates its employees to improve business performance.

Training: Growing the intellectual capital of its team is one of the Company's leading people priorities. For this the Company has institutionalised an extensive training calendar comprising technical, behavioural, cultural, safety, 5S and awareness training which facilitates the team in efficiently managing day-to-day operational challenges. Training for the senior management team is oriented towards managing skills- decision making and problem-solving to ensure seamless business operations despite internal challenges and external volatility. The Company provided 12770 manhours of training in 2015-16.

Training effectiveness: The Company adopted the Kirk Patrick Model for measuring training effectiveness. Pre and post training tests are conducted as a tool for gauging effectiveness. This has helped in strengthening the learning culture within the organisation.

Employee engagement: Several initiatives were implemented to enhance employee engagement and morale which includes suggestion scheme, cross functional 5S zonal competition and birthday celebrations. The Company's recently introduced 'Umang' initiative, a mass communication platform between the management and team members made considerable progress as extended discussions facilitated in growing operational and strategic awareness and cross pollination of ideas helped in improving business operations.

Performance and rewards: The Company undertakes regular appraisals wherein performers are recognised every month. Recognition programs like the Employee of the Month, Best Suggestion & Kaizen, Maximum Attendance award were institutionalised. Besides, performance-linked incentive programs were introduced to nurture employee motivation.

Health protection: In order to protect the health of employees and to ensure healthy working environment, your Company has taken Group Health (Floater) Insurance policy and Group Personal Accident Insurance policy from ICICI Lombard General Insurance Company Limited. To build its leadership pipeline, the Company introduced a new talent management program for senior and mid management. This program aims to build leadership competencies of the selected members, enabling them to undertake a larger role in taking the organisation to the next level.

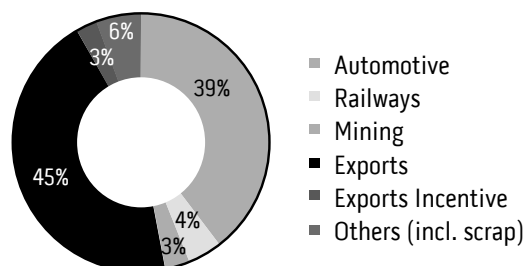
The Company has also implementing an ESOP scheme for the senior management thereby strengthening the bond between the Company and its decision makers

Analysis of financial statements

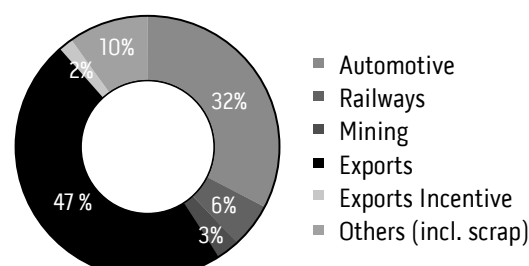
Statement of Profit and Loss

Revenue from operations: The net revenues grew by 21.11% from 74,075.95 lakhs in 2014-15 to ₹ 89,715.37 lakhs in 2015-16 largely on account of growing domestic market. Revenue from exports increased from ₹ 35,123.71 lakhs in 2014-15 to ₹ 40,147.63 lakhs in 2015-16. As a result the proportion of exports in the overall revenue basket stood at 44.75% in 2015-16 against 47.42% in 2014-15.

2015-16 (%)



2014-15 (%)



Revenue mix (by user segment)

Operating expenses: Operating expenses (total expenses less interest and depreciation and stock variation) increased by 25.39% from ₹ 59,920.89 Lakhs in 2014-15 to ₹ 75,134.75 Lakhs in 2015-16. Operating expenses as a percentage of net sales stood at 83.75% in 2015-16 against 80.89% in 2014-15.

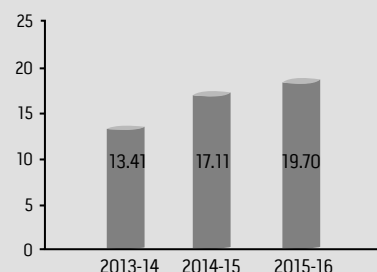
Cost of material consumed: Material costs increased by 14.71% from ₹ 35,506.47 lakhs in 2014-15 to ₹ 40,728.90 lakhs in 2015-16. This increase was owing to an increase in production volumes from 61508 tons in 2014-15 to 76904 tons in 2015-16. Despite the increase, the expense head constituted only 45.40% of the net turnover in 2015-16 against 47.93 % in 2014-15 – owing to the team's focus on better utilisation of resources and decrease in the Prices of Raw Materials.

Employee expenses: It increased by 65.33% from ₹ 4,468.10 lakhs in 2014-15 to ₹ 7,387.08 lakhs in 2015-16. This increase was due to an increase in the team size on account of commercialization of the new plant, upward revision in the emoluments to employees and an increase in career-building initiatives of the team.

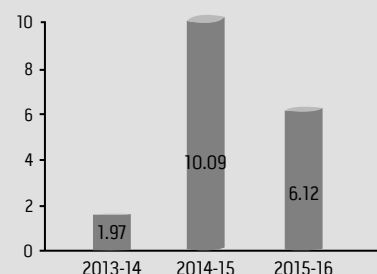
Finance cost: The interest liability increased by 72.92%, from ₹ 3,029.55 lakhs in 2014-15 to ₹ 5,238.62 lakhs in 2015-16, owing to an increase in borrowed funds from ₹ 72,025.11 lakhs in 2014-15 to ₹ 86,272.79 lakhs in 2015-16 and non-capitalisation of interest due to commencement of the new press plant. The interest cover stood at 3.44x in 2015-16 against 4.37x in 2014-15.

Profitability and margins: The Company's volume-driven, product optimisation and value-led growth facilitated in margin expansion – EBITDA (EBITDA less Exceptional Item less Other Income) increased by 39.43% from ₹ 12,673.83 lakhs in 2014-15 to ₹ 17,671.27 lakhs in 2015-16. The EBITDA margin on net sales expanded by 259 bps, from 17.11% in 2014-15 to 19.70% in 2015-16. The net profit after tax stood at ₹ 5,488.94 lakhs in 2015-16 as compared to ₹ 7473.59 lakhs in 2014-15. The net margin stood at 6.12% in 2015-16 as against 10.09% in 2014-15. The Company had a tax benefit under section 32 AC of the Income Tax Act, 1961 which propelled the margins in 2014-15.

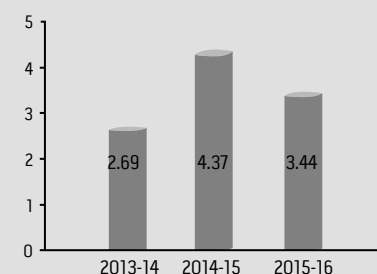
EBIDTA margin on net sales (%)



Net Margin (%)



Interest cover



Balance Sheet

Capital employed: The capital employed in the business increased by 19.10%, from ₹ 1,16,580.00 lakhs as on March 31, 2015 to ₹ 1,38,850.04 lakhs as on March 31, 2016. This increase was due to new project undertaken by the Company, which was funded through a prudent mix of debt and internal accruals. The Return on Average Capital employed stood at 9.95% in 2015-16 as against 10.01% in 2014-15.

Shareholders' funds: The balance under this head increased by 14.69%, from ₹ 41,110.80 lakhs as on March 31, 2015 to ₹ 47,150.16 lakhs as on March 31, 2016. This increase was largely owing to allotment of 12,00,000 equity shares of Rs.10 each to the Promoter group by conversion of the outstanding warrants and the ploughback of business profits at the year end.

External funds: The Company's debt portfolio increased by 19.78%, from ₹ 72,025.11 lakhs as on March 31, 2015 to ₹ 86,272.79 lakhs as on March 31, 2016. This increase was due to the term loans availed to fund the Company's new project and short-term funding arrangements to meet its growing working capital requirements. The debt-equity ratio stood at a healthy 1.83x as on March 31, 2016 against 1.75x as on March 31, 2015.

Gross block: The Gross Block increased by 68.18% from ₹ 68,626.17 lakhs as on March 31, 2015 to ₹ 115,418.26 lakhs as on March 31, 2016 due to the commissioning of the 12500T Press line and 6300T Press line project in 2015-16.

Internal audit and control

The Company has in place adequate systems of internal controls and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting control, monitoring economy and efficiency of the Company, protecting assets from unauthorised use or losses and ensuring reliability of financial and operational information. The internal controls are designed to ensure that financial and other records are reliable for preparing financial statements, collating other data and for maintaining accountability of assets.

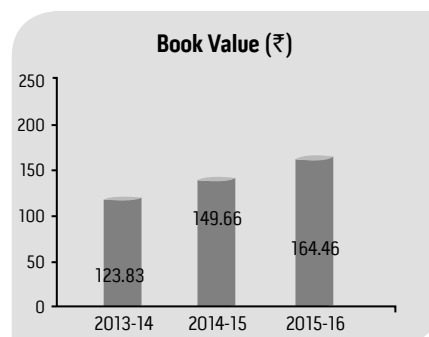
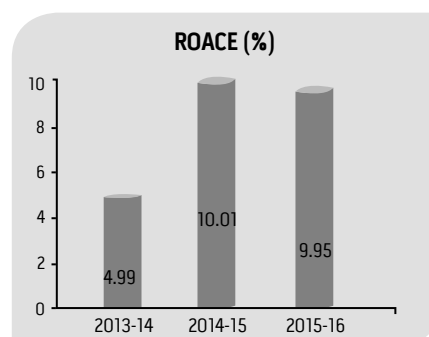
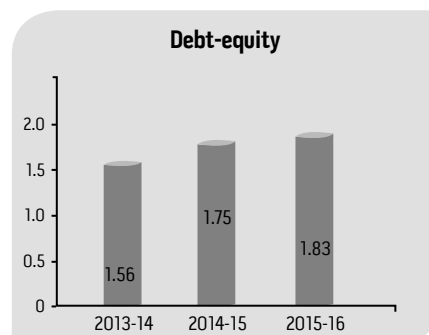
Risks and their mitigation

During a corporate's journey from a marginal player to a sectoral participant of recognition, its risk profile changes – from one of surviving the day-to-day travails to one of sustaining its position. The same holds true for Ramkrishna Forgings, which today is one of India's leading forgings players.

Risk management at Ramkrishna Forgings is an integral part of the business model, focusing to mitigate adverse impact of risks on the business objectives. The Company leverages its more than three-decade rich experience to allay shareholder apprehension about growth prospects.

Industry risk: The automobile industry, which is the largest consumer of forgings, may not register a healthy growth – dampening the prospects for the forgings sector.

Mitigation: The automobile industry has reported healthy growth in 2015-16, a trend which is expected to continue owing to economic resurgence, healthy growth of the manufacturing sector, more disposable income in the hands of the individual, lowering fuel cost and reduced interest rates. Credible sources predict robust growth ahead with the Indian passenger vehicle market expected



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to grow at a compound rate (CAGR) of 12% to 5 million units by 2020. The domestic commercial vehicle market is likely to grow at a 7% CAGR to 1.175 million units (Source: Roland Berger).

The gradual acceptance of advance trucking platforms, the progression to Bharat Stage V emissions norms and the introduction of technologies, such as anti-lock braking systems and the passage of the GST will further fuel the demand of the Commercial Vehicles.

Competition risk: Growing competition could impact business prospects and profitability over the coming years.

Mitigation: Over the years, the Company has endeavoured to strengthen its competitive advantage by progressive investments in technology (leading to quality products) and product development (resulting in product customisation and customer loyalty). This has resulted in forging strong ties with existing customers and adding new customers to its client list. Further, its expertise in customising products to customer requirements provides an important edge over competition. The Company has made 43 new product development in the CNC machining and 52 new development in Gear cutting and 25 new Products in VTL.

Quality risk: Inability to provide quality products could lead to customer attrition.

Mitigation: The Company's business operations are aligned to stringent global benchmarks (ISO 9001:2008, TS-16949:2009, OHSAS 18001:2007 and ISO14001:2004 certified) which ensures that it delivers quality products to its customers consistently. The Company has also invested in a world class quality assurance laboratory with best in class equipments to ensure that all promises are delivered consistently. As a result, the Company enjoys a preferred supplier position with leading OEMs in India and seamlessly markets its products to Tier-1 customers in developed markets.

People risk: Attrition of key personnel could impact business operations and growth.

Mitigation: The Company's people centric policies and initiatives facilitate in retaining knowledge capital. Its training calendar and curriculum, its performance management system and its people involvement and motivation initiatives enable it to nurture and retain talent.

Cautionary statement

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Corporate Governance Report for the year 2015-16

Ramkrishna Forgings Limited (herein after referred to as the "Company/RKFL") shares are listed on The National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Accordingly, the Corporate Governance Report for the Financial Year ended 31st March, 2016, has been prepared pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 which came into effect from 1st December 2015 (earlier Clause 49 of the Listing Agreement) and contains details relating to Financial year 2015-16.

1. Company's Philosophy on Corporate Governance

At Ramkrishna Forgings Limited (RKFL) Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. Your Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. Your Company believes that sustainable and long term growth of every shareholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of the society, building of the environmental balance and significant contribution in economic growth. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a formidable forging Company, while upholding the core value of transparency, integrity, honesty and accountability, which are fundamental.

Corporate Governance encompasses a set of systems and practices to ensure that the Company affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mind-set of the organisation. We are committed to meet the aspirations of all our stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Auditors and the Senior Management. Our employee satisfaction is reflected in the stability of our senior management and low attrition across various levels. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, inducting competent professionals across the organisation and putting in place the best system, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

The Company is committed to pursue growth by adhering to the highest standards of Corporate Governance. The Company aims to maximise shareholder value through achieving business excellence. The Company is driven by the demands of its customers and it cares to meet their needs. It is committed to maintain the international quality standards, efficient delivery schedule and competitive prices.

Ethics/Governance Policies

At RKFL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

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- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Code on prevention of Insider Trading
- Vigil Mechanism /Whistle Blower Policy
- Policy for Transactions with Related Parties
- Corporate Social Responsibility Policy
- Policy for determining Material Subsidiary
- Remuneration Policy for the Members of the Board and Executive Management
- Policy on prevention of Sexual Harassment
- Risk Management Policy
- Board Diversity Policy
- Policy of Preservation of Documents of the Company
- Material Subsidiary Company Policy
- Archival Policy of the Company

Role of the Company Secretary in overall governance process.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters. The Compliance Officer is also responsible for:

- ensuring conformity with the regulatory provisions applicable to the Company in letter and spirit.
- co-ordination with and reporting to the Board, recognised Stock Exchange(s) and Depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
- ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the Company under these regulations.
- monitoring email address of grievance redressal division as designated by the Company under these regulations for the purpose of registering complaints by investors.

2. Board of Directors

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board of the Company is independent in making its decisions and also capable and committed to address conflicts of interests and impress upon the functionaries of the Company to focus on transparency, accountability, integrity and responsibility.

As on 31st March 2016, the Company's Board consists of nine Directors out of which six are non-executive directors. The Company has an optimum combination of executive and non-executive directors with one woman director. It has an Executive Chairman and five Independent Directors. None of the Directors serve as Independent director in more than seven listed companies and no whole time Director of the Company serve as an Independent Director in more than three listed companies. Further, none of the Directors is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Public Limited Companies in which he is a Director. Necessary disclosures regarding committee positions in other Companies as on 31st March, 2016 have been made by the Directors. The composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Board meets regularly to review among other things the strategic, operational and financial matters of the Company. The Board has also delegated its powers to the Committees. The Agenda of the meeting is circulated to all the Directors in advance and all material information is provided to facilitate meaningful and focussed discussion at the meeting. The Board reviews the

compliance of the applicable laws in the Board meeting. The Budgets for the Financial Year is discussed with the Board at the commencement of the financial year and the comparison of the quarterly/annual performance of the Company vis-a-vis the budget is presented to the Board before taking on record the quarterly /annual financial results of the Company. The Board is also given presentation covering the financial and other aspects of the Company before taking on record the quarterly /annual financial results of the Company. The Board has unrestricted access to all the Company related information including that of our employees. At Board Meetings, managers and representatives who are capable of additional insights into the items being discussed are invited. The requisite information as required is provided to the Board.

The information that is normally placed before the Board includes:

- General notices of interest of Directors.
- Appointment, remuneration and resignation of Directors.
- Declaration of Independent Directors at the time of appointment/annually
- Formation/Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of the meetings of Audit committee and other Committees of the Board.
- Minutes of the Board Meetings of unlisted subsidiary Companies
- Appointment/resignation and remuneration of Key Managerial Personnel
- Appointment of Internal & Secretarial Auditors
- Appointment/Reappointment of Registrar/Share Transfer Agent.
- Status of all the Legal cases pertaining to the Company.
- Significant changes in accounting policies and internal controls, if any.
- Status of the Statutory Payments made by the Company.
- Annual operating plans of businesses, budgets and any updates.
- Capital budgets and any updates.
- Any change in the banking limits of the Company.
- Annual Financial Results, Financial Statements, Auditor's Report and Board's Report alongwith the annexures.
- Quarterly results of the Company.
- Dividend declaration.
- Sale of material nature, investments and assets, if any, which is not in the normal course of the business.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- Quarterly Reconciliation of Share Capital Audit certificate.
- Annual Secretarial Audit Report as issued by the Secretarial Auditors.
- Issue of Securities.
- Recommending appointment/ratification of and fixing of the remuneration of the Auditors as recommended by the Audit Committee.
- Review of the functioning of the subsidiary.
- Related Party Transactions.
- Borrowing of the money, giving guarantees or providing security in relation to the loan.
- Compliance Certificate certifying compliance with all the laws as applicable to the Company.
- External Audit Reports (through the Audit Committee).
- Proposals for investments, mergers and acquisitions, if any.
- Details of any joint venture, acquisitions of Companies or collaboration agreement, if any.
- Making of loans and investment, if any, of surplus funds.

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- Non compliance of any regulatory authority, shareholder service, statutory or listing requirements, if any.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Significant labour problems and their proposed solutions, if any.
- Periodically review of compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Framing and approval of different policies that are required under various Acts, Rules and Regulations.
- Evaluation of performance of Directors Committee and Board as a whole.

Meetings, Attendance, Directorships/Chairmanships-

During the Financial Year 2015-16, 4(four) board meetings were held i.e. on 16.05.2015, 07.08.2015, 07.11.2015 and 12.02.2016. The gap between two Consecutive Board meetings did not exceed one hundred and twenty days. The details of the composition of the Board, Category of Directors, attendance of each Director at the Board meeting, last Annual General Meeting and the number of Directorship and Chairmanship / Membership of Committee of each Director in other Public Companies are as follows :

Name of the Director	Category	Attendance particulars		No. of Directorship and other Committee Membership/ Chairmanship (excluding RKFL)		
		Board Meeting	Last AGM	Directorship	Committee membership	Committee Chairmanship
Mr. Mahabir Prasad Jalan	Chairman, Executive	4	Yes	1	0	0
Mr. Naresh Jalan	Managing Director, Executive	4	No	1	0	0
Mr. Pawan Kumar Kedia	Wholetime Director, Executive	4	Yes	0	0	0
Mr. Padam Kumar Khaitan	Non-Executive, Independent	3	Yes	8	1	2
Mr. Satish Kumar Mehta*	Non-Executive	4	Yes	0	0	0
Ms. Aditi Bagri	Non- Executive, Independent	4	No	0	0	0
Mr. Amitabha Guha	Non-Executive, Independent	4	Yes	4	3	0
Mr. Ram Tawakya Singh	Non-Executive, Independent	4	No	0	0	0
Mr. Yudhisthir Lal Madan	Non-Executive, Independent	4	Yes	3	2	0

*Resigned w.e.f 9th May 2016.

Notes :

- a) For the purpose of considering the limit of the Companies on which a Director can serve, all Public Limited Companies, whether listed or not, have been included and all other Companies including Private Limited Companies, foreign Companies and Companies under Section 8 of the Companies Act, 2013 has be excluded.
- b) For reckoning the limit of Public Limited Companies in which a person can be appointed as Director, Directorship in Private Companies that are either holding or subsidiary Company of a Public Company has been included.
- c) Chairmanship/Membership of only Audit Committee and Stakeholder Relationship Committee has been considered of other Public Limited Companies.
- d) None of the Directors except Mr. Mahabir Prasad Jalan and Mr. Naresh Jalan are related to any other Director.

- e) None of the Directors have any business relationship with the Company.
- f) None of the Directors received any loans and advances from the Company during the year.
- g) All the Directors have certified that the disqualifications mentioned under Section 164(2) of the Companies Act, 2013 are not applicable to them.
- h) None of the Independent Directors hold any shares or convertible instruments in the Company.

Familiarisation Programme of the Directors.

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business were made at the Board Meetings held during the year. The Directors are also made to attend seminars in order to improve Board's effectiveness and to update themselves on relevant statutory changes. The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time.

The details of such familiarization programmes has been uploaded on the Company's website for public information at the following web link <http://www.ramkrishnaforgings.com/policies.html>

Board Meetings

During the Financial Year 2015-16 the Board has met Four times. The gap between two meetings did not exceed one hundred and twenty days. The details of the Board meetings are as follows:

Sl.No.	Dates	Strength	Presence of Directors
1	16.05. 2015	9	9
2	07.08. 2015	9	9
3	07.11. 2015	9	8
4	12.02. 2016	9	9

Independent Directors

The Independent Directors play an important role in deliberations and decision making at the Board Meeting and bring to the Company wide experiences in their respective fields. They also contribute in significant measure to Board Committees. Their Independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an objective view in instances where (potential) conflicts of interest may arise between stakeholders.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession, and who can effectively contribute to the Company's business and policy decisions, are considered by the Nomination and Remuneration Committee for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various Committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Meetings of Independent Directors

The Company's Independent Directors met once in the Financial Year 2015-16 on 11th March, 2016 without the presence of executive directors or management personnel. The meeting was conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views before the Board. The Independent Directors take appropriate steps to present their views to the Chairman.

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The Independent Directors inter alia, considered the following matters in their meeting.

- Evaluation of the performance of the Board.
- Evaluation of the performance of the Non- Independent Directors.
- Evaluation of the performance of the Chairman of the Company.
- Review of the quality of flow of information from management to the Board.

All the Independent Directors, except Ms. Aditi Bagri were present at the meeting of the Independent Directors.

Committees of the Board

At present, there are Five Board Committees viz.

- The Audit Committee,
- The Nomination and Remuneration Committee,
- The Stakeholder Relationship Committee,
- The Management and Finance Committee, and
- The Corporate Social Responsibility (CSR) Committee.

The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the members of the Committees for their comments and placed in the subsequent Board meetings for noting. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

A) Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the responsibilities of the Board the Company has in place an Audit Committee constituted as a sub Committee of the Board in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. Majority of the members of the Audit Committee possess financial / accounting expertise / exposure. The Audit Committee helps to enhance the shareholders' confidence by promoting accountability and also acts as a catalyst for effective financial and auditing practices.

Composition

The Audit Committee consists of three non-executive independent directors namely:

- 1) Mr. Yudhisthir Lal Madan – Chairman
- 2) Mr. Amitabha Guha – Member
- 3) Ms. Aditi Bagri – Member

The Audit Committee meetings are also attended by the Finance Director, Chief Financial Officer (CFO), the respective Departmental Heads, if required, the Statutory Auditors and the Internal Auditors. The Company Secretary acts as the Secretary of the Committee.

Meetings and Attendance

During the Financial year 2015-16 the Committee has met five (5) times as follows :

Sl.No.	Dates	Strength	Presence of Directors
1	16.05.2015	3	3
2	07.08.2015	3	3
3	07.11.2015	3	3
4	12.02.2016	3	3
5	11.03.2016	3	3

2. Attendance record at the Audit Committee meeting:

Name	Category	No. of Meetings held during the year	No. of Meeting(s) Attended
Mr. Yudhisthir Lal Madan	Independent	5	5
Mr. Amitabha Guha	Independent	5	5
Ms. Aditi Bagri	Independent	5	5

The necessary quorum was present at all the meetings.

Terms of Reference

The terms of reference of the Audit Committee as stipulated by the Board are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position, sufficient and credible.
- b) Recommending to the Board the appointment, reappointment, ratification and, if required, replacement or removal of the Statutory Auditors and the fixation of audit fees.
- c) Approval of the payment to Statutory Auditors for any other service rendered by them.
- d) Reviewing with the management the Annual Financial Statement before submission to the Board focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgement by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statement.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report, if any.
 - The going concern assumption.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing with the management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with the Internal Auditors about any significant findings and follow-up thereon.
- o) Reviewing the findings of the internal investigations by the Internal Auditors into the matters where there is a suspected fraud or irregularity or the failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with the Statutory Auditors before the audit commences, nature and the scope of the audit as well as post – audit discussions to ascertain any area of concern.

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- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- r) Reviewing the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO or any other person heading the finance department or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee inter alia has reviewed the following information :

1. Management Discussion and Analysis of financial conditions and results of operations.
2. Statement of the related party transactions submitted by the management.
3. Management letter / letter of internal control weakness, if any, issued by the Statutory Auditors.
4. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, if any, in terms of Regulation 32(7).
5. Recommend the appointment/ratification of the Statutory Auditors to the Board.
6. Discussion on the Internal Audit Report and the appointment, scope, terms of remuneration and removal of the Internal Auditors.
7. Review of the annual financial statements and the Auditors Report thereon.
8. Review of the annual financial statements of the Subsidiary Company.
9. Review of the quarterly financial results before being presented to the Board.
10. Review of the financial statements vis-a vis of the approved budgets of the Company
11. Review of the status of the applicable statutory compliances of the Company.
12. Payments made to the Statutory Auditors.
13. Matters required to be included in the Director's Responsibility Statement as per Section 134(5) of the Companies Act, 2013.
14. The statement of uses / application of funds raised through Preferential issue.
15. Review of the adequacy of the internal financial control and risk management systems of the Company.
16. Scrutiny of the inter corporate loans and investments and corporate guarantees.
17. Recommend the appointment, terms of remuneration of the Cost Auditors to the Board.

The Chairman of the Audit Committee briefs the Board about the significant discussions of Audit Committee meeting.

B) Nomination and Remuneration Committee

In terms of Section 178 of the Act and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted a Nomination & Remuneration Committee ("NRC") to oversee the Company's nomination (appointment) process for the Directors & Senior Management and to decide their salary, perquisites and commission / performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Group Policy, merit and Company's performance. The Committee also for the implementation, administration and superintendence of the ESOP scheme(s) of the Company through a trust.

The Committee also co-ordinates and oversees the annual self-evaluation of the performance of the individual Directors including Independent Directors as per the Board evaluation policy of the Company.

Composition

The NRC comprises of three Non-Executive Directors out of which two are independent.

- 1) Mr. Padam Kumar Khaitan – Chairman.
- 2) Mr. Yudhisthir Lal Madan – Member
- 3) Mr. Satish Kumar Mehta* – Member

*Resigned w.e.f. 9th May 2016

Meetings and Attendance

1. During the Financial Year 2015-16, the Committee met four (4) times as follows:

Sl.No.	Dates	Strength	Presence of Directors
1	16.05.2015	3	3
2	07.08.2015	3	3
3	07.11.2015	3	2
4	12.02.2016	3	3

2. Attendance record at the Nomination and Remuneration Committee meeting :

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meeting(s) Attended
1	Mr. Padam Kumar Khaitan	Independent	4	3
2	Mr. Satish Kumar Mehta	Non Executive	4	4
3	Mr. Yudhisthir Lal Madan	Independent	4	4

Terms of Reference

Terms of reference of Nomination and Remuneration Committee broadly includes the roles, powers and duties as vested under Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the implementation, administration and superintendence of the ESOP scheme(s) of the Company through a trust. It also comprises decision for remuneration payable to managerial personnel from time to time, deciding remuneration policy of the Company.

The Committee is responsible for :

- i) Determine the policy on the remuneration package for executive directors.
- ii) Determine the remuneration package of the executive directors.
- iii) Such other matters as may be required to be considered as per the provisions of the Companies Act, 2013, Listing Regulations and other applicable statutes.
- iv) Issue necessary guidelines to the ESOP Trust for the accomplishment of the ESOP Scheme (s).
- v) Determine the quantum of options to be granted under any ESOP Scheme(s) per employee and in aggregate.
- vi) Determine the conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
- vii) Determine the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period.
- viii) Determine the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- ix) Determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- x) Determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- xi) Determine the grant, vest and exercise of option in case of employees who are on long leave.

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- xii) Shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- xiii) Shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- xiv) Shall ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- xv) Shall ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- xvi) Shall ensure remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- xvii) Devise a policy on Board diversity.
- xviii) Formulate criteria for evaluation of performance of independent directors and the board of directors.
- xix) Determine whether to extend or continue the term of appointment of the Independent Directors.

Details of Remuneration of Directors

The details of the remuneration paid to the Executive Directors for the financial year 2015-16 are as follows: (₹ in Lakhs)

Sl. No.	Name of Director	Salary	Others	Commission	Total
1	Mr. Mahabir Prasad Jalan	122.40	101.25	45.00	268.65
2	Mr. Naresh Jalan	101.76	63.37	35.00	200.13
3	Mr. Pawan Kumar Kedia	16.20	19.99	0	36.19
	Total				504.97

Note :

- (a) Mr. Mahabir Prasad Jalan is the father of Mr. Naresh Jalan. Apart from them, no other Directors are in any way related to each other.
- (b) Salary represents Basic Salary and Dearness Allowance. Others include House Rent Allowance and other Allowances, Medical Reimbursement, Bonus, Leave Travel Allowance, Perquisites, Lease Rent, Contribution to National Pension Scheme, encashment of Leave and Contribution to Provident Fund but exclude Provision for Leave Encashment and Gratuity which is based on actuarial valuation provided on overall basis in the books of accounts.
The Company has paid a managerial remuneration in excess of the limits as laid down in the section 309(3) read with Schedule XIII of the Companies Act, 1956 of Rs.65.62 Lakhs and Rs. 106.38 Lakhs respectively during the financial year 2012-13 and 2013-14 to Mr. Mahabir Prasad Jalan, Chairman. Since the payment of the remuneration in excess of the limits requires approval of the Central Government the Company had made an application to the Central Government. The Central Government has rejected the application made for Mr. Mahabir Prasad Jalan, Chairman and the Company has made a representation for the same. The outcome of the same is awaited.
- (c) The appointment of Executive Directors is governed, in general, by resolution passed by the Board & Shareholders of the Company which covers the terms and conditions of such appointment. No separate Service Contract is being/has been entered with the Company. There are no specific provisions prevailing regarding severance fee in the resolution for the appointment. The Notice period is governed by the applicable provisions and guidelines.
- (d) Mr. Mahabir Prasad Jalan and Mr. Naresh Jalan, being the promoters of the Company are not eligible for grant of Options under the ESOP Scheme 2015 of the Company.
- (e) Mr. Pawan Kumar Kedia has been granted 9635 stock options at the Board Meeting held on 7th November, 2015. The options have been granted at a discount of 10 % to the price prevailing on the date of the grant. The grants will be vested over a period of 3 years from the date of the grant and can be exercised over a maximum period of 4 years from the date of vesting of such options.

Details of Sitting Fees to Non-Executive Directors

The Non-Executive Directors of the Company has not been paid any other remuneration apart from the eligible sitting fees for attending the meetings. The Non-Executive Independent Directors do not have any material pecuniary relationship or transaction with the Company. The details of the Sitting fees paid to the Non-Executive Directors for attending Board & Committee Meetings for the Financial Year 2015-16 are as follows: (₹ in Lakhs)

Sl. No.	Name of the Director	Sitting Fees
1	Mr. Ram Tawakya Singh	2.90
2	Mr. Padam Kumar Khaitan	3.05
3	Mr. Satish Kumar Mehta	2.60
4	Mr. Amitabha Guha	3.75
5	Ms. Aditi Bagri	3.25
6	Mr. Yudhisthir Lal Madan	4.35
	Total	19.90

Details of Shareholding in the Company by Directors

Details of shares of the Company held by the Directors as on 31st March, 2016 are as follows:-

Sl. No.	Name of Director	No. of shares held	% of Total Holding
1	Mr. Mahabir Prasad Jalan	4,51,000	1.57
2	Mr. Naresh Jalan	2,85,750	1.00
3	Mr. Pawan Kumar Kedia	13,629	0.05

Other than the above, none of the Directors hold any shares in the Company. The Non- Executive Directors do not hold any Convertible Instruments.

C. Stakeholder Relationship Committee

The Company has in place a Stakeholder Relationship Committee of Directors in terms of Section 178 (5) of the Act, read with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews, processes, standard operating procedures and initiatives taken by the Company relating to investor service, reviews compliances with the requirements relating to listing agreements and Corporate Governance, shareholding pattern, periodical transfers/transmissions of shares, de-materialisation and re-materialisation of shares, issue of duplicate certificates of the securities issued by the Company, complaints, if any, like transfer of shares, non-receipt of annual report, non-receipt of declared dividends, complaints made with any statutory agencies including SEBI by the shareholders/ investors, if any.

The composition of the Stakeholder Relationship Committee is given below:

Mr. Satish Mehta* – Chairman

Mr. Yudhisthir Lal Madan – Member

*Mr. Satish Kumar Mehta resigned w.e.f 9th May, 2016

Meetings and Attendance

During the Financial Year 2015-16, the Committee met Four times as follows :

Sl.No.	Dates	Strength	Presence of Directors
1	11.07.2015	2	2
2	30.09.2015	2	2
3	07.11.2015	2	2
4	12.02.2016	2	2

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Attendance record at the Stakeholders Relationship Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Satish Kumar Mehta	Non Executive	4	4
2	Mr. Yudhisthir Lal Madan	Independent	4	4

Compliance Officer

Mr. Rajesh Mundhra, Company Secretary, who is the Compliance Officer, can be contacted at:

Ramkrishna Forgings Limited.

"Ramkrishna Chambers",
72, Shakespeare Sarani,
Kolkata - 700017

Details of complaints received and redressed:

The details regarding complaints received and resolved during the Financial Year 2015-16 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	30	30	Nil

D. Management and Finance Committee

Composition

The Management and Finance Committee of the Board comprises of three Directors namely,

- 1) Mr. Mahabir Prasad Jalan – Chairman
- 2) Mr. Naresh Jalan – Member
- 3) Mr. Padam Kumar Khaitan – Member

The Committee meetings are attended by the Chief Financial Officer (CFO). The Company Secretary acts as the Secretary of the Committee.

Meetings and Attendance

During the year 2015-16 the Committee has met Six times as follows :

Sl. No.	Dates	Strength	Presence of Directors
1	06.04.2015	3	3
2	24.04.2015	3	3
3	26.06.2015	3	3
4	19.08.2015	3	3
5	31.10.2015	3	3
6	11.03.2016	3	3

Attendance record at the Management and Finance Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Mahabir Prasad Jalan	Non Independent, Executive	6	6
2	Mr. Naresh Jalan	Non Independent, Executive	6	6
3	Mr. Padam Kumar Khaitan	Independent	6	6

Terms of Reference

The Committee acts in accordance with the provisions of the Companies Act, and any other applicable laws and also monitor and review day-to-day financial and legal matters of the Company. The Minutes of the Committee is placed at the subsequent Board Meeting for approval.

The terms of reference of the Management and Finance Committee include the followings:

1. To borrow monies (Secured and/or Unsecured) from Bank(s)/NBFC(s)/Financial Institution(s) within the limits as approved by the Board and to take working capital loan of any amount within the Maximum Permissible Bank Finance (MPBF) and Non-Fund based facilities within the limit as assessed by the respective Banks/Financial Institutions from time to time and car loans for employees/Directors.
2. To undertake opening/Closure of the bank account.
3. To institute or withdraw any suit or other legal proceedings, to refer to arbitration any dispute or difference and to prosecute or defend any bankruptcy or insolvency proceedings.
4. To apply for Excise, VAT and Sales tax registration as required by the Company and authorise appointment or changes in the Authorised signatories for above.
5. To apply for PF, ESI and any other registration/licence that will be required by the Company in the normal course of business and authorise appointment or changes in the Authorised signatories for above.
6. To appoint Occupier under the Factories Act.
7. Approve appointment or changes of authorized signatories for bank accounts
8. Authorize for affixation of Common Seal of the Company on any or all documents as required by the Bank/Banks for execution of documents.
9. Empower any of its officer/officers of the Company either singly or jointly to execute any documents for any facility granted by the Banks/Financial Institutions.
10. Empower any of the officer/officers of the Company to execute / file the requisite particulars of charge with the Registrar of Companies upon execution of the Deed of Hypothecation/Indenture/Unattested Deed of Hypothecation or any other documents from time to time.

E. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee has formulated and adopted the CSR Policy. It discusses the activities to be undertaken; recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the Company. It aims at eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired, immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other matters as may be prescribed. The Board takes into account the recommendations made by the CSR Committee. The constitution of the Committee and the terms of reference meet the requirements of the Companies Act, 2013.

The Company Secretary acts as the Secretary of the Committee.

The Corporate Social Responsibility Committee of the Board comprises of three Directors namely,

- 1) Mr. Ram Tawakya Singh – Chairman
- 2) Mr. Mahabir Prasad Jalan – Member
- 3) Mr. Naresh Jalan – Member

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Meetings and Attendance

During the Financial Year 2015-16, the Committee met four (4) times, the details of which are as follows:

Sl.No.	Dates	Strength	Presence of Directors
1	16.05.2015	3	3
2	07.08.2015	3	3
3	07.11.2015	3	3
4	12.02.2016	3	3

Attendance record at the Corporate Social Responsibility Committee meeting:

Sl.No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Ram Tawakya Singh	Independent	4	4
2	Mr. Mahabir Prasad Jalan	Non Independent	4	4
3	Mr. Naresh Jalan	Non Independent	4	4

Terms of Reference

The scope and functions of the Committee would be as specified above to make it compatible with the requirements of Section 135(1) Companies Act, 2013

The terms of reference of the Corporate Social Responsibility Committee include the followings:-

- formulate and recommend a CSR policy to the board, indicating the activities as specified in Schedule VII of the Act
- recommend the amount of expenditure to be incurred on the activities indicated in the policy
- monitor the CSR policy regularly of the Company from time to time.

General Body Meetings:

The details of the last three years Annual General Meetings are given below:

Financial Year	Details of Location	Date	Time	No. of Special Resolution Passed
2014-2015	Indian Council for Cultural Relations, 9 A, Ho Chi Minh Sarani, Kolkata-71	12.09.2015	10.45 AM	6
2013-2014	Kalakunj, 48, Shakespeare Sarani, Kolkata-700017	17.06.2014	11.45 AM	4
2012-2013	Gyan Manch, 11, Pretoria Street, Kolkata - 700071	20.07.2013	11.45 AM	5

No Special resolutions were passed during the Financial Year 2015-2016 through Postal Ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot. The Company shall comply with the requirements of the Postal Ballot as and when required.

Means of Communication:

Quarterly results: The Company's quarterly results are published in 'Business Standard' (all editions) and 'Aajkaal' Bengali (vernacular) newspaper and are displayed on website www.ramkrishnaforgings.com.

News releases, presentations, among others: Official news releases and official media releases are sent to Stock Exchanges and are displayed on website www.ramkrishnaforgings.com.

Presentations to institutional investors / analysts: Detailed information are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results through earnings call. The transcripts

of the earnings call are also uploaded on the Company's website www.ramkrishnaforgings.com.

Website: The Company's website www.ramkrishnaforgings.com contains a separate dedicated section 'Investor Relations' where shareholder's information is available. The Company's Annual Report is also available in a user friendly and downloadable form.

Annual Report: The annual report containing, inter alia, audited standalone financial statement, consolidated financial statement, Director's report, Auditor's report, Corporate Governance report and other important information is circulated to members and others entitled thereto.

Management Discussion and Analysis (MDA) Report: The report on MDA is annexed to the Director's report and forms part of the annual report.

Disclosures to Stock Exchanges: The Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre: BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

General Shareholders Information

a) Annual General Meeting:

Date : 24th day of September, 2016

Time : 11.15 A.M.

Venue : 'Kala Kunj', 48, Shakespeare Sarani, Kolkata-700017

b) Financial Calendar:

The Financial Year of the Company is April 2016 to March 2017.

The probable dates for the publication of the quarterly results for the Financial Year 2016-17 will be within 45 days following the respective quarter and the Audited Financial Results for the year will be published within 60 days from the end of the financial year. Dividend Warrants will be posted to the shareholders within 30 days from the date of AGM.

c) Date of Book Closure : 17th to 24th September, 2016 (Both Days Inclusive)

d) Listing on Stock Exchange and Depositories :

- 1) Bombay Stock Exchange Limited (BSE).
- 2) The National Stock Exchange of India Limited.(NSE)
- 3) National Securities Depository Limited. (NSDL)
- 4) Central Depository Services (India) Limited. (CDSL)

The Company confirms that it has paid the Annual Listing Fees to both the Stock Exchanges and Depositories

e) Stock Code :

The scrip code as provided by Bombay Stock Exchange Limited is 532527

The symbol as provided by National Stock Exchange is RKFORGE

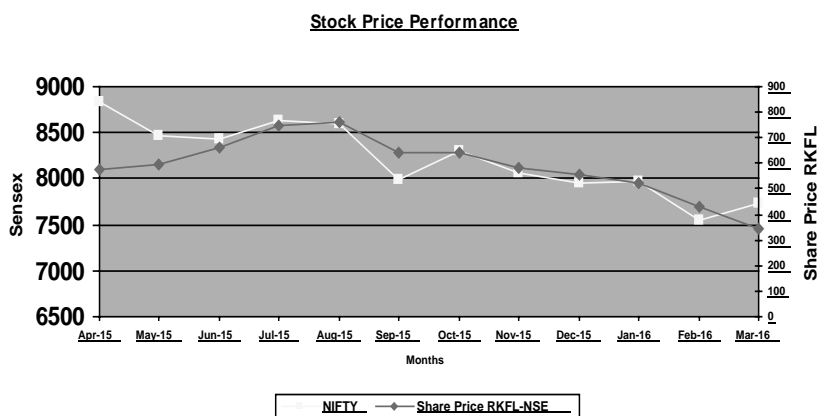
The ISIN no. as provided by the depositories is INE399G01015

f) **Market Price Data and the performance in comparison to NSE (NIFTY)**

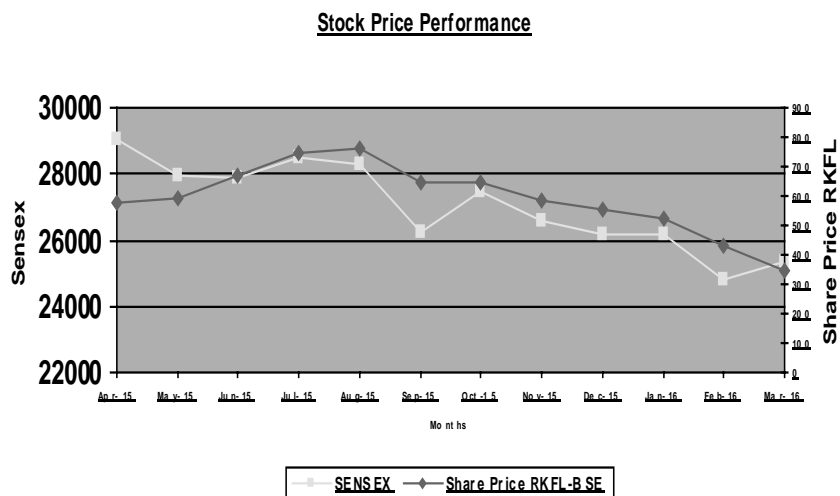
The high and low closing prices during each month of the year 2015-2016 at NSE and BSE and the NSE NIFTY are as given below :

Months	SHARE PRICE NSE		SHARE PRICE BSE		S & P CNX NIFTY		SENSEX	
	High Price	Low Price	High Price	Low Price	High	Low	High	Low
April, 15	572.90	438.75	573.90	439.50	8834.00	8181.50	29044.44	27011.31
May, 15	595.40	520.45	594.00	522.75	8458.95	8057.30	27957.50	26599.11
June, 15	662.70	505.30	666.25	505.75	8433.40	7965.35	27895.97	26370.98
July, 15	747.50	650.00	747.00	651.00	8633.50	8328.55	28504.93	27459.23
August, 15	762.05	601.75	763.00	602.50	8588.65	7791.85	28298.13	25714.66
September, 15	645.00	592.90	645.25	591.75	7981.90	7558.80	26218.91	24893.81
October, 15	645.05	573.75	643.25	574.50	8295.45	7950.90	27470.81	26220.95
November, 15	583.45	514.35	584.50	512.50	8060.70	7731.80	26590.59	25482.52
December, 15	558.00	512.95	557.05	512.50	7954.90	7610.45	26169.41	25036.05
January, 16	521.80	409.70	523.20	408.90	7963.20	7276.80	26160.90	23962.21
February, 16	428.60	284.85	430.15	287.45	7555.95	6970.60	24824.83	22951.83
March, 16	345.40	315.35	345.65	318.10	7735.20	7222.30	25341.86	23779.35

Comparison chart of price performance of the Company with S&P CNX Nifty



Comparison chart of price performance of the Company with Sensex



h) Registrar and Transfer Agents:

M/s. Karvy Computershare (P) Ltd.
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli
 Financial District, Nanakramguda,
 Hyderabad - 500 032
 Tel : +91 040 - 6716 1565
 Fax : +91 40 2342 0814
 E mail: mailmanager@karvy.com
 Website : www.karvycomputershare.com

i) Share Transfer System:

The shareholders submit their share transfer related documents to the share registrar and transfer agent whose address is mentioned in the record. The Board has delegated the power to transfer the shares to the Stakeholder Relationship Committee. If the transfer documents are in order, the transfer is approved by the Stakeholder Relationship Committee.

Share transfers are affected in time and all physical share certificates are dispatched to the transferees immediately after affecting the transfer. All Kinds of investors, related services both for physical as well as electronic segments are provided from the Share registry.

Half –yearly Certificate on compliance of Share Transfer formalities is obtained from Practising Company Secretary pursuant to Regulation 40 (9) & (10) of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a copy of the Certificate is filed with the Stock Exchanges in time.

j) Distribution of shareholding as on 31st March, 2016

Category (Shares)	No. of Holders	No. of Shares	% of Total Shares
0001 - 500	8696	10297770	35.92
0501 - 1000	618	4630000	16.15
1001 - 2000	318	4636330	16.17
2001 - 3000	125	3138220	10.95
3001 - 4000	47	1698340	5.92
4001 - 5000	51	2377740	8.29
5001 - 10000	86	6265690	21.85
10001 and above	122	253655310	884.74
TOTAL	10063	28669940	100.00

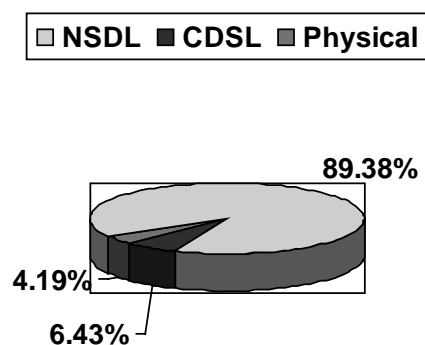
Pattern of Shareholding as on 31st March, 2016

Sl. No	Category	No. of Shares Held	%
1	Promoters Group	14451069	50.40
2	Institution Others (IFC)	1044215	3.64
3	Mutual Funds	3154874	11.00
4	Foreign Institutional Investor	1274074	4.44
5	Banks	8919	0.03
6	Foreign Portfolio Investors	763523	2.66
7	HUF	238055	0.83
8	Indian Financial Institutions	9615	0.03
9	Non Resident Indians	215061	0.75
10	Bodies Corporates	2581244	9.00
11	Indian Public/Others	4872527	17.00
12	Clearing Members	34274	0.12
13	NBFC	21790	0.08
	Total	28669940	100.00

k) Dematerialisation of Shares as on 31st March, 2016

Description	No. of Shareholders	Shares	%
PHYSICAL	16	1200136	4.19
NSDL	6654	25625318	89.38
CDSL	3393	1844486	6.43
Total:	10063	28669940	100.00

The shares of the Company are traded only in dematerialised form 27469804 shares which consist of about 95.81% of paid up equity share capital of the Company are held in a dematerialised form as on 31st March, 2016.



- l) Unclaimed & Unpaid Dividend** – The amount of unclaimed dividend are lying credit in separate bank accounts. The amount lying in credit of any unpaid dividend account if remained un-claimed for 7 years from the date they became due for payment shall be transferred to the Investor Education and Protection Fund.

m) Outstanding GDRs / ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company at its Board Meeting held on 14th July, 2014 had issued and allotted 12,00,000 warrants with an option to subscribe upto 12,00,000 Equity Shares of Rs.10 each to M/s Riddhi Portfolio (P) Limited, Promoter group, on a preferential basis at a price of Rs.150 per share. During the year, these Warrants were converted into 12,00,000 equity shares on 7th November, 2015 at a price of Rs. 150 per share.

On account of this Preferential Issue the Issued, Subscribed and Paid up Share capital has been increased to Rs.28,66,99,400 consisting of 2,86,69,940 Equity Shares of Rs. 10 each.

The utilisation of the preferential issue proceeds is provided at every meeting of the Audit Committee and the utilisation for the year ended 31st March, 2016 is disclosed in note no. 2(ii) of the notes to Accounts.

There are no outstanding GDR/ ADR as on 31st March, 2016.

n) Plant Locations:

- 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 , Industrial Area, Adityapur, Jamshedpur- 832109, Jharkhand.
- Plant V : Baliguma, Kolabira, Saraikela – Kharsawan – 833220, Jamshedpur- 832109, Jharkhand.

o) Address for correspondence:

For shares held in physical and demat form:

M/s. Karvy Computershare (P) Ltd.
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli
 Financial District, Nanakramguda,
 Hyderabad - 500 032
 Andhra Pradesh, India.
 Tel: + 040 - 6716 1565
 Fax : +91 40 2342 0814
 E mail: singh.us@karvy.com
 Website: www.karvycomputershare.com

For General Information:
 M/s. Ramkrishna Forgings Limited
 "Ramkrishna Chambers",
 72, Shakespeare Sarani, Kolkata - 700017, West Bengal
 Tel: +91 33 3984 0900
 Fax: +91 33 3984 0998
 E mail: neha.gupta@ramkrishnaforgings.com
 Website: www.ramkrishnaforgings.com

OTHER DISCLOSURES**a) Disclosure on materially significant Related Party Transactions:**

Your Company places the statement of the related party transactions at every Audit Committee meetings. The Register of Contracts containing the transactions in which the Directors are interested is placed at the Board meetings. The disclosures of the related party transaction in compliance with the Accounting Standard (AS-18) are set out in Note. 34 of the Notes to the Accounts. There were no materially significant related party transactions and none of the transactions are likely to have any conflict with the Company's interest. All related party transactions are negotiated on arms length basis and are intended to further Company's interest.

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b) Details of Non Compliance etc.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to the capital market during 2013-14, 2014-15 and 2015-16.

There are no penalties or strictures being imposed on the Company by the Stock Exchange, SEBI or any other Statutory Authorities on the Company.

c) Vigil Mechanism/ Whistle Blower Mechanism

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and Employees to report to the Audit Committee about the unethical behaviour, fraud or violation of Company's Code of Conduct. The Company affirms that no personnel has been denied access to the Audit Committee. The said policy is also available on the website of the Company. Link - <http://www.ramkrishnaforgings.com/policies.html>

d) Compliance of mandatory requirements

The Company has complied with the mandatory requirements as prescribed in Part C of Schedule V of the Listing Regulations;

e) Policy on Material Subsidiary and Related Party transaction Policy

In terms of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has adopted a policy with regard to determination of the material Subsidiary. The Policy is placed on the website of the company and is available at the Link <http://www.ramkrishnaforgings.com/policies.html>.

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors has adopted a policy with regard to determination of the Related Party Transaction. The Policy is placed on the website of the company and is available at the Link - <http://www.ramkrishnaforgings.com/policies.html>

f) Disclosure of commodity price risks and commodity hedging activities –

The Company does not have any commodity price risks and hence is not required to undertake any hedging activities.

g) Disclosures of the Compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (B) to (I) of Sub-Regulation (2) of Regulation 46

Regulation Status (Yes/No)	Particular of Regulations	Compliance
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

h) Code of Conduct:

The Board at its meeting held on 1st November, 2014 has adopted a revised Code of Conduct which lays down the procedures to be adhered by the Senior Management and Non-Executive Directors including Independent Directors. The Code is applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code of Conduct is available on the Company's website i.e. www.ramkrishnaforgings.com. The Code has been circulated to Directors and Senior Management Personnel, and they have affirmed compliance with the Code. The declaration that the Code of Conduct has been complied by the Board and the Senior Management is given below.

Declaration by the CEO under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

In accordance with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2016.

For Ramkrishna Forgings Limited

Naresh Jalan
(Managing Director)

i) Proceeds of the Preferential Issue

The Company at its Board Meeting held on 14th July, 2014 had issued and allotted 12,00,000 warrants with an option to subscribe upto 12,00,000 Equity Shares of Rs.10 each to M/s Riddhi Portfolio (P) Limited, Promoter group, on a preferential basis at a price of Rs.150 per share. These Warrants were converted into 12,00,000 equity shares on 7th November, 2015 at a price of Rs. 150 per share.

On account of this Preferential Issue the Issued, Subscribed and Paid up Share Capital has been increased to Rs.28,66,99,400 consisting of 2,86,69,940 Equity Shares of Rs. 10 each.

The receipt and the utilisation of the preferential issue proceeds is provided at every meeting of the Audit Committee and the receipt and the utilisation of the preferential issue proceeds for the year ended 31st March, 2016 is disclosed in note no. 2(ii) of the notes to Accounts.

j) Disclosure of Accounting Treatment

Your Company has followed all relevant accounting standards while preparing the financial statements.

k) CEO / CFO Certification

As per Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and the CFO / Whole Time Finance Director of the Company have certified to the Board regarding compliance of matters specified in regulation 17 (8) read with Part B of the Schedule II of the Listing Regulations.

l) Risk Management.

The Company has an approved Risk Management Policy by the Board. Risk evaluation and management is an ongoing process within the organisation and is periodically reviewed by the Board of Directors.

m) Subsidiary Company

The Company has one Subsidiary Company, M/s. Globe Forex and Travels Limited, which is not a material subsidiary of the Company and hence the requirement of inducting an Independent Director on the Board of Directors of the Subsidiary Company in terms of Regulation 24 (1) of the Listing Regulation is not applicable.

The Subsidiary Company are Board managed and their Board have the rights to manage the Company in the best interest of the stakeholders. The Company monitors performance of the Subsidiary Company in the best interest of the Stakeholders by the following means :-

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- a) All minutes of the Board Meetings of the Subsidiary Company are placed before the Company's Board regularly
- b) A Statement containing all significant transactions and arrangements, if any, entered into by the Subsidiary Company are placed before the Company's Board.
- c) Financial statements, in particular investments made by the subsidiary company, are reviewed by the Audit Committee and the Board.

n) **Management Discussion and Analysis Report**

It forms part of the Annual Report.

o) **Secretarial audit for Reconciliation of Share Capital**

The Securities and Exchange Board of India has directed vide **Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010** that all issuer Companies shall submit a '**Certificate of Reconciliation of Share Capital**' reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid-up capital.

The said Certificate, duly certified by the Company Secretary in practice is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

p) **Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting:**

The details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is annexed to the notice as well as herewith brief particulars of qualification and experience:

Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting :-

➤ **Mr. Mahabir Prasad Jalan**

Mr Mahabir Prasad Jalan, son of Late Kishan Gopal Jalan, is the promoter of the Company who is a well experienced technocrat possessing all the qualities of a successful businessman. He has done his graduation in Mechanical Engineering in the year 1970 from BITS, Pilani. He is having more than 45 years of work experience in this industry. Also he has served many Companies including Orient Paper Mills Limited, Spinning Accessories Ltd, Jaipur, Shalimar Wires Limited, Calicut Engg Works Limited at different Levels. Working at different organisations at different levels has given him the insights to understand the industry and sharp vision. His career started from shop floor eventually culminated into his first independent venture as Managing Partner of Tribeni Steel Forgings in the Year 1974. He finally promoted M/s. Ramkrishna Forgings Limited in the Year 1981 and since its inception is heading the organisation. Mr. Jalan is a special invitee to All India Forgings Industry Association and is also the member of the Institute of Engineers for the last ten years. He has been a key member of the technical & execution team for the erection, commissioning and stabilization of the Ring Rolling Line.

His Directorship in following Companies as on 31st March, 2016:

- a) Globe Forex & Travels Limited
- b) Ramkrishna Rail and Infrastructure Private Limited
- c) Clifftop Infrabuild Private Limited
- d) Northeast Infraproperties Private Limited
- e) Eastern Credit Capital Private Limited

He holds 451000 shares in the Company.

Directors seeking approval of appointment as the Independent Director of the Company for the period of 5 years at the ensuing Annual General Meeting:-

Mr. Partha Sarathi Bhattacharyya

He was born on 27-02-1951 and is a MSc (Physics), FICMA. Apart from that, he has also attended some major courses like:

Harvard University – 8 week program on investment Appraisal & Management –1990.

Cambridge University – 2 week Advanced Management Program 2006.

He has served as the:

- a) Chairman Coal India Ltd (CIL) - Oct 2006 to Feb 2011.
- b) Chairman /MD Bharat Coking Coal Ltd – Nov 2003 to Sept 2006
- c) Managing Director Haldia Petrochemical Corporation – April 2011 to June 2012
- d) Executive Director Deepak Fertilizers & Petrochemicals (DFPCL) -- Oct 2012 to June 2016

Major Awards & Accolades:

Some of the awards and accolades to Mr. Bhattacharyya are as follows:

1. CFO of the year – Indian Chambers of Commerce & World HRD Congress for 2010
2. High Achiever of the year 2010 chosen by Forbes Magazine
3. Swami Vivekananda National Award for Excellence in Corporate Management January 2011.
4. Featured in a book released by Tata Mcgraw Hill in January 2011 as a Transformational Leader.
5. SCOPE Award from Prime Minister in December 2010.

He is also a Director in the following Companies as listed below:

Deepak Fertilisers and Petrochemicals Corporation Ltd

Usha Martin Limited

Runge Pincock Minarco India Private Limited

Haldia Petrochemicals Limited

Karamchand Thapar & Bros (Coal Sales) Limited

He is a Chairman in the following Committees in other Companies:

- Risk Management Committee in Usha Martin Limited
- Audit Committee in Karamchand Thapar & Bros (Coal Sales) Limited

He is a Member in the following Committees in other Companies:

- Manufacturing & Operations Review Committee in Deepak Fertilisers and Petrochemicals Corporation Ltd
- Risk Management Committee in Deepak Fertilisers and Petrochemicals Corporation Ltd
- Nomination and Remuneration Committee in Karamchand Thapar & Bros (Coal Sales) Limited

He does not hold any share in the Company.

➤ **Mr. Sandipan Chakravorty**

He was born on 23 September, 1949. His educational qualifications are as follows:

- B.Tech. Hons. (Mechanical Engg.) from IIT, Kharagpur in 1970. He was a Merit Scholar throughout.
- M.Tech. (Indl.Engg. & Operations Research) from IIT, Kharagpur in 1972. (Ranked 2nd in Batch)
- PG Certificate (MIS) from Case Western Reserve University, USA in 1978.
- Advance Management Programme at CEDEP (Insead, France) in 1993.

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He has served /holds the under-mentioned positions:

- 1) Chairman of Jamshedpur Utilities and Service Company Ltd. (JUSCO) (A Tata Company)
- 2) Chairman of Tata Martrade International Logistics Ltd, (A Tata Company)
- 3) Lead Director of Mjunction Service Ltd.
- 4) Member on the Board of Governors of IIT Kharagpur.
- 5) Member on the Board of Trustees of Kolkata Port Trust (The Apex Authority of Kolkata and Haldia ports)
- 6) Member of the Board of Governors of Ghani Khan Choudhury Institute of Engineering Technology, Malda.
- 7) Member, Advisory Board of Calcutta Business School.
- 8) Past Managing Director of Tata Steel Processing And Distribution Ltd.
- 9) Past President – International Chromium Development /Association (Paris)
- 10) Past Chairman – The Indian Ferro Alloy Producers' Association
- 11) Past President – Coal Consumers' Association of India, Kolkata

Further, some of the Social Positions and Responsibilities that he holds are:

- Chairman - CH North East States Council and National Council Member.
- Immediate Past President, Tollygunge Club Ltd. (First Tata Officer to be President of this leading Club of Asia.
- Past Chairman - CH National Council for development of Backward Areas (Actively engaged with Government of India and different state Governments for improving the quality of lives of backward tribes and races).
- CH - Eastern Region Council (Past Chairman and continue to be formally engaged in mega activities of CH).
- Member of the Bengal Chamber of Commerce and Industry (past president and actively involved in different activities related to industry and commerce in West Bengal).

He is holding Directorship in the following Companies.

- 1) Mjunction Services Limited
- 2) TM International Logistics Limited

He does not hold any share in the Company.

Directors seeking Re-appointment at the ensuing Annual General Meeting:-

➤ Mr. Naresh Jalan

Mr. Naresh Jalan, son of Mr. Mahabir Prasad Jalan, is the Managing Director of the Company. He has done his MBA in Finance and Marketing from Symbiosis, Pune. He possesses more than 20 years of experience in forging industry. Under his leadership the company has achieved very high growth in turnover and in the process has added several new products and customers. He is equally good in technical field as well as in administration.

His Directorship in following Companies as on 31st March, 2016:

- a) Globe Forex & Travels Limited
- b) Ramkrishna Rail and Infrastructure Private Limited
- c) Clifftop Infrabuild Private Limited
- d) Northeast Infraproperties Private Limited
- e) Eastern Credit Capital Private Limited

He holds 285750 shares in the Company.

➤ **Mr. Pawan Kumar Kedia**

Mr. Pawan Kumar Kedia is a bachelor of Commerce with a diploma in Taxation. He possesses an experience of about 28 years in various Companies. He started his career as an Article clerk in M/s C. L. Saraf & Co and then worked as commercial manager in M/s Vishnu Straw Board and Indiana Group for five to ten years respectively. Before joining the Company in 1998, he worked with M/s Khaitan India Limited as Internal Auditor for two years.

His Directorship in following Companies as on 31st March, 2016:

- 1) M/s. Riddhi Portfolio Private Limited

He holds 13629 shares in the Company.

q) **Code of Conduct for Prevention of Insider Trading**

The Board has formulated and approved a revised comprehensive 'Ramkrishna Forgings Limited Code on Prevention of Insider Trading (hereinafter referred as Code of Conduct) in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. The objective of the code is to prevent an insider viz. Directors, Officers and Designated Employees from dealing in shares of the Company on the basis of Unpublished Price Sensitive Information. The Trading window is closed on the occurrence of events as specified in the code. Permission of Compliance officer is required for dealing in shares beyond specific limit. The Company obtains declaration from the senior managerial personnel and the Directors on an Annual basis under the code and places the same before the Board. The Company Secretary is the Compliance officer under the code.

r) **Employee Stock Options**

The information on Options granted by the Company during the financial year 2015-16 and other particulars with regard to Employees' Stock Options are set out in the Director's Report.

DISCRETIONARY REQUIREMENTS UNDER REGULATION 27(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

- A. THE BOARD :** The Chairman of the Company is an Executive Director
- B. SHAREHOLDERS' RIGHTS :** The Company, as of now, does not send half-yearly results to the household of the shareholders. However, the Company displays its quarterly and half-yearly results on its website www.ramkrishnaforgings.com and publishes it in the widely circulated newspapers.
- C. AUDIT QUALIFICATIONS:** The auditors have not qualified the financial statements of the Company.
- D. SEPARATE POST OF CHAIRMAN AND MANAGING DIRECTOR/CEO :** The Company is having separate post of Chairman and Managing Director. Mr. Mahabir Prasad Jalan is the Chairman and Mr. Naresh Jalan is the Managing Director of the Company.
- E. REPORTING OF INTERNAL AUDIT:** The Internal Auditors regularly updates and reports to the Audit Committee about the internal audit findings.

For **Ramkrishna Forgings Limited**

Naresh Jalan
(Managing Director)

Auditor's Certificate on Corporate Governance

To
The Members of
RAMKRISHNA FORGINGS LIMITED

We have examined the compliance of conditions of Corporate Governance of M/s Ramkrishna Forgings Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in clause 49 of the listing agreement ("Listing Agreement") of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from 1st December 2015 to 31st March, 2016..

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement Regulation as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No. 302049E

Rajiv Singhi
Partner
Membership No. 053518

Place : Kolkata
Date : 13th August, 2016

Independent Auditor's Report

To the Members of
Ramkrishna Forgings Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **RAMKRISHNA FORGINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to **Note No. 30** to the financial statements which describes that the company has paid a managerial remuneration in excess of the limits as laid down in the section 309(3) read with Schedule XIII of the Companies Act, 1956 of Rs. 65.62 Lakhs and Rs. 106.38 Lakhs respectively during the financial year 2012-13 and 2013-14 to Mr. Mahabir Prasad Jalan, Chairman. Since the payment of the remuneration in excess of the limits requires approval of the Central Government the Company had made an application to the Central Government. The Central Government has rejected the application made for Mr. Mahabir Prasad Jalan, Chairman and the Company has made a representation for the same. The outcome of the same is awaited. Our opinion is not modified in respect of this matter.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B', and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – **Refer Note 31 & 32** to the financial statements.
 - ii. The Company has long-term contracts including derivative contracts as at 31st March, 2016 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

Rajiv Singhi
Partner
Membership No. 53518

Place : Kolkata
Date : The 21st May, 2016

Annexure A

referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: **Ramkrishna Forgings Limited** (the Company)

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
- (c) According to the information and explanations given to us and on the basis of the examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- II. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management except materials lying with third parties, where confirmations are obtained and no material discrepancies between book stock and physical stock have been found.
- III. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans and investments made.
- V. The Company has not accepted any deposit from the public.
- VI. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of Sales Tax, Income Tax, duty of custom, Wealth Tax, duty of excise, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2016 are as under :-

Name of the status	Nature of Dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	28.38	2007-08	CIT (Appeal) Kolkata.
Income Tax Act, 1961.	Income Tax	0.16	2010-11	CIT (Appeal) Kolkata.
Income Tax Act, 1961.	Income Tax	0.07	2011-12	CIT (Appeal) Kolkata.
The Central Excise Act, 1994	Excise Duty	35.44	2010-11 & 2011-12	Jt. Commissioner, Central Excise, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	33.98	2004-05 to 2006-07	CESTAT, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	15.34	2007-08 to 2011-12	Additional Commissioner, Service tax, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	9.37	2009-10	Commissioner Appeals-1, Kolkata

82	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to the Financial Statement
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- VIII. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.
- IX. The company has not raised any money by way of initial public offer or further public offer including debt instruments during the year. Further, according to the information and explanations given to us the Company has applied term loans for the purpose for which they were obtained during the year.
- X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII. The company is not a Nidhi Company. Accordingly, paragraph 3(XII) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV. During the year the company has made allotment of 12,00,000 equity shares on conversion of 12,00,000 warrants of ₹ 10 each which were issued on a preferential basis during the previous year in accordance with the provisions contained in Section 42 of the Companies Act 2013. The proceeds have been utilized for the purpose for which they have been raised.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(XV) of the Order is not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

Rajiv Singhi
Partner
Membership No. 53518

Place : Kolkata
Date : The 21st day of May, 2016

Annexure B

To the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **RAMKRISHNA FORGINGS LIMITED ("the Company")** as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

Rajiv Singhi
Partner
Membership No. 53518

Place : Kolkata
Date : The 21st day of May, 2016

84	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to the Financial Statement
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Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	2,866.99	2,746.99
Reserves and Surplus	'3'	44,283.17	37,783.81
Money received against Share Warrants		-	580.00
TOTAL		47,150.16	41,110.80

Non-Current Liabilities			
Long-Term Borrowings	'4'	50,720.31	44,302.87
Deferred Tax Liabilities	'5'	5,427.09	3,444.09
Other Long-Term Liabilities	'6'	1,053.69	508.40
Long-Term Provisions	'7'	141.08	97.82
TOTAL		57,342.17	48,353.18
Current Liabilities			
Short-Term Borrowings	'8'	30,162.88	24,596.87
Trade Payables			
(a) Dues of micro enterprises and small enterprises	'9'	1.35	9.02
(b) Dues of other creditors	'9'	14,476.06	13,332.85
Other Current Liabilities	'10'	13,518.90	12,455.16
Short-Term Provisions	'11'	758.00	744.33
SUB TOTAL		58,917.19	51,138.23
TOTAL		1,63,409.52	1,40,602.21

ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'12'	93,674.95	52,066.65
Intangible Assets	'12'	252.89	320.40
Capital Work-in-Progress		3,506.28	31,568.32
Non-Current Investments	'13'	670.32	670.32
Long-Term Loans and Advances	'14'	7,652.86	5,717.84
TOTAL		1,05,757.30	90,343.53
Current Assets			
Inventories	'15'	22,005.42	17,560.55
Trade Receivables	'16'	28,535.55	26,186.93
Cash and Bank Balances	'17'	143.39	48.35
Short-Term Loans and Advances	'18'	5,506.07	4,763.27
Other Current Assets	'19'	1,461.79	1,699.58
SUB TOTAL		57,652.22	50,258.68
TOTAL		1,63,409.52	1,40,602.21

Significant Accounting Policies

'1'

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 21st day of May, 2016

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in Lakhs)

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
REVENUES			
Revenue from Operations (Gross)	'20'	95,539.96	78,413.22
Less: Excise Duty		5,824.59	4,337.27
Revenue from Operations (Net)		89,715.37	74,075.95
Other Income	'21'	342.96	573.32
Total Revenues		90,058.33	74,649.27
EXPENSES			
Cost of Raw Materials Consumed	'22'	40,728.90	35,506.47
Changes in Inventories	'23'	(3,090.63)	1,481.22
Employee Benefits Expenses	'24'	7,387.08	4,468.10
Power & Fuel		7,068.46	5,576.95
Finance Costs	'25'	5,238.62	3,029.55
Depreciation and Amortization Expenses	'26'	5,302.25	3,121.65
Other Expenses	'27'	19,950.30	14,369.37
Total Expenses		82,584.98	67,553.31
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		7,473.35	7,095.96
EXCEPTIONAL ITEMS	'28'	-	746.22
PROFIT BEFORE TAX		7,473.35	7,842.18
Tax Expense:			
Current tax		1,595.00	1,642.00
MAT Credit Entitlement		(1,595.00)	(1,642.00)
Tax adjustments for earlier years (Net)		1.41	14.61
Deferred tax		1,983.00	353.99
Profit/ (Loss) for the period		5,488.94	7,473.59
Earnings per Share (EPS) (Weighted Average):	'40'		
Basic EPS (in ₹)		19.64	27.61
Diluted EPS (in ₹)		19.64	26.93

Significant Accounting Policies

Accompanying Notes are integral part of the financial statement.

'1'

As per our attached report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Date : The 21st day of May, 2016

For and on behalf of the Board

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET(LOSS)/PROFIT BEFORE EXTRAORDINARY ITEM AND TAXES	7,473.35	7,842.18
Adjustments for:		
Depreciation	5,302.25	3,121.65
Sundry Balance written (back) / Off	22.72	(41.67)
(Profit) / Loss on sale of Fixed Assets/Discarded Assets	13.76	(421.46)
(Profit) / Loss on sale of Investment	-	(361.38)
Employees Stock Option Expenses	23.79	-
Interest income	(286.49)	(190.37)
Interest expense	5,238.62	3,029.55
Effect of Exchange rate change (Net)	262.67	229.98
Dividend income	-	(7.98)
Operating Profit/(Loss) before Working Capital Changes	18,050.67	13,200.51
Movements in Working Capital		
Decrease/(Increase) in Trade receivable	(2,107.34)	(13,728.56)
Decrease/(Increase) in Loans & Advances & Others Current Assets	(393.43)	2,399.00
Decrease/(Increase) in Inventories	(4,444.87)	(1,847.09)
(Decrease)/Increase in Trade Payables	1,160.13	3,205.55
(Decrease)/Increase in Loans & Others Current Liabilities	223.88	3,173.08
Direct Tax paid	(1,563.80)	(1,515.53)
	(7,125.43)	(8,313.55)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	10,925.25	4,886.95
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets(Including Capital Work in Progress)	(17,098.84)	(29,937.95)
Proceeds from Sale of Fixed Assets / Adjusted	6.94	901.29
Loan & Advances to Subsidiary	(400.00)	173.00
Amount Received from ESOP Trust	-	1,353.57
Interest Received	278.82	195.48
Dividend Received	-	7.98
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(17,213.08)	(27,306.63)

Cash Flow Statement

for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital including Securities Premium	1,220.00	1,336.24
Share Warrant Allotment Money Received	-	580.00
Proceed from Long Term Borrowings	9,139.34	14,783.36
Repayment of Long Term Borrowings	(3,196.49)	(4,000.28)
Short Term Borrowings (Net)	5,510.12	13,082.74
Interest Paid	(5,661.53)	(4,437.03)
Dividend including Dividend Tax	(659.25)	(305.35)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	6,352.19	21,039.68
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	64.35	(1,380.00)
OPENING CASH AND CASH EQUIVALENTS	48.35	1,428.34
CLOSING CASH AND CASH EQUIVALENTS	112.70	48.35
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	64.35	(1,380.00)

Notes:

a) Above statement has been prepared under indirect method except in case of interest, dividends and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities.

b)	Cash and Cash Equivalents Include:	2015- 16	2014- 15
	- Cash in hand	4.29	5.55
	- With Scheduled Bank -		
	a) Deposits with Less than 3 month initial maturity	90.05	-
	b) Current Account	18.36	42.80
		112.70	48.35
c)	Closing Cash and Cash Equivalents represents "Cash & Bank Balance" except ₹ 1.19 lakhs lying in Current Account with schedule bank on account of unclaimed dividends which are not available for use by the Company.		

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 21st day of May, 2016

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2016

1 SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the assets and liabilities are capitalised as current or non-current as per criteria as set out in Schedule III to the Companies Act 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the items of Income and Expenditure have been recognized on accrual basis except certain Insurance claim, Sales Tax / Excise claims / refunds which are accounted on cash basis where the amounts are unascertainable."

B. Use of Estimates

In preparing Company's financial statement in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of Contingent Liabilities at the date of financial statement and reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates. Difference between actual result and estimates are recognized in the period in which the results are known/materialized.

C. Fixed Assets

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, construction and improvement made, which are inclusive of freight, duty (net of Cenvat), taxes, incidental expenses, interest and fund raising cost and other pre-operative expenses apportioned.
- (ii) Capital work-in-progress are stated at cost including interest, fund raising cost and related expenses incurred during construction or pre-operative period.
- (iii) Machinery spares which can be used only in connection with an item of Fixed Asset and whose use as per technical assessment is expected to be irregular are capitalised and depreciated prospectively over the residual life of the respective assets.

D. Depreciation and Amortization

- (i). The company has revised its policy of providing depreciation on fixed assets effective April 1, 2014 as prescribed in Part - C of Schedule II of the Companies Act 2013 (the Schedule II). The useful life of assets mentioned below have been revised where appropriate as per management technical evaluation as the management believe that the useful live as given below best represents the period over which management expects to use these assets which are different from life prescribed in Schedule II.

a) CNC Machines	-	20 Years
b) Furnace	-	20 Years
c) Press, Hammer & Upsetter	-	40 Years
d) Production Resource Tools	-	10 Years
e) Pumps & Motors	-	10 Years

For remaining assets the useful life has been determined as per Schedule -II.

- (ii). Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets. Depreciation for assets purchased / sold during a period is proportionately charged. Depreciation on change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis. Leasehold lands are amortized over the lease period.

Depreciation and amortisation method, useful live and residual values are reviewed periodically, including at each financial year end.

E. Impairment of Assets

The Company on an annual basis makes an assessment of any indicator that may lead to Impairment of Assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and charged to Statement of Profit and Loss. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

F. Inventories

Inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale. Cost of Inventories of Raw Materials, Stores and Spares and fuel are determined on Weighted average method. Inventories of Finished Goods and Work in Progress are valued at weighted average method which includes material cost, cost of conversion, depreciation and other overheads to the extent applicable. Scrap is valued at net realisable value.

G. Investments

- (i) Long Term investments are stated at cost less provisions, if any for diminution in value, which are considered to be other than temporary in nature.
- (ii) Current Investments are stated at lower of cost or fair value.

H. Foreign Currency Transactions

- (i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Year end balance of foreign currency transaction are translated at the year end rate.
- (ii) Any Income or Expense on account of exchange rate difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term borrowings relating to acquisition of fixed assets where resultant exchange rate difference has been adjusted to the carrying cost of such assets.
- (iii) In respect of transactions covered under forward foreign exchange contracts the difference between the forwards rate and the exchange rate at the inception of contract is recognized as income or expense over the life of the contract.

I. Employee benefits

- (i) Short term employees benefit are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- (ii) Post employment and other long term benefit are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined at the year end on the basis of an actuarial valuation using projected unit credit method. Actuarial gains and losses in respect of post employment and other long term benefit are charged to Statement of Profit and Loss.
- (iii) The Company's contribution to the Provident Fund and the Family pension fund are charged to statement of Profit and Loss.

J. Employee Stock Option Scheme / Share-based payments

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on straight line basis over the vesting period of the option. In case of forfeiture of option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

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K. Revenue Recognition

Sales revenue is recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer. Dividend income on investment is accounted for when the right to receive the payment is established.

L. Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition / construction of qualifying fixed assets are capitalised up to date when such assets are ready for its intended use / commercial production started and other borrowing costs are charged to Statement of Profit and Loss.

M. Government Grant

Government grants are recognised when there is a reasonable assurance that the same will be received. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to Capital Reserve.

N. Taxation

Provision for current Income Tax is made in accordance with the provisions of the Income Tax Act 1961. Deferred Tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a reasonable/virtual certainty that asset will be realised in future.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

O. Excise Duty

Excise Duty and Cess on manufacturing goods is accounted for at the time of their clearances from the factory. Excise Duty and Cess in respect of stock of finished goods and Scrap awaiting clearance from the factory at the year-end are considered for valuation of inventory.

P. Earning per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

Q. Provisions, Contingent Liabilities and Contingent Assets Impairment of tangible and intangible assets excluding goodwill

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

		As at 31st March, 2016		As at 31st March, 2015	
2	SHARE CAPITAL :	Numbers	(Lakhs)	Numbers	(Lakhs)
	Authorized:				
	Equity Shares of ₹ 10/- each	29,750,000	2,975.00	29,750,000	2,975.00
			2,975.00		2,975.00
	Issued:				
	Equity Shares of ₹ 10/- each fully paid up	28,669,940	2,866.99	27,469,940	2,746.99
			2,866.99		2,746.99
	Subscribed and Paid-up:				
	Equity Shares of ₹ 10/- each fully paid-up	28,669,940	2,866.99	27,469,940	2,746.99
			2,866.99		2,746.99

- i) The Company, as on 31st March, 2015, had 12,00,000 outstanding warrants which were issued to M/s. Riddhi Portfolio (P) Limited, Promoter group, on a preferential basis at a price of ₹ 150/- per warrant. On 07th November 2015 the above warrants has been converted into equity shares of ₹ 10/- each at a premium of ₹ 140/- per share.

(₹ in Lakhs)

ii)	Statement of utilisation of the Preferential issue		
	Unutilised Preferential issue proceeds at the beginning of the year	130.00	
	Add : Preferential issue proceeds received for allotment and conversion of 12,00,000 warrants to Riddhi Portfolio Private Ltd at ₹ 150/- per warrant	1,220.00	1,350.00
	Less : Utilised for financing the capital expenditure in respect of the projects		1,350.00
	Amount lying in the bank accounts of the Company as on 31st March, 2016		NIL

(₹ in Lakhs)

		As at 31st March, 2016	As at 31st March, 2015
a.	Reconciliation of the number of Shares outstanding:		
	Equity Shares		
	Outstanding at the beginning of the year	27,469,940	26,099,440
	Add: Shares issued on conversion of warrants	1,200,000	1,370,500
	Outstanding at the end of the year	28,669,940	27,469,940

b. The Company does not have any Holding Company.

c. Right, Preference and restrictions attached to Shares:

The Company has one class of equity shares having at par value of ₹ 10/- per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

For the year ended 31st March, 2016, the Board of Directors of the Company has recommended dividend of ₹ 2/- per share (Previous year ₹ 2/- per share) to equity shareholders aggregating to ₹ 573.40 Lakhs (Previous year ₹ 549.40 Lakhs). The total payout together with the Corporate Dividend Distribution Tax of ₹ 119.98 Lakhs (Previous year ₹ 109.85 Lakhs), will be ₹ 693.38 Lakhs (Previous year ₹ 659.25 Lakhs).

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d. Shareholder holding more than 5 percent shares of the Company:

Name of Shareholder		As at 31st March, 2016		As at 31st March, 2015	
		Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
1	Riddhi Portfolio Private Limited	7,288,319	25.42%	6,027,415	21.94%
2	Eastern Credit Capital Private Ltd.	5,618,500	19.60%	5,618,500	20.45%
3	International Finance Corporation	1,044,215	3.64%	1,590,477	5.79%
4	Reliance Capital Trustee Co. Ltd. - A/C Reliance Tax Saver (ELSS) Fund	1,080,000	3.77%	1,438,917	5.24%

- e. The Company has not reserved any shares for issue of option and contract / commitment for sales of shares / disinvestment.
- f. The Company during the preceding 5 years -
- Has not allotted shares pursuant to contracts without payment received in cash.
 - Has not allotted shares as fully paid up by way of bonus shares
 - Has not bought back any shares
- g. There are no calls unpaid by Directors / Officers.
- h. The Company has not forfeited any shares.

(₹ in Lakhs)

3	RESERVES AND SURPLUS:	As at 31st March, 2016	As at 31st March, 2015
	(a). Capital Reserve		
	As per last Financial Statement	3,546.01	3,274.98
	Add: Capital Subsidy receivable	-	137.94
	Add: On forfeiture of Share Warrant Money	-	133.09
		3,546.01	3,546.01
	(b). Securities Premium Account		
	As per last Financial Statement	17,039.81	15,395.23
	Add: On conversion of warrants into equity shares	1,680.00	1,644.58
		18,719.81	17,039.81
	(c). Employee's Stock Options Outstanding		
	ESOP cost amortised during the year	23.79	-
		23.79	-
	(d). General Reserve		
	As per last Financial Statement	1,448.15	698.15
	Add: Transfer from Statement of Profit and Loss	750.00	750.00
		2,198.15	1,448.15
	(e). Surplus in the Statement of Profit and Loss		
	As per last Financial Statement	15,749.85	9,685.51
	Add: Profit for the period	5,488.94	7,473.59
		21,238.79	17,159.09
	Less: Proposed Dividend on Equity Shares	573.40	549.40
	Less: Tax on Proposed Equity Dividend	119.98	109.85
	Less: Transfer to General Reserve	750.00	750.00
		19,795.41	15,749.85
		44,283.17	37,783.81

(₹ in Lakhs)

		Non Current portion		Current Maturities	
		As at		As at	
4	LONG-TERM BORROWINGS	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Secured				
	From Banks				
	Term Loan	48,220.31	44,302.87	5,389.61	3,125.36
		48,220.31	44,302.87	5,389.61	3,125.36
	Unsecured				
	From Banks				
	Term Loan	2,500.00	-	-	-
		2,500.00	-	-	-
		50,720.31	44,302.87	5,389.61	3,125.36
	Less: Disclosed under the head current liabilities	-	-	5,389.61	3,125.36
	(Note No. 10)	50,720.31	44,302.87	-	-

(a) Security:

- Term loans (except those which are having exclusive charge) are secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line and those assets for which there is an exclusive charge of other bankers and subject to charges of the Company's bankers created / to be created in their favour for working capital loans. It is further secured by the second charge on the current assets of the Company, both present and future, excluding hundies of Tata Motors discounted by State Bank of India.
- Term Loan of ₹ 1,600 Lakhs from Development Credit Bank is secured by the subservient charge on the current assets of the Company and collateral security of land alongwith building at 72 Shakespeare Sarani. Kolkata - 700 017.
- Term Loan of Euro. 163.58 Lakhs from Landesbank Baden –Wurttemberg(LBBW) is secured by the first charge on the 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line imported from SMS,Gmbh.
- Term loan of ₹ 952 Lakhs from IDBI Bank Limited is secured by the specific charge on the assets financed by them.

(b) Repayment schedule is as follows:

(₹ in Lakhs)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 to 2024-2026	Total
Secured									
Term Loan & Buyer's Credit	5,389.61	11,724.16	9,330.80	7,829.43	7,335.76	4,256.04	4,461.94	5,782.18	56,109.91
TOTAL									56,109.91

(c) Interest Rate & Repayment of Loan

Term Loan from bank / financial institutions carries interest EUR libor + 49 bps to 13% p.a.

Loan are repayable in monthly / quarterly / half yearly instalments.

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(₹ in Lakhs)

5	DEFERRED TAX:	As at 31st March, 2016	As at 31st March, 2015
	Major components of Deferred Tax arising on account of temporary timing differences are given below:		
	(a). Deferred Tax Liabilities		
	Depreciation and Amortization Expenses	8,182.16	4,787.47
		8,182.16	4,787.47
	(b). Deferred Tax Assets		
	On Retirement benefits expenses as per AS - 15	71.19	63.30
	On Others	122.84	-
	Business Loss including Unabsorbed Depreciation (i)	2,561.04	1,280.08
		2,755.07	1,343.38
	Deferred Tax Liabilities (Net)	5,427.09	3,444.09

- (i). In view of revised profitability projections considering additional contribution from new plant, the Company is now certain that there would be sufficient taxable income in future periods, accordingly it has recognised deferred tax assets on business Losses including unabsorbed depreciation calculated as per Income Tax Act, 1961.

(₹ in Lakhs)

6	OTHER LONG - TERM LIABILITIES:	As at 31st March, 2016	As at 31st March, 2015
	Other Liabilities	1,053.69	508.40
		1,053.69	508.40

(₹ in Lakhs)

7	LONG-TERM PROVISIONS:	As at 31st March, 2016	As at 31st March, 2015
	Provision for Employee Benefits	141.08	97.82
		141.08	97.82

(₹ in Lakhs)

8	SHORT-TERM BORROWINGS:	As at 31st March, 2016	As at 31st March, 2015
	Secured		
	Loans repayable on demand		
	From Banks - Working Capital Loan	26,211.96	23,534.37
		26,211.96	23,534.37
	Unsecured		
	Loan repayable on demand		
	From Bank	3,950.92	1,062.50
		3,950.92	1,062.50
		30,162.88	24,596.87

(a) **Security:**

- (i) Working capital loans from banks are secured by first pari-passu charge on current assets of the Company, both present and future, excluding hundies of Tata Motors discounted by State Bank of India, and second pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding assets which are exclusively charged to other lenders, 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line from SMS GmbH subject to prior charges in favour of banks created/ to be created in respect of any existing / future financial assistance / accommodation which has been/may be obtained by the Company. State Bank of India has exclusive charge on the debtors of Tata Motors for the Hundies discounted by them.

(₹ in Lakhs)

9	TRADE PAYABLES:	As at 31st March, 2016	As at 31st March, 2015
	Micro, Small and Medium Enterprises (Refer Note No. 43)	1.35	9.02
	Others	14,476.06	13,332.85
		14,477.41	13,341.87

(₹ in Lakhs)

10	OTHER CURRENT LIABILITIES:	As at 31st March, 2016	As at 31st March, 2015
	Current maturities of long-term debt	5,389.61	3,125.36
	Interest accrued but not due on borrowings	320.62	201.84
	Amount shall be credited to Investor's Education and Protection Fund (as and when due)		
	Unpaid Dividends	1.19	1.24
	Project Liabilities	3,489.13	4,650.40
	Advance from Customers	21.67	46.05
	Payable to Employees	906.84	681.98
	Statutory dues	379.63	376.24
	Other Payables #	3,010.21	3,372.05
	# Other payable represents Repairs & Maintenance, Carriage Outward Expenses, Payable to Subsidiary etc.	13,518.90	12,455.16

(₹ in Lakhs)

11	SHORT-TERM PROVISIONS:	As at 31st March, 2016	As at 31st March, 2015
	Employee Benefits		
	- Gratuity	56.98	82.06
	- Leave Encashment	7.64	3.02
	Proposed Dividend	573.40	549.40
	Tax on Proposed Dividend	119.98	109.85
		758.00	744.33

(₹ in Lakhs)

Description	Gross Block			Depreciation / Amortization			Net Block	
	As at 01-04-2015	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2016	As at 01-04-2015	For the Year	As at 31-03-2016	As at 31-03-2015
12 FIXED ASSETS:								
A. Tangible Assets								
Land & Land Development								
Lease Hold Land	138.34	-	-	138.34	49.34	4.48	84.52	89.00
Free Hold Land	487.21	108.16	-	595.37	-	-	595.37	487.21
Total	625.55	108.16	-	733.71	49.34	4.48	679.89	576.21
Factory Shed & Building	6,569.73	2,723.32	-	9,293.05	699.16	206.33	8,387.56	5,870.58
Office Building	2,828.57	2,858.50	-	5,687.07	170.63	49.78	5,466.66	2,657.94
Plant & Machinery	54,088.40	40,082.67	57.43	94,113.64	13,823.36	4,439.26	75,895.22	40,265.04
Vehicles	470.01	57.04	9.11	517.94	90.65	62.29	371.66	379.36
Furnitures & Fixtures	2,125.31	485.02	1.51	2,608.82	479.89	248.06	1,880.97	1,645.43
Computer (Inc. Software)	758.48	175.11	-	933.59	441.22	109.61	382.76	317.26
Office Equipments	198.03	41.82	0.44	239.41	116.57	32.26	90.58	81.46
Air Condition Machine	341.71	289.35	-	631.06	68.34	43.07	519.65	273.37
Total (A)	68,005.80	46,820.99	68.49	114,758.29	15,939.16	5,195.14	93,674.95	52,066.65
B. Intangible Assets								
Computer Software	620.37	39.60	-	659.97	299.96	107.12	252.89	320.40
Total (B)	620.37	39.60	-	659.97	299.96	107.12	252.89	320.40
Total (A+B)	68,626.17	46,860.59	68.49	115,418.26	16,239.11	5,302.26	93,927.84	52,387.05
Previous Year	36,699.93	32,618.79	692.56	68,626.17	13,330.21	3,121.66	52,387.05	23,369.75

(₹ in Lakhs)

13	NON-CURRENT INVESTMENTS:	As at 31st March, 2016	As at 31st March, 2015
(i)	Other than Trade		
	Investments in Equity Instruments (Unquoted) (at cost)		
	In Equity Shares of Subsidiary Company - Fully paid-up		
	- 8,81,400 Equity Shares (Previous year 8,81,400 Nos. Equity Shares) of "Globe Forex & Travel Ltd." of ₹ 10/- each fully paid up	659.82	659.82
	In Equity Shares of Other Company - Fully paid-up		
	- 1,050 Equity Shares (Previous year 1,050 Equity Shares) of "Adityapur Auto Cluster" of ₹ 1000/- each fully paid up	10.50	10.50
		670.32	670.32

- (ii). Although the book value of investments (amount not ascertained) is lower than cost, considering the strategic and long term nature of the investments in the opinion of the management such decline is temporary in nature and no provision is necessary for the same.

(₹ in Lakhs)

14	LONG-TERM LOANS AND ADVANCES:	Maximum Outstanding			
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	Loan given to Subsidiary Company (Globe Forex & Travels Limited)	1,584.49	1,023.00	800.00	800.00
	Unsecured, Considered Good				
	The Loans has been given for Business Purpose and are interest bearing.				
	Capital Advance #				
	Unsecured, Considered Good			2,232.79	2,232.64
	Security Deposits #				
	Unsecured, Considered Good			1,182.73	940.69
	MAT Entitlement Receivable (b)			3,243.53	1,648.53
	Other loans and advances - Advances Recoverable from Unsecured, Considered Good				
	- Prepaid Expenses			60.24	38.92
	- Employees			81.76	57.06
	- Others #			51.81	-
				7,652.86	5,717.84

Doubtful Debts ₹ Nil (Previous year ₹ Nil), Claims Receivable etc.

- (b) In view of revised profitability projections considering additional contribution from new plants the company is reasonably certain that there would be sufficient taxable income in future periods to utilize MAT credit entitlements.

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(₹ in Lakhs)

15	INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE):	As at 31st March, 2016			As at 31st March, 2015		
		In transit	In hand	Total	In transit	In hand	Total
	Work-in-Progress	-	9,267.58	9,267.58	-	6,189.75	6,189.75
	Raw Materials	-	2,644.05	2,644.05	-	4,870.91	4,870.91
	Fuel & Gas	-	69.83	69.83	-	101.39	101.39
	Stores and Spares	-	4,433.40	4,433.40	-	2,763.32	2,763.32
	Die & Die Block	-	4,971.19	4,971.19	-	3,294.23	3,294.23
	Vendor Managed Inventory	-	30.60	30.60	14.23	73.67	87.90
	Finished Goods	-	81.32	81.32	-	0.13	0.13
	Forgings Scrap	-	507.45	507.45	-	252.92	252.92
		-	22,005.42	22,005.42	14.23	17,546.32	17,560.55

(₹ in Lakhs)

16	TRADE RECEIVABLES:	As at 31st March, 2016	As at 31st March, 2015
	Outstanding for a period exceeding six months (from due date)	-	53.06
	Unsecured, Considered Good		
	Outstanding for a period less than six months	28,535.55	26,133.87
	Unsecured, Considered Good		
		28,535.55	26,186.93

(₹ in Lakhs)

17	CASH AND BANK BALANCES:	As at 31st March, 2016	As at 31st March, 2015
	Cash and Cash Equivalents	4.29	5.55
	Cash in hand		
	Balance with Banks:	18.36	42.80
	- In Current Accounts		
	- Deposits with less than 3 months initial maturity	90.05	-
		112.70	48.35
	Other Balance	30.69	-
	Balance with Banks:		
	- Deposits with more than 3 months initial maturity	30.69	-
		143.39	48.35

(₹ in Lakhs)

18	SHORT-TERM LOANS AND ADVANCES:	As at 31st March, 2016	As at 31st March, 2015
	Loan given to Subsidiary Company (Globe Forex & Travels Limited)	400.00	-
	Unsecured, Considered Good		
	The Loans has been given for Business Purpose and are interest bearing.		
	Security and Other Deposits #		
	Unsecured, Considered Good	-	5.84
	Others - Advances Recoverable from Unsecured, Considered Good		
	- Employees	76.49	86.44
	- Income Tax Refundable	104.12	151.14
	- Suppliers of Goods & Services	726.32	395.53
	- Balance with Customs, Port Trusts, Excise	3,754.75	3,821.20
	- Prepaid Expenses	444.39	303.12
	# Doubtful Debts ₹ NIL (Previous year ₹ NIL)	5,506.07	4,763.27

(₹ in Lakhs)

19	OTHER CURRENT ASSETS:	As at 31st March, 2016	As at 31st March, 2015
	Accrued Interest	85.44	74.63
	Accrued Export and Other Incentives	1,280.39	853.83
	Others #	95.96	771.12
	# Includes Capital subsidy receivable, Insurance claims receivable etc.	1,461.79	1,699.58

(₹ in Lakhs)

20	REVENUE FROM OPERATIONS:	As at 31st March, 2016	As at 31st March, 2015
	Sale of Products		
	- Steel Forgings	92,472.39	74,420.73
	Job Work Sales	599.11	404.40
	Other Operating Revenues	2,919.76	3,865.65
		95,991.26	78,690.78
	Less: Excise Duty Paid	5,824.59	4,337.27
		90,166.67	74,353.51
	Less: Transfer to Capital Work-in-Progress	451.30	277.56
		89,715.37	74,075.95

(₹ in Lakhs)

21	OTHER INCOME:	As at 31st March, 2016	As at 31st March, 2015
	Interest Income	286.49	190.37
	Dividend Income		
	On Current Investments	-	7.98
	Other Non-Operating Income (Net)	56.47	374.97
		342.96	573.32

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(₹ in Lakhs)

22	COST OF RAW MATERIALS CONSUMED:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Round	27,906.25	26,321.43
	Billets	14,178.98	10,023.31
		42,085.23	36,344.74
	Less: Transferred to Capital Work-in-Progress	1,356.33	838.27
		40,728.90	35,506.47

(₹ in Lakhs)

23	CHANGES IN INVENTORIES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Opening Stock		
	Vendor Managed Inventory	87.89	101.79
	Work-in-Progress	6,189.75	7,452.97
	Finished Goods	0.13	0.11
	Forging Scrap	252.92	172.00
		6,530.69	7,726.87
	Less: Closing Stock		
	Vendor Managed Inventory	30.60	87.89
	Work-in-Progress	9,267.58	6,189.75
	Finished Goods	81.32	0.13
	Forging Scrap	507.45	252.92
		9,886.95	6,530.69
	(Increase) / Decrease in Stock	(3,356.26)	1,196.18
	Add: Excise Duty on (Increase) / Decrease in Stock	37.31	9.19
		(3,318.95)	1,205.37
	Add: Stock of Trial run production	228.32	275.85
		(3,090.63)	1,481.22

(₹ in Lakhs)

		Year ended 31st March, 2016		Year ended 31st March, 2015	
		Opening	Closing	Opening	Closing
(a)	Details of Work-in-Progress Stock under broad heads are given below:				
	Steel Forging	6,189.75	9,267.58	7,452.97	6,189.75
		6,189.75	9,267.58	7,452.97	6,189.75
(b)	Details of Vendor Managed Inventory under broad heads are given below:				
	Steel Forging	87.89	30.60	101.79	87.89
		87.89	30.60	101.79	87.89

(₹ in Lakhs)

24	EMPLOYEE BENEFITS EXPENSES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	(a) Salaries, Wages, Bonus, Exgratia, Incentive etc.	7,234.20	4,771.81
	(b) Gratuity fund contributions	68.62	94.43
	(c) Provident Fund / Employees Pension Fund & E. S. I. Contribution	334.17	255.23
	(d) Expense on Employee Stock Option Scheme (ESOP)	23.79	-
	(e) Staff welfare expenses	322.86	168.10
		7,983.64	5,289.57
	Less: Transferred to Capital Work-in-Progress	596.56	821.47
		7,387.08	4,468.10

(₹ in Lakhs)

25	FINANCE COSTS:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Interest Expenses	5,108.65	4,254.40
	Other Borrowing Costs	671.66	209.90
	Loss on Foreign Currency Transactions and Translation (Net)	412.95	219.32
		6,193.26	4,683.62
	Less: Transfer to Capital Work-in-Progress	954.65	1,654.07
		5,238.62	3,029.55

(₹ in Lakhs)

26	DEPRECIATION AND AMORTIZATION EXPENSES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Depreciation and Amortization Expenses:	5,302.25	3,121.65
		5,302.25	3,121.65

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(₹ in Lakhs)

27	OTHER EXPENSES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Carriage Inward Expenses	257.11	240.83
	Stores, Spares (Including Packing Material)	6,307.34	4,148.98
	Die Consumed	339.55	727.42
	Processing Charges	3,669.21	2,439.69
	Repairs to:-		
	-Plant & Machinery	275.19	122.43
	-Factory Shed & Building	81.85	34.84
	Rent	48.33	42.63
	Rates & Taxes	15.66	18.09
	Insurance Charges	289.17	291.99
	Repairs & Maintenance	403.68	271.34
	Miscellaneous Expenses	864.97	822.69
	Director Sitting Fees & Commission	99.90	161.55
	Bank Charges & Commission	81.05	48.30
	Postage, Telegraph & Telephone	83.40	61.75
	Legal & Professional Expenses (a)	691.11	502.80
	Travelling & Conveyance Expenses	675.07	499.14
	(Including Directors Travelling ₹ 320.34 lakhs (previous Year ₹ 179.43 lakhs))		
	Advertisement Expenses	31.06	29.48
	Payment to Auditors (b)	34.81	28.10
	Brokerage & Commission Expenses	110.89	137.47
	Vehicle Running Expenses	77.83	64.11
	Carriage Outward Expenses	781.71	667.49
	Export Expenses	4,813.42	4,278.20
	Discount & Rebate (Net)	720.46	100.04
	Exchange Rate Difference	262.67	229.98
	Sundry Balances Written Off (Net)	22.72	(41.67)
	Discarded Assets	5.36	10.54
	Tax Expenses	48.25	-
	Swatch Bharat Cess Expenses	12.68	-
		21,104.45	15,938.21
	Less: Transfer to Capital Work-in-Progress	1,154.15	1,568.84
		19,950.30	14,369.37
	(a) Other Expenses include Legal & Professional Expenses:		
	(i) Payment to a firm of solicitors in which Director is a partner	2.10	4.43
	(ii) Payment towards technical consultancy charges to a Director	-	0.20
	(b) Details of payment to Auditors		
	Statutory Auditors:		
	Audit Fees #	23.10	17.50
	Tax Audit Fees	3.30	3.00
	For other Services	8.06	7.27
	Out of Pocket Expenses	0.35	0.33
		34.81	28.10

Includes fees for issuing Audit Report on Internal Control over Financial Reporting u/s 143(3) of the Companies Act, 2013

28. Exceptional Items during the year include ₹ Nil (Previous year ₹ 291.97 Lakhs towards surrender of the Keyman Insurance Policy) and ₹ Nil (Previous year ₹ 454.25 Lakhs towards profit on sale of one of the office premises of the Company.)
29. Non-Operating Income includes Expenses relating to earlier years amounting to ₹ 5.62 Lakhs (Previous year Income (Net) ₹ 0.64 Lakhs) as per following details.

Sl. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
1	Central Excise	2.91	1.47
2	Electricity Charges / Duty	-	3.48
3	Directors Remuneration	-	(6.74)
4	Exempted Sales	-	1.10
5	Sales Tax	2.72	0.05
	Total	5.63	(0.64)

30. The company has paid a managerial remuneration in excess of the limits as laid down in the section 309(3) read with Schedule XIII of the Companies Act, 1956 of ₹ 65.62 Lakhs and ₹ 106.38 Lakhs respectively during the financial year 2012-13 and 2013-14 to Mr. Mahabir Prasad Jalan, Chairman. Since the payment of the remuneration is in excess of the limit it requires approval of the Central Government. The Company had made an application to the Central Government. The Central Government has rejected the application made for Mr. Mahabir Prasad Jalan, Chairman and the company has made a representation for the same. The outcome of the same is awaited.
31. The Company has received a show-cause notice from the Directorate of Revenue Intelligence (DRI) and also from the Director General of Foreign Trade (DGFT) with regard to simultaneous issuance of EPCG license and Status Holder Incentive Scrip (SHIS) in the year 2013-2014. It is relevant to submit that the facts and issues involved in the above mentioned show-cause notices issued by DRI and DGFT are identical. The Company has made a detailed representation to the show-cause notice issued by DGFT and after considering the representation made by the Company, DGFT has discharged the said show-cause notice and has closed the proceeding in favour of the Company.

Further, with regard to the DRI notice, the company has made a representation to Central Board of Excise and Customs (CBEC). The Company has also filed a writ petition before the Delhi High Court (Court). DGFT has also submitted to the Court that they are in agreement with the contentions raised by the Company. The matter has been disposed by Delhi High Court on 17/09/2015 wherein it has directed that the matter has to be adjudicated by Commissioner of Customs (Port), Customs House Kolkata with the direction that till adjudication its not completed by Commissioner of Customs (Port) no coercive action should be taken against the Company. The company has filled the reply of the showcase notice to the Commissioner of Customs (Port) on 25/11/2015. The case has been heard by Commissioner of Customs on 05/04/2016 and outcome of the same is awaited. Considering the fact of the case and as advised management is of the view that no provision is required.

(₹ in Lakhs)

32	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided):	As at 31st March, 2016	As at 31st March, 2015
	A) Contingent Liabilities		
	(a). Claims against the Company not acknowledged as debt		
	(i). Electricity charges demand of Jharkhand State Electricity Board. (Pending before High Court, Jharkhand)	45.24	45.24
	(ii). Demand for Sales Tax for the FY 2003-04 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 0.22 Lakhs)	0.22	0.22
	(iii). Demand for Sales Tax for the FY 2004-05 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 1.90 Lakhs)	1.90	1.90

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(₹ in Lakhs)

32	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided):	As at 31st March, 2016	As at 31st March, 2015
	(iv). Demand for Sales Tax for the FY 2005-06 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 9.16 Lakhs)	9.16	9.16
	(v). Demand for Income Tax for the AY 2007-08 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)	28.38	13.01
	(vi). Demand for Income Tax for the AY 2010-11 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)	0.16	-
	(vii). Demand for Income Tax for the AY 2011-12 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)	0.07	-
	(viii). Demand for Service Tax for the FY 2004-05, 2005-06, 2006-07 (upto July 2006) (Appeal pending before the Excise & Service Tax Appellate Tribunal, Kolkata) (Deposit ₹ 2.00 Lakhs)	35.98	35.98
	(ix). Demand for Service Tax for the FY 2007-08 to 2011-12 (Appeal pending before the Additional Commissioner Service Tax, Kolkata)	15.34	15.34
	(x). Demand for Service Tax for the FY 2009-10 (Appeal pending before the Commissioner (Appeals-1), Kolkata) (Deposit ₹ 0.37 Lakhs)	9.74	9.74
	(xi). Demand for Central Excise for the FY 2010-11 & FY 2011-12 (Appeal pending before the Joint Commissioner of Central Excise, Kolkata II)	35.44	17.72
	(b). Bank Guarantee	567.63	567.63
	(c). Custom duty on Capital goods imported under EPCG Scheme / Advance Licence, against which export obligation of ₹ 46,528.35 Lakhs (Previous year ₹ 36,589.31 Lakhs) is to be fulfilled	6,636.69	5,448.74
	(d). Corporate guarantee given to State Bank of India, Commercial Branch, Jamshedpur, on behalf of Globe Forex & Travels Ltd, wholly owned Subsidiary of the Company. (Amount outstanding as on 31/03/2016 is ₹ 1,669.47 Lakhs)	2,200.00	1,400.00
	(e). Corporate guarantee given to ICICI Bank Ltd. RN Mukherjee Branch, Kolkata on behalf of Globe Forex & Travels Ltd, wholly owned Subsidiary of the Company. (Amount outstanding as on 31/03/2016 is ₹ 205.14 Lakhs)	500.00	500.00
	B) Commitments		
	(a). Estimated amount of contracts remaining to be executed on capital account and not provided for	3,047.30	8,838.63

(₹ in Lakhs)

33	EMPLOYEE BENEFITS:	As at 31st March, 2016	As at 31st March, 2015
(a).	Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits :		
(i).	In respect of Gratuity a defined benefit scheme (based on actuarial valuation)		
a)	Expenses recognized during the year.		
	Current Service Cost	104.14	77.67
	Interest Cost	34.00	29.76
	Expected return on plan assets	(31.78)	(24.05)
	Actuarial (Gain) / Loss	(49.38)	(1.33)
	Net Cost	56.98	82.05
b)	Net Assets / Liability recognized in the Balance Sheet at the year end		
	Present Value of Fair value of plan assets at the end of the year	484.09	370.26
	Present value of obligation	541.07	452.31
	Amount recognized in Balance Sheet	56.98	82.05
c)	Reconciliation of opening and closing balances of Defined Benefit obligation		
	Present Value of Defined Benefit obligation at the beginning of the year	452.31	341.37
	Current Service Cost	104.14	77.67
	Interest Cost	34.00	29.76
	Actuarial (Gain) / Loss on obligation	(49.38)	3.51
	Benefit paid	-	-
	Present Value of Defined benefit obligation at the year end	541.07	452.31
d)	Reconciliation of opening and closing balances of fair value of Plan Assets		
	Fair value of plan assets at beginning of the year	370.26	299.90
	Expected return on plan assets	31.78	24.05
	Actuarial Gain / (Loss)	-	4.84
	Employer contribution	82.06	41.47
	Benefit Paid	-	-
	Fair value of plan assets at the end of the year	484.10	370.26
e)	Investment details		
	Insurer Managed Funds 100%	484.10	370.26
f)	Actuarial Assumptions		
	Mortality Table (LIC)	L.I.C. (2006 - 08), Ultimate Table	L.I.C. (2006 - 08), Ultimate Table
	Discount Rate (Per Annum)	7.90%	7.50%
	Rate of escalation in salary (per annum)	5%	7%

The Company has funded scheme for payment of Gratuity to all eligible employees calculated at specified number of days of last salary drawn depending upon tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation, upon superannuation or on exist otherwise and is provided for on the basis of actuarial valuation made at the year end using projected unit credit method.

(ii) Leave salary – compensated absence :

The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on basis of actuarial valuation at the year end.

(iii) In respect of Defined contribution Scheme :

The Company contributes 12% of salary for all eligible employees towards Provident Fund managed by the Central Government. Total expenses recognized towards Employer's contribution to Provident Fund ₹ 288.96 Lakhs (Previous year ₹ 236.88 Lakhs).

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34 RELATED PARTIES (Disclosed as per Accounting Standard (As) - 18):

(a) Name of related parties and nature of relationship where control exists are as under:

- | | |
|---|---|
| <p>(i). Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence.</p> <p>(ii). Subsidiary of the Company</p> <p>(iii). ESOP Trust of the Company</p> <p>(iv). Key Management Personnel
Mahabir Prasad Jalan
Naresh Jalan
Pawan Kumar Kedia</p> <p>(v). Relative of Key Management Personnel
Rashmi Jalan</p> | <p>(i) M/s. Riddhi Portfolio Pvt. Ltd. # #</p> <p>(ii) M/s. Eastern Credit Capital (P) Ltd.</p> <p>(iii) M/s. Ramkrishna Rail & Infrastructure Pvt. Ltd.</p> <p>(iv) M/s. Clifftop Infrabuild Pvt. Ltd.</p> <p>(v) M/s. Northeast Infraproperties Pvt. Ltd.</p> <p>M/s. Globe Forex & Travels Ltd</p> <p>M/s Ramkrishna Forgings Employee Welfare Trust (This trust pertains to earlier ESOP Scheme of the company)</p> <p>Chairman cum Whole Time Director.</p> <p>Managing Director</p> <p>Finance Director</p> <p>Wife of Mr. Naresh Jalan</p> |
|---|---|

(b) Transaction with related parties :

(₹ in Lakhs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Nature of Transaction during the year.		
(i) Subsidiary of the Company		
Loan Given - Globe Forex & Travels Ltd.	898.00	-
Interest Received - Globe Forex & Travels Ltd. (TDS ₹ 12.79 lakhs, Previous year ₹ 10.21 lakhs)	127.93	102.07
Loan Repayment by - Globe Forex & Travels Ltd.	498.00	173.00
Commission Paid / Payable	23.87	14.45
(ii) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	-	450.00
Warrant conversion money received and converted in to Equity Shares	1,220.00	1,781.65
Warrant conversion money received pending conversion to Equity Shares	-	130.00
Forfeiture of Warrant Money	-	133.09
Rent Paid - Riddhi Portfolio (P) Ltd.	0.50	-
Interest free Deposit - Riddhi Portfolio (P) Ltd.	1.50	-
Dividend paid - Riddhi Portfolio (P) Ltd.	121.45	60.26
Dividend paid - Eastern Credit Capital (P) Ltd.	112.37	42.48
Dividend paid - Ramkrishna Rail & Infrastructure Pvt. Ltd.	0.04	0.02

(b) Transaction with related parties :

(₹ in Lakhs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
(iii) Key Management Personnel		
Managerial Remuneration **		
i) Mahabir Prasad Jalan	223.65	186.63
ii) Naresh Jalan	141.13	128.46
iii) Pawan Kumar Kedia	36.19	23.89
Rent Paid - Naresh Jalan	6.00	6.00
Lease Rent - Naresh Jalan	24.00	24.00
Dividend paid	22.88	11.44
Commission- Mahabir Prasad Jalan	45.00	80.00
Commission- Naresh Jalan	35.00	70.00
(iv) Relative of Key Management Personnel		
Dividend paid - Rashmi Jalan	8.38	4.19
(v) Trust of the Company		
Refund received / Adjustment #	-	1,353.03
Dividend	-	7.98
(c) Balance outstanding as at 31st March, 2016		
(i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	-	450.00
Warrant conversion money received pending conversion Equity Shares	-	130.00
(ii) Subsidiary of the Company		
Loan - Globe Forex & Travels Limited	1,200.00	800.00
Trade payable - Purchase of Air Ticket and Other Receipts	2.08	16.00
Investment in Shares	659.82	659.82
(iii) Commission Payable - Mahabir Prasad Jalan	45.00	80.00
Commission Payable - Naresh Jalan	35.00	70.00
(iv) Corporate guarantee given to State Bank of India, JSR - ₹ 2200.00 Lakhs (Previous year ₹ 1400.00 Lakhs) & ICICI Bank Limited, Kolkata - ₹ 500.00 Lakhs (Previous year ₹ 500.00 Lakhs) on behalf of Globe Forex & Travels Ltd.	2,700.00	1,900.00

Note :

* Amount represent warrant allotment money @ 25% of the issue price

** Excludes leave encashment and gratuity which is based on actuarial valuation provided on overall Company basis.

Amount received on sale of shares including gain thereon.

Holds 25.42% of the Equity Share Capital of the Company.

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(₹ in Lakhs)

35	PRE-OPERATIVE EXPENSES (Included in Capital Work in Progress):	Year ended 31st March, 2016	Year ended 31st March, 2015
	Details of Pre-operative expenses (Including Trial Run Expenses) are as follows :		
	Particulars		
	Salaries, Wages & Allowances	596.56	821.47
	Power and Fuel	431.26	201.88
	Stores, Spares Consumed	-	0.18
	Die Consumed	143.97	153.22
	Raw materials	1,356.33	838.27
	Carriage Inwards	-	6.54
	Processing Charges	-	7.43
	Interest / Bank Charges	822.34	1,478.13
	Exchange Rate Difference	941.80	760.88
	Miscellaneous Expenses	32.16	170.87
	Insurance Charges	-	141.05
	Travelling Expenses	0.03	121.31
	Professional Fees/ Consultancy	36.19	207.36
	Total	4,360.64	4,908.59
	Less: Preoperative Income & Stock of Scrap	679.62	553.84
		3,681.02	4,354.75
	Add: Balance brought forward from previous year	4,801.31	4,165.60
		8,482.33	8,520.35
	Less: Allocated to Fixed Assets	8,202.73	3,719.04
	Balance Carried forward	279.60	4,801.31

36. Exchange Rate Difference:

Foreign currency exchange difference Loss of ₹ 1,249.57 Lakhs (Previous year Gain of ₹ 255.04 Lakhs) on long term borrowing for acquisition of Fixed Assets, has been adjusted to carrying cost of fixed assets which is in compliance with the treatment prescribed under AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 [(G.S.R. 913 (E) dt. 29.12.2011)] issued by Ministry of Corporate Affairs.

37. Operating Lease:

The Company's significant leasing agreements are in respect of lease for lands. These leasing agreements range between 30 to 99 years. The aggregate lease rental payables are charged as rent in Statement of Profit and Loss.

(₹ in Lakhs)

38	FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY DERIVATIVE INSTRUMENT OR OTHERWISE AS ON 31ST MARCH, 2016 ARE AS UNDER :		Year ended 31st March, 2016	Year ended 31st March, 2015
	i. Sundry Debtors	In USD *	86.34	-
		In GBP	1.75	-
		In EUR	25.31	18.59
	ii. PCFC	In USD	-	38.06
	iii. Buyer's Credit	In USD	16.88	11.39
		In JPY	3,243.37	768.81
		In EUR	27.09	16.66
	iv. Sundry Creditor	In USD	0.62	2.62
		In JPY	367.17	922.84
		In GBP	0.01	-
		In EUR	4.51	22.96
	v. Foreign Currency Loan	In USD	240.00	240.88
		In EUR	139.13	142.70

* PCFC / PSFC loan in USD has not been considered to the extent outstanding foreign debtors in USD as on 31.03.2016

(₹ in Lakhs)

39	SEGMENT INFORMATION:	Year ended 31st March, 2016	Year ended 31st March, 2015
	a. Primary Segment Information: The Company is operating in a single segment namely Forgings.		
	Information about Secondary Segments : Geographical		
	Revenue by Geographical Market		
	India	49,145.76	36,441.32
	Outside India	40,569.61	37,634.63
		89,715.37	74,075.95
	Carrying Amount of Segment Assets		
	Outside India	19,031.69	19,480.77

Note: All the plants of the Company are located in India and accordingly Debtors and Stock lying outside India has been considered segment assets outside India.

40	EARNING PER SHARE (EPS):	Year ended 31st March, 2016	Year ended 31st March, 2015
	EPS is calculated by dividing the profit attributable to the equity shareholder by the weighted average number of equity shares outstanding during the year.		
	Profit for the period (₹ Lakhs)	5,488.94	7,473.59
	Weighted average number of shares used in the calculation of EPS:		
	Weighted average number of Basic Equity Shares outstanding	27,948,629	27,064,422
	Dilutive Impact of Shares Warrant Issued	-	684,640
	Weighted average number of Shares outstanding (Including Diluted)	27,948,629	27,749,062
	Face value of per share (in ₹)	10.00	10.00
	Basic EPS (in ₹)	19.64	27.61
	Diluted EPS (in ₹)	19.64	26.93

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41 EMPLOYEE SHARE BASED PAYMENT:**a. Employee stock option scheme**

(i) The Board of Directors in the meeting held on 7th August, 2015, approved the Employee Stock Option Scheme 2015 ("ESOP Scheme 2015") for the grant upto 700000 stock option to its permanent employees working in India and wholetime Directors of the Company, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. The same was approved by the members in the 33rd Annual General Meeting of the Company held on 12th September 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the Ramkrishna Forgings Limited Employee Welfare Trust. The Board of Directors in their meeting held on 7th November 2015 approved the grant of 323,675 options to the eligible employees of the Company.

(ii) The above granted options shall vest as under:

Date of Vesting	Eligibility
3rd year	30%
4th year	30%
5th year	40%

b. Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended 31st March, 2016 are as follows:

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Outstanding at beginning of the year	-	-
Granted during the year	323,675	-
Forfeited / Cancelled during the year	18,772	-
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	304,903	-
Exercisable at the end of the year	-	-

c. The employee share based payment plans have been accounted based on the intrinsic value method and accordingly ₹ 23.79 Lakhs (Previous year ₹ Nil) has been charged as employee compensation cost.

d. Fair Valuation:

(i) The fair value of the options used to compute net profit and earnings per share have been done by an independent valuer using Black-Scholes-Model. The details of options granted, the key assumptions and the Fair Value on the date of grant are as under:

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Number of Options Granted	323,675	-
Options Grant Date	07-11-2015	-
Exercise Price (₹)	505.58	-
Risk-Free Interest Rate	7.66%	-
Life of Options Granted	6.11	-
Expected Volatility	53.97%	-
Expected Dividend	0.36%	-
Weighted-Average Fair Value per Option (₹)	561.75	-

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted.

For the year ended 31st March, 2016, the Company determined ₹ 23.79 lakhs (Previous year ₹ Nil) as amortized compensation cost for stock options granted. The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

(ii) The impact on the profits and EPS of the fair value method is given in the table below -

(₹ in Lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Reported Net Profit	5,488.94	-
Add: Compensation cost under ESOP Scheme as per intrinsic value	23.79	-
Less: Compensation cost under ESOP Scheme as per fair value	146.03	-
Proforma Net Profit	5,366.70	-
Reported Earning per Share (EPS):		
Basic EPS (in ₹)	19.64	-
Diluted EPS (in ₹)	19.64	-
Proforma Earning per Share (EPS):		
Basic EPS (in ₹)	19.20	-
Diluted EPS (in ₹)	19.20	-

- 42** The Company has recognised a capital subsidy (in the form of sales tax refund) of ₹ NIL (Previous year of ₹ 137.94 Lakhs) under Jharkhand Industrial Policy, 2001 which has been credited to Capital Reserve.
- 43** Information related to Micro, Small and Medium Enterprises Development Act, 2006 (the Act) is disclosed hereunder. The information given below has been determined to the extent such parties have been identified on the basis of information available with the Company:

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
(a) (i) Principal amount remaining unpaid to but not due any supplier at the end of the accounting year	1.35	9.02
(ii) Interest due on above	-	-
Total	1.35	9.02
(b) Amount of interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-
(c) Amount of interest accrued and remaining unpaid at the end of the financial year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose disallowance as a deductible expenditure under Section 23 of the Act.	-	-

112	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to the Financial Statement
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(₹ in Lakhs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
44. (a) C.I.F. value of imports by the Company (Including goods in transit and imported items purchased locally):		
Components and Spare parts	267.16	355.46
Capital Goods	5,039.99	12,437.69
(b) Expenditure in foreign currency during the year (Paid or provided):		
Advertisement Expenses	-	1.01
Carriage Outward Expenses (Export)	1,146.30	4.98
Claim against export sales	481.62	-
Commission Paid	0.79	6.21
Commitment Fees	-	23.84
Consumption of Project Materials	6.22	-
Foreign Bank Charges	4.64	12.75
Inspection Charges	47.22	-
Interest paid on Buyer Credit (FC loan)	69.59	8.77
Interest paid on FC loan	805.52	1,532.71
Membership Fees	1.35	-
Office Equipment	1.12	1.28
Office Rent	14.08	9.20
Packaging Materials	4.30	-
Postage / Telegram / Telephone	2.20	0.05
Printing & Stationery	1.30	-
Processing Charges / Job Work Charges	47.25	9.14
Legal / Professional / Consultation / Retainership Fees	142.60	49.72
Recruitment Expenses	-	10.11
Machine Repair Charges	35.52	-
Salary paid	484.60	129.26
Stand Rent for Exhibition	7.33	-
Storage / Warehouse Charges	270.52	56.13
Technical Service & Supervision Charges	158.83	565.81
Travelling	46.36	42.24

- (c) Total value of imported raw materials, spare parts and components consumed during the year and the total value of indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption:

(₹ in Lakhs)

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Qty (MT)	Value (₹ Lakhs)	Qty (MT)	Value (₹ Lakhs)
i. Consumption (₹ Lakhs)				
Raw Materials				
Imported	-	-	-	-
Indigenous	93,879.77	42,085.23	73,647.93	36,344.74
Less: Transferred to Capital Work-in-Progress		1,356.33		838.27
		40,728.91		35,506.47
Stores, Spare parts and Dies (₹ Lakhs)		6,646.89		4,876.40
Imported		116.50		90.74
Indigenous		6,530.39		4,785.66
ii. Percentage of Total Consumption				
Raw Materials	100%	100%	100%	100%
Imported	-	-	-	-
Indigenous	100%	100%	100%	100%
Stores and Spare parts		100%		100%
Imported		1.75%		1.86%
Indigenous		98.25%		98.14%

(d) Earnings in Foreign Exchange:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Export of goods calculated on F.O.B. basis	38,885.38	33,997.89
Die design & preparation charged (Recovered)	421.98	2,510.92
(e) Remittance of Foreign currency on A/c of Dividend to Non-Resident Shareholders	-	59.38

- 45.** Details of the Loan given, Investment made and Guarantee given covered **under section 186(4) of the Companies Act, 2013**
 Loan given and Investment made are provided under the respective heads. Corporate Guarantee given by the Company in respect of the Working Capital Loan taken by Subsidiary as on 31st March, 2016

(₹ in Lakhs)

Sl. No.	Name of the Company	Year ended 31st March, 2016	Year ended 31st March, 2015
1.	Globe Forex & Travels Limited	2,700.00	1,900.00

The Guranatee has been given for the business purpose.

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46. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in accordance to the CSR Policy of the Company. A CSR committee has been formed by the Company as per the Act. The CSR activities are undertaken by the Company through a Trust on the activities which are specified in Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year : ₹ 0.66 Crores
- Amount spent during the year : ₹ 0.76 Crores

47. Figures for the previous year have been regrouped and reclassified to conform to the classification of the current period, where necessary.

As per our attached report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Date : The 21st day of May, 2016

For and on behalf of the Board

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

Independent Auditor's Report

To the Members of
Ramkrishna Forgings Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **RAMKRISHNA FORGINGS LIMITED** ("hereinafter referred to as "the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to **Note No. 30** to the consolidated financial statements which describes that the company has paid a managerial remuneration in excess of the limits as laid down in the section 309(3) read with Schedule XIII of the Companies Act, 1956 of Rs.

116	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to the Financial Statement
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65.62 Lakhs and Rs. 06.38 Lakhs respectively during the financial year 2012-13 and 2013-14 to Mr. Mahabir Prasad Jalan, Chairman. Since the payment of the remuneration in excess of the limits requires approval of the Central Government the Company had made an application to the Central Government. The Central Government has rejected the application made for Mr. Mahabir Prasad Jalan, Chairman and the Company has made a representation for the same. The outcome of the same is awaited.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:-

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and Subsidiary Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and Subsidiary Company incorporated in India, none of the directors of the Holding Company and Subsidiary Company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group – **Refer Note 31& 32** to the consolidated financial statements.
 - ii. The Group has long-term contracts including derivative contracts as at 31st March, 2016 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

Rajiv Singhi
Partner
Membership No. 53518

Place : Kolkata
Date : 21st May, 2016

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Ramkrishna Forgings Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

Rajiv Singhi
Partner
Membership No. 53518

Place : Kolkata
Date : 21st May, 2016

118	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to the Financial Statement
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Consolidated Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	2,866.99	2,746.99
Reserves and Surplus	'3'	44,169.65	37,705.27
Money received against Share Warrants		-	580.00
TOTAL		47,036.64	41,032.26

Non-Current Liabilities			
Long-Term Borrowings	'4'	50,720.31	44,302.87
Deferred Tax Liabilities	'5'	5,333.55	3,292.85
Other Long-Term Liabilities	'6'	1,053.69	508.40
Long-Term Provisions	'7'	151.99	105.65
TOTAL		57,259.54	48,209.77
Current Liabilities			
Short-Term Borrowings	'8'	32,087.21	26,041.77
Trade Payables	'9'		
(a) Dues of micro enterprises and small enterprises		1.35	9.02
(b) Dues of other creditors		17,571.77	15,548.56
Other Current Liabilities	'10'	13,761.70	12,639.86
Short-Term Provisions	'11'	759.34	756.85
SUB TOTAL		64,181.37	54,996.06
TOTAL		168,477.55	144,238.09

ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'12'	93,960.12	52,367.28
Intangible Assets	'12'	786.10	863.63
Capital Work-in-Progress		3,506.25	31,568.29
Non-Current Investments	'13'	10.50	10.50
Long-Term Loans and Advances	'14'	6,901.40	4,949.92
TOTAL		105,164.37	89,759.62
Current Assets			
Inventories	'15'	22,005.42	17,560.55
Trade Receivables	'16'	33,829.86	29,872.30
Cash and Bank Balances	'17'	218.12	121.56
Short-Term Loans and Advances	'18'	5,547.01	5,077.20
Other Current Assets	'19'	1,712.77	1,846.86
SUB TOTAL		63,313.18	54,478.47
TOTAL		168,477.55	144,238.09

Significant Accounting Policies

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : 21st May, 2016.

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in Lakhs)

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
REVENUES			
Revenue from Operations (Gross)	'20'	96,878.40	79,543.22
Less: Excise Duty		5,824.59	4,337.27
Revenue from Operations (Net)		91,053.81	75,205.95
Other Income	'21'	231.96	490.63
Total Revenues		91,285.77	75,696.58
EXPENSES			
Cost of Raw Materials Consumed	'22'	40,728.90	35,506.47
Changes in Inventories	'23'	(3,090.63)	1,481.21
Employee Benefits Expenses	'24'	8,128.03	5,003.88
Power & Fuel		7,084.47	5,590.86
Finance Cost	'25'	5,432.59	3,154.11
Depreciation and Amortization Expenses	'26'	5,332.14	3,163.79
Other Expenses	'27'	20,174.20	14,613.32
Total Expenses		83,789.70	68,513.64
Profit before Exceptional Items and Tax		7,496.07	7,182.94
Exceptional Items	'28'	-	746.22
Profit before Tax		7,496.07	7,929.16
Tax Expense:			
Current tax		1,599.33	1,656.60
MAT Credit Entitlement		(1,599.33)	(1,656.60)
Tax adjustments for earlier years (Net)		1.41	14.61
Deferred tax		2,040.70	373.64
Profit/ (Loss) after tax and Minority Interest		5,453.96	7,540.92
Earnings per Share (EPS) (Weighted Average):	'37'		
Basic EPS (in ₹)		19.52	27.86
Diluted EPS (in ₹)		19.52	27.18

Significant Accounting Policies**Accompanying Notes are integral part of the financial statement.**

'1'

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : 21st May, 2016.

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

120	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to the Financial Statement
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Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	2015 - 2016	2014 - 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET(LOSS)/PROFIT BEFORE EXTRAORDINARY ITEM AND TAXES	7,496.09	7,929.20
Adjustments for:		
Depreciation	5,332.14	3,163.81
Sundry Balance written (back) / Off	22.72	(20.75)
(Profit) / Loss on sale of Fixed Assets/Discarded Assets	13.76	(421.46)
(Profit) / Loss on sale of Investments	-	(361.38)
Employees Stock Option Expenses	23.79	-
Interest income on others	(163.26)	(94.97)
Interest income on Income Tax Refund	(9.55)	(5.09)
Interest expense	5,415.92	3,144.96
Effect of Exchange rate change (Net)	262.67	229.98
Dividend income	-	(7.98)
Operating Profit/(Loss) before Working Capital Changes	18,394.28	13,556.32
Movements in Working Capital		
Decrease/(Increase) in Trade receivable	(3,704.45)	(15,339.93)
Decrease/(Increase) in Loans & Advances & Others Current & Non-Current Assets	(603.78)	2,352.98
Decrease/(Increase) in Inventories	(4,444.87)	(1,847.09)
(Decrease)/Increase in Trade Payables	2,040.13	4,166.20
(Decrease)/Increase in Loans & Others Current Liabilities	262.03	3,043.36
Direct Tax paid	(1,591.06)	(1,564.05)
	(8,042.00)	(9,188.53)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	10,352.29	4,367.79
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including Capital Work in Progress)	(17,103.23)	(29,946.75)
Proceeds from Sale of Fixed Assets / Adjusted	6.94	901.29
Loan & Advances to Subsidiary	-	173.00
Amount Received from ESOP Trust	-	1,353.57
Interest Received	155.59	304.21
Dividend Received	-	7.98
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(16,940.70)	(27,206.70)

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	2015 - 2016	2014 - 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital including Securities Premium	1,220.00	1,336.24
Share Warrant Allotment Money Received	-	580.00
Proceed from Long Term Borrowings	9,139.34	14,783.36
Repayment of Long Term Borrowings	(3,196.49)	(4,000.28)
Short Term Borrowings (Net)	5,989.55	13,795.76
Interest Paid	(5,838.86)	(4,756.59)
Dividend including Dividend Tax	(659.25)	(305.35)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	6,654.29	21,433.14
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	65.87	(1,405.77)
OPENING CASH AND CASH EQUIVALENTS	121.56	1,527.33
CLOSING CASH AND CASH EQUIVALENTS	187.43	121.56
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	65.87	(1,405.77)

Notes:

a)	Above statement has been prepared under indirect method except in case of interest, dividends and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities.	
b)	Cash and Cash Equivalents Include:	
	- Cash in hand	2015- 16
	- With Scheduled Bank -	2014- 15
	a) Fixed deposit Account	10.06
	b) Current Account	16.40
		142.06
		35.31
		187.43
		121.56
c)	Closing Cash and Cash Equivalents represents "Cash & Bank Balance" except ₹ 1.19 lakhs lying in Current Account with schedule bank on account of unclaimed dividends which are not available for use by the Company.	

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Date : 21st May, 2016.

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

1 Significant Accounting Policies

A Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to Ramkrishna Forgings Limited (the Company) and its Subsidiary (the Group). The CFS has been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21), and is prepared on the following basis:

- a. The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits / losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the CFS as Goodwill or Capital Reserve, as the case may be. Minority Interest's share in net profit / loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the CFS is identified and recognized after taking into consideration:-
 - (i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - (ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - (iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 - (iv) The excess of loss over the minority interest in the equity, is adjusted against Reserve of the Company.
- b. The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

B Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the Assets & Liabilities are classified as Current or Non-current as per criteria set out in Schedule III to the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the items of Income and Expenditure have been recognized on accrual basis except certain Insurance claim, Sales Tax / Excise claims / refunds which are accounted on cash basis where the amounts are unascertainable.

The accounting policies applied by the Company are consistent with those used in last year except where otherwise stated.

C Use of Estimates

In preparing Group's CFS in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of Contingent Liabilities at the date of financial statement and reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates. Difference between actual result and estimates are recognized in the period in which the results are known/materialized.

D Fixed Assets

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, construction and improvement made, which are inclusive of freight, duty (net of Cenvat), taxes, incidental expenses, interest and fund raising cost and other pre-operative expenses apportioned.
- (ii) Capital work-in-progress are stated at cost including interest, fund raising cost and related expenses incurred during construction or pre-operative period.

- (iii) Machinery spares which can be used only in connection with an item of Fixed Asset and whose use as per technical assessment is expected to be irregular are capitalised and depreciated prospectively over the residual life of the respective assets.

E Depreciation and Amortization

- (i) The company has revised its policy of providing depreciation on fixed assets effective April 1, 2014 as prescribed in Part - C of Schedule II of the Companies Act 2013 (the Schedule II). The useful life of assets mentioned below have been revised where appropriate as per management technical evaluation as the management believe that the useful live as given below best represents the period over which management expects to use these assets which are different from life prescribed in Schedule II.

a) CNC Machines	-	20	Years
b) Furnace	-	20	Years
c) Press, Hammer & Upsetter	-	40	Years
d) Production Resource Tools	-	10	Years
e) Pumps & Motors	-	10	Years

For remaining assets the useful life has been determined as per Schedule -II.

- (ii) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets. Depreciation for assets purchased / sold during a period is proportionately charged. Depreciation on change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis. Leasehold lands are amortized over the lease period.

Depreciation and amortisation method, useful live and residual values are reviewed periodically, including at each financial year end.

F Impairment of Assets

The Group on an annual basis makes an assessment of any indicator that may lead to Impairment of Assets. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and charged to Statement of Profit & Loss. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

G Inventories

Inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale. Cost of Inventories of Raw Materials, Stores and Spares and fuel are determined on Weighted average method. Inventories of Finished Goods and Work in Progress are valued at weighted average method which includes material cost, cost of conversion, depreciation and other overheads to the extent applicable. Scrap is valued at net realisable value.

H Investments

- (i) Long Term investments are stated at cost less provisions, if any for diminution in value, which are considered to be other than temporary in nature.
- (ii) Current Investments are stated at lower of cost or fair value.

I Foreign Currency Transactions

- (i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Year end balance of foreign currency transaction are translated at the year end rate.
- (ii) Any Income or Expense on account of exchange rate difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case of long term borrowings relating to acquisition of fixed assets where resultant exchange rate difference has been adjusted to the carrying cost of such assets.

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- (iii) In respect of transactions covered under forward foreign exchange contracts the difference between the forwards rate and the exchange rate at the inception of contract is recognized as income or expense over the life of the contract.

J Employee Stock Option Scheme / Share-based payments

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on straight line basis over the vesting period of the option. In case of forfeiture of option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

K Employee Benefits

- (i) Short term employees benefit are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- (ii) Post employment and other long term benefit are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined at the year end on the basis of an actuarial valuation using projected unit credit method. Actuarial gains and losses in respect of post employment and other long term benefit are charged to Statement of Profit and Loss.
- (iii) The Company's contribution to the Provident Fund and the Family pension fund are charged to statement of Profit and Loss.

L Revenue Recognition

Sales revenue is recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer. Dividend income on investment is accounted for when the right to receive the payment is established.

M Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition / construction of qualifying fixed assets are capitalised up to date when such assets are ready for its intended use / commercial production started and other borrowing costs are charged to Statement of Profit and Loss.

N Government Grant

Government grants are recognised when there is a reasonable assurance that the same will be received. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to Capital Reserve.

O Taxation

Provision for current Income Tax is made in accordance with the provisions of the Income Tax Act 1961. Deferred Tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a reasonable/virtual certainty that asset will be realised in future.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

P Excise Duty

Excise Duty and Cess on manufacturing goods is accounted for at the time of their clearances from the factory. Excise Duty

and Cess in respect of stock of finished goods and Scrap awaiting clearance from the factory at the year-end are considered for valuation of inventory.

Q Earning per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

R Provisions, Contingent Liabilities and Contingent Assets Impairment of tangible and intangible assets excluding goodwill

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

		As at 31st March, 2016		As at 31st March, 2015	
2	SHARE CAPITAL:	Numbers	(₹ in Lakhs)	Numbers	(₹ in Lakhs)
	Authorized:				
	Equity Shares of ₹ 10/- each	29,750,000	2,975.00	29,750,000	2,975.00
			2,975.00		2,975.00
	Issued:				
	Equity Shares of ₹ 10/- each fully paid up	28,669,940	2,866.99	27,469,940	2,746.99
			2,866.99		2,746.99
	Subscribed and Paid-up:				
	Equity Shares of ₹ 10/- each fully paid-up	28,669,940	2,866.99	27,469,940	2,746.99
			2,866.99		2,746.99

- i) The Company, as on 31st March, 2015, had 12,00,000 outstanding warrants which were issued to M/s. Riddhi Portfolio (P) Limited, Promoter group, on a preferential basis at a price of ₹ 150/- per warrant. On 07th November 2015 the above warrants has been converted into equity shares of ₹ 10/- each at a premium of ₹ 140/- per share.

(₹ in Lakh)

ii)	Statement of utilisation of the Preferential issue	As at 31st March, 2016	As at 31st March, 2015
	Unutilised Preferential issue proceeds at the beginning of the year	130.00	
	Add : Preferential issue proceeds received for allotment and conversion of 12,00,000 warrants to Riddhi Portfolio Private Ltd at ₹ 150/- per warrant	1,220.00	1,350.00
	Less : Utilised for financing the capital expenditure in respect of the projects		1,350.00
	Amount lying in the bank accounts of the Company as on 31st March, 2016		NIL

iii) Reconciliation of the number of Shares outstanding:

	As at 31st March, 2016	As at 31st March, 2015
Equity Shares		
Outstanding at the beginning of the year	27,469,940	26,099,440
Add: Shares issued on conversion of warrants	1,200,000	1,370,500
Outstanding at the end of the year	28,669,940	27,469,940

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(₹ in Lakhs)

3	RESERVES AND SURPLUS:	As at 31st March, 2016	As at 31st March, 2015
	(a). Capital Reserve		
	As per last Financial Statement	3,546.01	3,274.98
	Add: Capital Subsidy receivable	-	137.94
	Add: On forfeiture of Share Warrant Money	-	133.09
		3,546.01	3,546.01
	(b). Securities Premium Account		
	As per last Financial Statement	17,039.83	15,395.23
	Add: On conversion of warrants into equity shares	1,680.00	1,644.60
		18,719.83	17,039.83
	(c). Revaluation Reserve		
	As per last Financial Statement	78.67	78.67
		78.67	78.67
	(d). Employee's Stock Options Outstanding		
	ESOP cost amortised during the year	23.79	-
		23.79	-
	(e). General Reserve		
	As per last Financial Statement	1,448.15	698.15
	Add: Transfer from Statement of Profit and Loss	750.00	750.00
		2,198.15	1,448.15
	(f). Surplus in the Statement of Profit and Loss		
	As per last Financial Statement	15,592.61	9,460.93
	Add: Profit for the period	5,453.96	7,540.92
		21,046.57	17,001.85
	Less: Proposed Dividend on Equity Shares	573.40	549.40
	Less: Tax on Proposed Equity Dividend	119.98	109.85
	Less: Transfer to General Reserve	750.00	750.00
		19,603.19	15,592.61
		44,169.65	37,705.27

(₹ in Lakhs)

		Non Current portion		Current Maturities	
		As at		As at	
4	LONG-TERM BORROWINGS:	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Secured				
	From Banks				
	Term Loan	48,220.31	44,302.87	5,389.61	3,125.36
		48,220.31	44,302.87	5,389.61	3,125.36
	Unsecured				
	From Banks				
	Term Loan	2,500.00	-	-	-
		2,500.00	-	-	-
		50,720.31	44,302.87	5,389.61	3,125.36
	Less: Disclosed under the head current liabilities (Note No 10)	-	-	5,389.61	3,125.36
		50,720.31	44,302.87	-	-

(₹ in Lakhs)

5	DEFERRED TAX:	As at 31st March, 2016	As at 31st March, 2015
	Major components of Deferred Tax arising on account of temporary timing differences are given below:		
	(a). Deferred Tax Liabilities		
	Depreciation and Amortization Expenses	8,206.49	4,811.15
		8,206.49	4,811.15
	(b). Deferred Tax Assets		
	On Retirement benefits expenses as per AS - 15	71.51	67.53
	On Others	122.84	-
	Business Loss including Unabsorbed Depreciation (i)	2,678.59	1,450.77
		2,872.94	1,518.30
	Deferred Tax Liabilities (Net)	5,333.55	3,292.85

- (i). In view of revised profitability projections considering additional contribution from new plant, the Company is now certain that there would be sufficient taxable income in future periods, accordingly it has recognised deferred tax assets on business Losses including unabsorbed depreciation calculated as per Income Tax Act, 1961.

(₹ in Lakhs)

6	OTHER LONG - TERM LIABILITIES:	As at 31st March, 2016	As at 31st March, 2015
	Other Liabilities	1,053.69	508.40
		1,053.69	508.40

(₹ in Lakhs)

7	LONG-TERM PROVISIONS:	As at 31st March, 2016	As at 31st March, 2015
	Provision for Employee Benefits	151.99	105.65
		151.99	105.65

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(₹ in Lakhs)

8	SHORT-TERM BORROWINGS:	As at 31st March, 2016	As at 31st March, 2015
	Secured		
	Loans repayable on demand		
	From Banks - Working Capital Loan	28,086.57	24,929.55
		28,086.57	24,929.55
	Unsecured		
	Loan repayable on demand		
	From Bank	3,950.92	1,062.50
	From Others	49.72	49.72
		4,000.64	1,112.22
		32,087.21	26,041.77

(₹ in Lakhs)

9	TRADE PAYABLES:	As at 31st March, 2016	As at 31st March, 2015
	Micro, Small and Medium Enterprises	1.35	9.02
	Others	17,571.77	15,548.56
		17,573.12	15,557.58

(₹ in Lakhs)

10	OTHER CURRENT LIABILITIES:	As at 31st March, 2016	As at 31st March, 2015
	Current maturities of long-term debt (Refer Note 4)	5,389.61	3,125.36
	Interest accrued but not due on borrowings	320.62	201.84
	Amount shall be credited to Investor's Education and Protection Fund (as and when due)		
	Unpaid Dividends	1.19	1.24
	Project Liabilities	3,489.12	4,650.39
	Advance from Customers	117.42	107.21
	Payable to Employees	1,007.17	749.12
	Statutory dues	394.96	418.26
	Other Payables #	3,041.61	3,386.44
	# Other payable represents Repairs & Maintenance, Carriage Outward Expenses etc.	13,761.70	12,639.86

(₹ in Lakhs)

11	SHORT-TERM PROVISIONS:	As at 31st March, 2016	As at 31st March, 2015
	Employee Benefits		
	- Gratuity	57.91	94.28
	- Leave Encashment	8.05	3.32
	Proposed Dividend	573.40	549.40
	Tax on Proposed Dividend	119.98	109.85
		759.34	756.85

(₹ in Lakhs)

(₹ in Lakhs)

Description	Gross Block			Depreciation / Amortization			Net Block	
	As at 01-04-2015	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2016	As at 01-04-2015	For the Year	As at 31-03-2016	As at 31-03-2015
12 FIXED ASSETS:								
A. Tangible Assets								
Land & Land Development								
Lease Hold Land	138.34	-	-	138.34	49.34	4.48	53.82	89.00
Free Hold Land	487.21	108.16	-	595.37	-	-	-	487.21
Total	625.55	108.16	-	733.71	49.34	4.48	53.82	576.21
Factory Shed & Building	6,569.73	2,723.32	-	9,293.05	699.16	206.33	905.49	5,870.57
Office Building	3,078.57	2,858.50	-	5,937.07	183.45	53.79	237.24	2,895.11
Plant & Machinery	54,093.77	40,082.67	57.43	94,119.01	13,827.71	4,439.51	18,223.02	40,266.08
Vehicles	490.45	57.04	9.11	538.38	106.57	63.82	163.73	383.87
Furnitures & Fixtures	2,188.29	485.02	1.51	2,671.80	512.41	253.56	765.87	1,675.90
Computer (Inc. Software)	825.38	178.28	-	1,003.66	495.94	114.26	610.20	329.44
Office Equipments	229.30	42.40	0.44	271.26	139.31	34.74	174.05	89.99
Air Condition Machine	356.65	290.02	-	646.67	76.55	44.52	121.07	280.11
Total (A)	68,457.69	46,825.41	68.49	115,214.61	16,090.44	5,215.01	21,254.49	52,367.28
B. Intangible Assets								
Goodwill on Consolidation	503.19	-	-	503.19	-	-	-	503.19
Computer Software	660.93	39.60	-	700.53	308.26	115.19	423.44	352.69
Online Portal Website Development	10.50	-	-	10.50	2.75	1.94	4.69	7.75
Total (B)	1,174.62	39.60	-	1,214.22	311.01	117.13	428.13	863.63
Total (A+B)	69,632.31	46,865.01	68.49	116,428.83	16,401.45	5,332.14	21,682.62	53,230.91
Previous Year	37,697.29	32,627.60	692.55	69,632.35	13,450.39	3,163.77	16,401.46	24,246.92

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(₹ in Lakhs)

13	NON-CURRENT INVESTMENTS:		As at 31st March, 2016	As at 31st March, 2015
	(i)	Other than Trade		
		Investments in Equity Instruments (Unquoted) (at cost)		
		In Equity Shares of Other Company - Fully paid-up		
		1050 Equity Shares (P.Y. 1050 Equity Shares) of "Adityapur Auto Cluster" of ₹1000/- each fully paid up	10.50	10.50
			10.50	10.50

- (ii). Although the book value of investments (amount not ascertained) is lower than cost, considering the strategic and long term nature of the investments in the opinion of the management such decline is temporary in nature and no provision is necessary for the same.

(₹ in Lakhs)

14	LONG-TERM LOANS AND ADVANCES:		As at 31st March, 2016	As at 31st March, 2015
		Capital Advance #		
		Unsecured, Considered Good	2,232.79	2,232.63
		Security Deposits #		
		Unsecured, Considered Good	1,212.34	958.19
		MAT Entitlement Receivable *	3,262.46	1,663.13
		Other loans and advances - Advances Recoverable from Unsecured, Considered Good		
		- Prepaid Expenses	60.24	38.92
		- Employees	81.76	57.05
		- Others #	51.81	-
			6,901.40	4,949.92

Doubtful Debts ₹ Nil (Previous year ₹ Nil)

* In view of revised profitability projections considering additional contribution from the growth plan of the Company, it is reasonably certain that there would be sufficient taxable income in future periods to utilize MAT credit entitlements.

(₹ in Lakhs)

15	INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE):	As at 31st March, 2016	As at 31st March, 2015
	Work-in-Progress	9,267.58	6,189.75
	Raw Materials	2,644.05	4,870.91
	Fuel & Gas	69.83	101.39
	Stores and Spares	4,433.40	2,763.32
	Die Block	4,971.19	3,294.23
	Vendor Managed Inventory [including in transit ₹ 14.23 Lacs (P.Y. ₹ 61.61 Lakhs)]	30.60	87.90
	Finished Goods	81.32	0.13
	Forgings Scrap	507.45	252.92
		22,005.42	17,560.55

(₹ in Lakhs)

16	TRADE RECEIVABLES:	As at 31st March, 2016	As at 31st March, 2015
	Outstanding for a period exceeding six months (from due date)		
	Unsecured, Considered Good	138.72	161.13
	Outstanding for a period less than six months		
	Unsecured, Considered Good	33,691.14	29,711.17
		33,829.86	29,872.30

(₹ in Lakhs)

17	CASH AND BANK BALANCES:	As at 31st March, 2016	As at 31st March, 2015
	Cash and Cash Equivalents		
	Cash in hand	10.06	16.40
	Balance with Banks:		
	- In Current Accounts	35.31	58.38
	- Deposits with less than 3 months initial maturity	90.05	-
		135.42	74.78
	Other Balance		
	Balance with Banks:		
	- Deposits with more than 3 months initial maturity	82.70	46.77
		218.12	121.56

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(₹ in Lakhs)

18	SHORT-TERM LOANS AND ADVANCES:	As at 31st March, 2016	As at 31st March, 2015
	Security and Other Deposits #		
	Unsecured, Considered Good	31.10	36.94
	Others - Advances Recoverable from Unsecured, Considered Good		
	- Advance Tax (Net of Provision for Tax)	-	-
	- Income Tax Refundable	261.93	276.47
	- Ramkrishna Forgings Ltd Employee Welfare Trust	-	-
	- Advances with Airlines (LCC)	28.28	53.33
	- Employees	78.34	93.55
	- Suppliers of Goods & Services	933.80	482.37
	- Balance with Customs, Port Trusts, Excise	3,754.75	3,821.20
	- Prepaid Expenses	458.81	313.34
		5,547.01	5,077.20

Doubtful Debts ₹ NIL (Previous year ₹ NIL)

(₹ in Lakhs)

19	OTHER CURRENT ASSETS:	As at 31st March, 2016	As at 31st March, 2015
	Accrued Interest	86.76	74.63
	Accrued Export and Other Incentives	1,530.06	1,001.12
	Others #	95.95	771.11
		1,712.77	1,846.86

Includes Capital subsidy receivable, Insurance claims receivable etc.

(₹ in Lakhs)

20	REVENUE FROM OPERATIONS:	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Sale of Products				
	- Steel Forgings		92,472.39		70,243.93
	Job Work Sales		599.11		404.40
	Sale of Services				
	Sale of Air Tickets and Other Receipts	18,176.27		15,914.97	
	Less : Purchase of Air Tickets and Other Receipts	17,710.20	466.07	15,493.05	421.92
	Commission & Incentive		872.37		708.10
	Other Operating Revenues		2,919.76		8,042.43
			97,329.70		79,820.78
	Less: Excise Duty Paid		5,824.59		4,337.27
			91,505.11		75,483.51
	Less: Transfer to Capital Work-in-Progress		451.30		277.56
			91,053.81		75,205.95

(₹ in Lakhs)

21	OTHER INCOME:	As at 31st March, 2016	As at 31st March, 2015
	Interest Income		
	On Others	163.26	94.98
	On Income Tax Refund	9.55	5.09
	Dividend Income		
	On Current Investments	-	7.98
	Other Non-Operating Income (Net)	59.15	382.58
		231.96	490.63

(₹ in Lakhs)

22	COST OF RAW MATERIALS CONSUMED:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Round	27,906.25	26,321.43
	Billets	14,178.98	10,023.31
		42,085.23	36,344.74
	Less: Transferred to Capital Work-in-Progress	1,356.33	838.27
		40,728.90	35,506.47

(₹ in Lakhs)

23	CHANGES IN INVENTORIES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Opening Stock		
	Vendor Managed Inventory	87.89	101.79
	Work-in-Progress	6,189.75	7,452.97
	Finished Goods	0.13	0.11
	Forging Scrap	252.92	172.00
		6,530.69	7,726.87
	Less: Closing Stock		
	Vendor Managed Inventory	30.60	87.89
	Work-in-Progress	9,267.58	6,189.75
	Finished Goods	81.32	0.13
	Forging Scrap	507.45	252.92
		9,886.95	6,530.69
	(Increase) / Decrease in Stock	(3,356.26)	1,196.18
	Add: Excise Duty on (Increase) / Decrease in Stock	37.31	9.19
		(3,318.95)	1,205.37
	Add: Stock of Trial run production	228.32	275.84
		(3,090.63)	1,481.21

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(₹ in Lakhs)

		Year ended 31st March, 2016		Year ended 31st March, 2015	
		Opening	Closing	Opening	Closing
(a)	Details of Work-in-Progress Stock under broad heads are given below:				
	Steel Forging	6,189.75	9,267.58	7,452.97	6,189.75
		6,189.75	9,267.58	7,452.97	6,189.75
(b)	Details of Vendor Managed Inventory under broad heads are given below:				
	Steel Forging	87.89	30.60	101.79	87.89
		87.89	30.60	101.79	87.89

(₹ in Lakhs)

24	EMPLOYEE BENEFITS EXPENSES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Salaries, Wages, Bonus, Exgratia, Incentive etc.	7,928.85	5,268.47
	Gratuity fund contributions	69.99	99.69
	Provident Fund / Employees Pension Fund & E. S. I. Contribution	370.68	282.43
	Expense on Employee Stock Option Scheme (ESOP)	23.79	-
	Staff welfare expenses	331.28	174.76
		8,724.59	5,825.35
	Less: Transferred to Capital Work-in-Progress	596.56	821.47
		8,128.03	5,003.88

(₹ in Lakhs)

25	FINANCE COSTS:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Interest Expenses	5,285.96	4,369.82
	Other Borrowing Costs	688.33	219.04
	Profit/(Loss) on Foreign Currency Transactions and Translation (Net)	412.95	219.32
		6,387.24	4,808.18
	Less: Transfer to Capital Work-in-Progress	954.65	1,654.07
		5,432.59	3,154.11

(₹ in Lakhs)

26	DEPRECIATION AND AMORTIZATION EXPENSES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Depreciation and Amortization Expenses	5,332.14	3,163.79
		5,332.14	3,163.79

(₹ in Lakhs)

27	OTHER EXPENSES:	Year ended 31st March, 2016	Year ended 31st March, 2015
	Carriage Inward Expenses	257.11	240.83
	Stores, Spares (Including Packing Material)	6,307.34	4,148.98
	Die Block Consumed	339.55	727.42
	Processing Charges	3,669.21	2,439.69
	Repairs to :-		
	- Plant & Machinery	275.19	122.43
	- Factory Shed & Building	81.85	34.84
	Business Promotion Expenses	20.05	24.66
	Rent	104.42	89.99
	Rates & Taxes	17.08	19.48
	Insurance Charges	300.05	299.38
	Repairs & Maintenance	431.84	295.21
	Miscellaneous Expenses	901.69	847.94
	Director Sitting Fees & Commission	99.90	161.55
	Bank Charges & Commission	84.59	54.52
	Postage, Telegraph & Telephone	112.87	84.66
	Legal & Professional Expenses	701.92	530.85
	Travelling & Conveyance Expenses	689.28	517.64
	[Including Directors Travelling ₹ 320.34 lakhs (previous Year ₹ 179.43 lakhs)]		
	Advertisement Expenses	31.24	29.50
	Payment to Auditors	42.26	34.10
	Brokerage & Commission Expenses	112.50	137.47
	Vehicle Running Expenses	81.14	75.52
	Carriage Outward Expenses	781.71	667.49
	Export Expenses	4,813.42	4,278.20
	Discount & Rebate (Net)	720.46	100.04
	Exchange Rate Difference	262.67	229.98
	Sundry Balances Written Off (Net)	22.72	(20.75)
	Discarded Assets	5.36	10.54
	Tax Expenses	48.25	-
	Swatch Bharat Cess Expenses	12.68	-
		21,328.35	16,182.16
	Less: Transfer to Capital Work-in-Progress	1,154.15	1,568.84
		20,174.20	14,613.32

28. Exceptional Items during the year include ₹ Nil (Previous year ₹ 291.97 Lakhs towards surrender of the Keyman Insurance Policy) and ₹ Nil (Previous year ₹ 454.25 Lakhs towards profit on sale of one of the office premises of the Company).

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29. The list of subsidiary which is included in the CFS of the Group and the Group's effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest as on 31/03/16	Group's Proportion of Ownership Interest as on 31/03/15
Globe Forex & Travels Ltd.	Subsidiary	India	100.00%	100.00%

30. The company has paid a managerial remuneration in excess of the limits as laid down in the section 309(3) read with Schedule XIII of the Companies Act, 1956 of ₹ 65.62 Lakhs and ₹ 106.38 Lakhs respectively during the financial year 2012-13 and 2013-14 to Mr. Mahabir Prasad Jalan, Chairman. Since the payment of the remuneration is in excess of the limit it requires approval of the Central Government. The Company had made an application to the Central Government. The Central Government has rejected the application made for Mr. Mahabir Prasad Jalan, Chairman and the Company has made a representation for the same. The outcome of the same is awaited.

31. The Company has received a show-cause notice from the Directorate of Revenue Intelligence (DRI) and also from the Director General of Foreign Trade (DGFT) with regard to simultaneous issuance of EPCG license and Status Holder Incentive Scrip (SHIS) in the year 2013-2014. It is relevant to submit that the facts and issues involved in the above mentioned show-cause notices issued by DRI and DGFT are identical. The Company has made a detailed representation to the show-cause notice issued by DGFT and after considering the representation made by the Company, DGFT has discharged the said show-cause notice and has closed the proceeding in favour of the Company.

Further, with regard to the DRI notice, the company has made a representation to Central Board of Excise and Customs (CBEC). The Company has also filed a writ petition before the Delhi High Court (Court). DGFT has also submitted to the Court that they are in agreement with the contentions raised by the Company. The matter has been disposed by Delhi High Court on 17/09/2015 wherein it has directed that the matter has to be adjudicated by Commissioner of Customs (Port), Customs House Kolkata with the direction that till adjudication its not completed by Commissioner of Customs (Port) no coercive action should be taken against the Company. The company has filled the reply of the showcase notice to the Commissioner of Customs (Port) on 25/11/2015. The case has been heard by Commissioner of Customs on 05/04/2016 and outcome of the same is awaited. Considering the fact of the case and advised, management is of the view that no provision is required.

(₹ in Lakhs)

32	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided):	As at 31st March, 2016	As at 31st March, 2015
A) Contingent Liabilities			
(a). Claims against the Company not acknowledged as debt			
(i)	Electricity charges demand of Jharkhand State Electricity Board. (Appeal pending before High Court, Jharkhand)	45.24	45.24
(ii)	Demand for Sales Tax for the FY 2003-04 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 0.22 Lakhs)	0.22	0.22
(iii)	Demand for Sales Tax for the FY 2004-05 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 1.90 Lakhs)	1.90	1.90
(iv)	Demand for Sales Tax for the FY 2005-06 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur) (Paid/Deposit ₹ 9.16 Lakhs)	9.16	9.16
(v)	Demand for Income Tax for the AY 2007-08 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)	28.38	13.01
(vi)	Demand for Income Tax for the AY 2010-11 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)	0.16	-

(₹ in Lakhs)

32	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided):	As at 31st March, 2016	As at 31st March, 2015
	(vii) Demand for Income Tax for the AY 2011-12 (Appeal pending before the Assistant Commissioner of Income Tax (Appeals), Kolkata)	0.07	-
	(viii) Demand for Service Tax for the FY 2004-05, 2005-06, 2006-07 (upto July 2006) (Appeal pending before the Excise & Service Tax Appellate Tribunal, Kolkata) (Deposit ₹ 2.00 Lakhs)	35.98	35.98
	(ix) Demand for Service Tax for the FY 2007-08 to 2011-12 (Appeal pending before the Additional Commissioner Service Tax, Kolkata)	15.34	15.34
	(x) Demand for Service Tax for the FY 2009-10 (Appeal pending before the Commissioner (Appeals-1), Kolkata) (Deposit ₹ 0.37 Lakhs)	9.74	9.74
	(xi) Demand for Central Excise for the FY 2010-11 & FY 2011-12 (Appeal pending before the Joint Commissioner of Central Excise, Kolkata II)	35.44	17.72
	(b). Bank Guarantee	567.63	567.63
	(c). Custom duty on Capital goods imported under EPCG Scheme / Advance Licence, against which export obligation of ₹ 46,528.35 Lakhs (Previous year ₹ 36,589.31 Lakhs) is to be fulfilled.	6,636.69	5,448.74
	B) Commitments		
	(a). Estimated amount of contracts remaining to be executed on capital account and not provided for	3,047.30	8,838.63

(₹ in Lakhs)

33	EMPLOYEE BENEFITS:	As at 31st March, 2016	As at 31st March, 2015
	(a). Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits :		
	(i). In respect of Gratuity a defined benefit scheme (based on actuarial valuation)		
	a) Expenses recognized during the year.		
	Current Service Cost	115.07	87.52
	Past Service Cost	(1.30)	-
	Interest Cost	36.35	31.92
	Expected return on plan assets	(33.31)	(25.37)
	Actuarial (Gain) / Loss	(58.90)	(8.61)
	Net Cost	57.91	85.47
	b) Net Assets / Liability recognized in the Balance Sheet at the year end		
	Present Value of Fair value of plan assets at the end of the year	516.96	389.37
	Present value of obligation	574.87	483.65
	Amount recognized in Balance Sheet	57.91	94.28

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(₹ in Lakhs)

33	EMPLOYEE BENEFITS:	As at 31st March, 2016	As at 31st March, 2015
	c) Reconciliation of opening and closing balances of Defined Benefit obligation		
	Present Value of Defined Benefit obligation at the beginning of the year	483.65	367.71
	Current Service Cost	115.07	87.52
	Past Service Cost	(1.30)	-
	Interest Cost	36.35	31.92
	Actuarial (Gain) / Loss on obligation	(58.90)	(3.50)
	Benefit paid	-	-
	Present Value of Defined benefit obligation at the year end	574.87	483.65
	d) Reconciliation of opening and closing balances of fair value of Plan Assets		
	Fair value of plan assets at beginning of the year	389.37	17.37
	Expected return on plan assets	33.31	301.22
	Actuarial Gain / (Loss)	-	24.31
	Employer contribution	94.28	5.00
	Benefit Paid	-	41.47
	Fair value of plan assets at the end of the year	516.96	389.37
	e) Investment details		
	Insurer Managed Funds 100%	516.96	389.37
	f) Actuarial Assumptions		
	Mortality Table (LIC)	L.I.C. (2006 - 08), Ultimate Table	L.I.C. (2006 - 08), Ultimate Table
	Discount Rate (Per Annum)	7.90%	7.50%
	Rate of escalation in salary (per annum)	5%	7%

The company has funded scheme for payment of Gratuity to all eligible employees calculated at specified number of days of last salary drawn depending upon tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exist otherwise and is provided for on the basis of actuarial valuation made at the year end using projected unit credit method.

(ii) Leave salary – compensated absence :

The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on basis of actuarial valuation at the year end.

(iii) In respect of Defined contribution Scheme :

The company contributes 12% of salary for all eligible employees towards Provident Fund managed by the Central Government. Total expenses recognized towards Employer's contribution to Provident Fund ₹ 323.99 Lakhs (Previous year ₹ 259.80 Lakhs).

34 RELATED PARTIES :

(a) Name of related parties and nature of relationship where control exists are as under:

(i). **Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence.**

- (i) M/s. Riddhi Portfolio Pvt. Ltd. # #
(ii) M/s. Eastern Credit Capital (P) Ltd.
(iii) M/s. Ramkrishna Rail & Infrastructure Pvt. Ltd.
(iv) M/s. Clifftop Infrabuild Pvt. Ltd.
(v) M/s. Northeast Infraproperties Pvt. Ltd.

(ii). **ESOP Trust of the Company**

M/s Ramkrishna Forgings Employee Welfare Trust (This trust pertains to earlier ESOP Scheme of the company)

(iii). **Key Management Personnel**

Mahabir Prasad Jalan
Naresh Jalan
Pawan Kumar Kedia

Chairman cum Whole Time Director.
Managing Director
Finance Director

(v). **Relative of Key Management Personnel**

Rashmi Jalan

Wife of Mr. Naresh Jalan

(b) Transaction with related parties :

(₹ in Lakhs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Nature of Transaction during the year.		
(i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	-	450.00
Warrant conversion money received and converted in to Equity Shares	1,220.00	1,781.65
Warrant conversion money received pending conversion to Equity Shares	-	130.00
Forfeiture of Warrant Money	-	133.09
Rent Paid - Riddhi Portfolio (P) Ltd.	0.50	-
Interest free Deposit - Riddhi Portfolio (P) Ltd.	1.50	-
Dividend paid - Riddhi Portfolio (P) Ltd.	121.45	60.26
Dividend paid - Eastern Credit Capital (P) Ltd.	112.37	42.48
Dividend paid - Ramkrishna Rail & Infrastructure Pvt. Ltd.	0.04	0.02
(ii) Key Management Personnel		
Managerial Remuneration **		
i) Mahabir Prasad Jalan	223.65	186.63
ii) Naresh Jalan	141.13	128.46
iii) Pawan Kumar Kedia	36.19	23.89
Rent Paid - Naresh Jalan	6.00	6.00
Lease Rent - Naresh Jalan	24.00	24.00
Dividend paid	22.88	11.44
Commission- Mahabir Prasad Jalan	45.00	80.00
Commission- Naresh Jalan	35.00	70.00
(iii) Relative of Key Management Personnel		
Dividend paid - Rashmi Jalan	8.38	4.19

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(b) Transaction with related parties :

(₹ in Lakhs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
(iv) Trust of the Company		
Refund received / Adjustment #	-	1,353.03
Dividend	-	7.98
(c) Balance outstanding as at 31st March, 2016		
(i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	-	450.00
Warrant conversion money received pending conversion Equity Shares	-	130.00
(ii) Key Management Personnel		
Commission Payable - Mahabir Prasad Jalan	45.00	80.00
Commission Payable - Naresh Jalan	35.00	70.00

Note :

* Amount represent warrant allotment money @ 25% of the issue price

** Excludes leave encashment and gratuity which is based on actuarial valuation provided on overall Company basis.

Amount received on sale of shares including gain thereon.

Holds 25.42% of the Equity Share Capital of the Company.

35. Exchange Rate Difference

Foreign currency exchange difference Loss of ₹ 1,249.57 Lakhs (Previous year Gain of ₹ 255.04 Lakhs) on long term borrowing for acquisition of Fixed Assets, has been adjusted to carrying cost of fixed assets which is in compliance with the treatment prescribed under AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 [(G.S.R. 913 (E) dt. 29.12.2011)] issued by Ministry of Corporate Affairs.

(₹ in Lakhs)

36	SEGMENT INFORMATION:	Year ended 31st March, 2016	Year ended 31st March, 2015
	a. Primary Segment Information: The Group is operating in Forgings and Tours & Travels segments. However, the Tours & Travels segment does not form a part of reportable segment as per the criteria prescribed under AS-17 Segment Reporting.		
	b. Information about Secondary Segments : Geographical		
	Revenue by Geographical Market		
	India	50,484.20	37,571.32
	Outside India	40,569.61	37,634.63
		91,053.81	75,205.95
	Carrying Amount of Segment Assets		
	Outside India	19,031.69	19,480.77

Note: All the plants of the Company are located in India and accordingly Debtors and Stock lying outside India has been considered segment assets outside India.

37	EARNING PER SHARE (EPS):	Year ended 31st March, 2016	Year ended 31st March, 2015
	EPS is calculated by dividing the profit attributable to the equity shareholder by the weighted average number of equity shares outstanding during the year.		
	Profit for the period (₹ Lakhs)	5,453.96	7,540.92
	Weighted average number of shares used in the calculation of EPS:		
	Weighted average number of Basic Equity Shares outstanding	27,945,350	27,064,422
	Dilutive Impact of Shares Warrant Issued	-	684,640
	Weighted average number of Shares outstanding (Including Diluted)	27,945,350	27,749,062
	Face value of per share (in ₹)	10.00	10.00
	Basic EPS (in ₹)	19.52	27.86
	Diluted EPS (in ₹)	19.52	27.18

38	EMPLOYEE SHARE BASED PAYMENT:								
a.	Employee stock option scheme								
(i)	The Board of Directors in the meeting held on 7th August, 2015, approved the Employee Stock Option Scheme 2015 ("ESOP Scheme 2015") for the grant upto 700000 stock option to its permanent employees working in India and wholetime Directors of the Company, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. The same was approved by the members in the 33rd Annual General Meeting of the Company held on 12th September 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the Ramkrishna Forgings Limited Employee Welfare Trust. The Board of Directors in their meeting held on 7th November 2015 approved the grant of 323,675 options to the eligible employees of the Company.								
(ii)	The above granted options shall vest as under:								
	<table><tr><th>Date of Vesting</th><th>Eligibility</th></tr><tr><td>3rd year</td><td>30%</td></tr><tr><td>4th year</td><td>30%</td></tr><tr><td>5th year</td><td>40%</td></tr></table>	Date of Vesting	Eligibility	3rd year	30%	4th year	30%	5th year	40%
Date of Vesting	Eligibility								
3rd year	30%								
4th year	30%								
5th year	40%								

b. Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended 31st March, 2016 are as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Outstanding at beginning of the year	-	-
Granted during the year	323,675	-
Forfeited / Cancelled during the year	18,772	-
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	304,903	-
Exercisable at the end of the year	-	-

c. The employee share based payment plans have been accounted based on the intrinsic value method and accordingly ₹ 23.79 Lakhs (Previous year ₹ Nil) has been charged as employee compensation cost.

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d. Fair Valuation:

- (i) The fair value of the options used to compute net profit and earnings per share have been done by an independent valuer using Black-Scholes-Model. The details of options granted, the key assumptions and the Fair Value on the date of grant are as under:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Number of Options Granted	323,675	-
Options Grant Date	07-11-2015	-
Exercise Price (₹)	505.58	-
Risk-Free Interest Rate	7.66%	-
Life of Options Granted	6.11	-
Expected Volatility	53.97%	-
Expected Dividend	0.36%	-
Weighted-Average Fair Value per Option (₹)	561.75	-

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted.

For the year ended 31st March, 2016, the Company determined ₹ 23.79 lakhs (Previous year ₹ Nil) as amortized compensation cost for stock options granted. The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

- (ii) The impact on the profits and EPS of the fair value method is given in the table below -

(₹ in Lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Reported Net Profit	5,453.96	-
Add: Compensation cost under ESOP Scheme as per intrinsic value	23.79	-
Less: Compensation cost under ESOP Scheme as per fair value	146.03	-
Proforma Net Profit	5,331.72	-
Reported Earning per Share (EPS):		
Basic EPS (in ₹)	19.52	-
Diluted EPS (in ₹)	19.52	-
Proforma Earning per Share (EPS):		
Basic EPS (in ₹)	19.08	-
Diluted EPS (in ₹)	19.08	-

- 39 As per Section 135 of the Companies Act, 2013, a company, meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in accordance to the CSR Policy of the Company. A CSR committee has been formed by the Company as per the Act. The CSR activities are undertaken by the Company through a Trust on the activities which are specified in Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year : Rs. 0.66 Crores
- Amount spent during the year : Rs. 0.76 Crores

40. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

(₹ in Lakhs)

		Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	NAME OF THE ENTERPRISE	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated net assets	Amount (₹ in Lakhs)
	Parent				
	Ramkrishna Forgings Limited	100.24	47,150.16	100.64	5,488.94
	Subsidiary				
	Globe Forex & Travels Limited	0.09	43.13	(0.64)	(34.96)
	Total	100.33	47,193.29	100.00	5,453.98
	Consolidation Adjustment	(0.33)	(156.65)	-	-
	Ramkrishna Forgings Limited Consolidated Financial Statements	100.00	47,036.64	100.00	5,453.98

41. Salient Features of Financial Statements of Subsidiary as per Companies Act, 2013 (₹ in Lakhs) :

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Investments	Total Revenues	Profit Before Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
Globe Forex & Travels Limited	INR	88.14	(45.01)	6,520.34	-	1,379.24	22.74	(34.96)	-	100.00%

42. Figures for the previous year have been regrouped and reclassified to conform to the classification of the current period, where necessary.

As per our attached report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Date : The 21st day of May, 2016

For and on behalf of the Board

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

[illegible]



Ramkrishna Forgings Limited

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