

FOCUSED



Ramkrishna Forgings Limited

Annual Report 2019 - 20

CORPORATE INFORMATION

CIN : L74210WB1981PLC034281

Directors

Mr. Mahabir Prasad Jalan	- Chairman
Mr. Naresh Jalan	- Managing Director
Mr. Chaitanya Jalan	- Wholetime Director (w.e.f. 09.11.2019)
Mr. Pawan Kumar Kedia	- Director (Finance)
Mr. Padam Kumar Khaitan	- Non-Executive, Independent Director
Mr. Ram Tawakya Singh	- Non-Executive, Independent Director
Mr. Yudhisthir Lal Madan	- Non-Executive, Independent Director
Mr. Amitabha Guha	- Non-Executive, Independent Director
Ms. Aditi Bagri	- Non-Executive, Independent Director
Mr. Sandipan Chakravorty	- Non-Executive, Independent Director
Mr. Partha Sarathi Bhattacharyya	- Non-Executive, Independent Director
Mr. Ranaveer Sinha	- Non-Executive, Independent Director
Mr. Rajesh Mundhra	- Company Secretary
Mr. Lalit Kumar Khetan	- Chief Financial Officer (CFO)

Registered and Corporate Office

23, Circus Avenue,
Kolkata -700 017

Telephone: 033-4082 0900/7122 0900

Fax: 033-4082 0998

Email id: neha.gupta@ramkrishnaforgings.com

Website: www.ramkrishnaforgings.com

Works

Plant I :

Plot No.M-6, Phase VI, Gamaria,
Jamshedpur- 832108, Jharkhand.

Plant II:

7/40, Duffer Street, Liluah, Howrah- 711204,
West Bengal.

Plant III & IV:

Plot No. M-15,16 and NS-26, Phase – VII,
Adityapur Industrial Area, Jamshedpur- 832109, Jharkhand

Plant V:

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

Plant VII:

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

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP

22, Camac Street, 3rd Floor, Block 'B'
Kolkata - 700016

M/S S.K. Naredi & Co

Park Mansions, Block –1, 3rd Floor.
Room No.5, 57A Park Street
Kolkata -700016

Internal Auditors

M/s. Singhi & Co.

161, Sarat Bose Road, Kolkata-700026

Cost Auditors

M/s. S .K. Choudhary & Associates
Cost & Management Accountants
HIG-18D, 6th Phase,
Adarshnagar, Sonari,
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 India Limited
DCB Bank Limited
ICICI Bank Limited
Standard Chartered Bank
RBL Bank Limited
Axis Bank Limited
IndusInd Bank Limited
International Finance Corporation
Landesbank Baden, Wurttemberg
Qatar National Bank
Kotak Mahindra Bank Limited
HDFC Bank Limited

Registrar and Share Transfer Agents

M/s KFin Technologies (P) Ltd
Selenium Tower B,
Plot Nos. 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad- 500 032
Tel: +91 40 6716 1565
E mail: einward.ris@kfintech.com
Website: www.kfintech.com

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Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 38th Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2020.

Financial Highlights 2019-20

(Amount ₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Sales and Operating Income (Net)	1,11,182.02	1,80,668.73	12,1647.18	1,93,107.63
Other Income	601.60	298.85	679.55	311.25
Profit before Interest, Depreciation & Tax (incl. Exceptional Item)	20,973.16	38,248.84	21,408.08	38,697.68
Finance Cost	7,515.17	7,921.70	7874.79	8,218.95
Depreciation	12,016.49	12,083.33	12,054.06	12,105.87
Profit Before Tax (before Exceptional Items)	1,441.50	18,243.81	1,479.23	18,372.86
Exceptional Items	-	-	-	-
Profit Before Tax	1,441.50	18,243.81	1,479.23	18,372.86
Provision for taxation:				
- Current Tax	237.79	3,894.89	271.28	3,921.53
- Deferred Tax	241.04	2,408.38	229.69	2,429.70
- Tax adjustments for earlier years (Net)	1.23	9.46	8.71	10.33
Profit After Tax	961.44	11,931.08	969.55	12,011.30
Other Comprehensive Income (Net of Tax)	(26.95)	(84.58)	(33.23)	(87.07)
Total Comprehensive Income for the year	934.49	11,846.50	936.32	11,924.23

State of Company's Affairs

Financial Performance

- Revenue from operations decreased by 38.46% from ₹ 1,80,668.73 in 2018-19 to ₹ 1,11,182.02 lakhs in 2019-20.
- Export Sales decreased by 17.11% from ₹ 52,939.90 Lakhs in 2018-19 to ₹ 43,882.30 Lakhs in 2019-20.
- EBIDTA decreased by 45.17% from ₹ 38,248.84 lakhs in 2018-19 to ₹ 20,973.16 lakhs in 2019-20.
- PAT showed a decrease of 91.94% from ₹ 11,931.08 Lakhs in 2018-19 to ₹ 961.44 Lakhs in 2019-20.

The commercial vehicle segment (a key indicator of economic activity), which was anyway struggling with new rules passed under the axle load norms in 2018, faster turnaround of vehicle post GST implementation, coupled with slowdown in the economy and infrastructure projects and the resultant lower freight availability continued its downward slide in 2019-20.

The M & HCV segment was hit the hardest as production volumes declined by 47% from 4,44,356 vehicles in 2018-19 to 2,33,979 in FY 2019-20. The sales of M&HCV decreased by 42.47% from 3,90,732 vehicles in 2018-19 to 2,24,806 vehicles in 2019-20. The exports of the M&HCV vehicles decreased by 50.36% from 48,676 vehicles in 2018-19 to 24,162 vehicles in 2019-20.

The Production of LCVs declined but at a lesser pace by 22.45% from 6,68,049 vehicles in 2018-19 to 5,18,043 units in FY 2019-2020.

Operational Highlights

Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 29,156 tons during the year under review as compared to 52,944 tons last year registering an decrease of about 44.93%. The Company has the state-of-art of CNC Machining and Gear Cutting Facilities in which it has achieved accuracies of DIN 3962 (Class 8 to 9) in Hobbing Stage, DIN 3962 (Class 7) in Shaving Stage. The Company has made 15 new product development in the CNC Turning, 37 new development in Gear cutting and 79 new products in HMC/VMC Machining centre which has helped to enhance the product basket with existing clients and add new clients in the domestic and export market.

Ring Rolling Line

The Company has produced 16,572 tons during the year as compared to 26,715 tons last year thus registering a decrease of about 37.96%. The Company has developed 99 new products during the year.

Directors' Report (Contd.)

Press Facility

During the year the company has achieved a production of 36,166 Tons as compared to 56,132 tons last year thus registering a decrease of 35.57%. The Company has achieved an average capacity utilisation of around 45% during the year.

The Company has developed 65 new products during the year out of which 29 products are machined.

Future Outlook

The India story for commercial vehicles remains intact although with a slight delay. The current year may remain subdued in volumes but it is expected that 2021-22 should witness a resurgence owing to the Government's thrust on new-age infrastructure development as the recently announced policies which should transcend into on ground realities.

Another positive for the commercial vehicle space is India's vehicle scrappage policy, which is awaiting its final clearance. This would focus on eliminating the fleet of old polluting commercial vehicles plying on the country's roads which will create further replacement demand over the next few years.

Deposits

The Company has not accepted any deposits from the public and consequently there are no outstanding deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended.

Transfer to Reserves

Your Company proposes to transfer ₹ 500 lakhs to General Reserve out of the amount available for appropriation and an amount of ₹ 38,191.25 lakhs is proposed to be carried over to Balance Sheet as retained earnings.

Dividend

In view of subdued profits, the Board has not recommended any dividend for the Financial Year 2019-20.

The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 12th September 2020, to Saturday, 19th September 2020 (both days inclusive) for the purpose of Annual General Meeting.

Buyback of Equity Shares

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

The Maximum Buyback Size represents 4.81% and 4.82% of the aggregate of the Company's total paid-up equity share capital and free reserves based on the standalone and consolidated audited financial statements of the Company as on 31st March 2019. The Company has transferred the requisite amount into the Escrow account on 2nd April, 2020. The Buyback is expected to be closed by September, 2020.

Share Capital

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

During the Financial Year 2019-20, there was no change in the Authorised, Issued, Subscribed and Paid up Share Capital of the Company.

The Authorised Share Capital stood at ₹ 33,25,00,000/- consisting of 3,32,50,000 equity shares of ₹ 10/- each.

The Issued, Subscribed and Paid up Share Capital stood at ₹ 32,65,29,000 consisting of 3,26,52,900 equity shares of ₹ 10/- each.

However, due to Buy Back of shares the Issued, Subscribed and Paid up Share Capital (including ESOP effect) as on the date of the report stood at ₹ 32,25,00,880 divided into 3,22,50,088 equity shares of ₹ 10/- each.

Employees Stock Option Scheme

The Company has an ESOP Scheme titled 'Ramkrishna Forgings Limited – Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015)' for the grant upto 7,00,000 stock option, in one or more tranches, to its permanent employees working in India and wholtime Directors of the Company (employees). RKFL ESOP Scheme 2015 provides an incentive to attract, retain and reward the employees and enable them to participate in future growth and financial success of the Company. In accordance with the scheme the employees based on the performance matrix are eligible to receive one fully paid-up equity share of ₹ 10/- against each option.

During the year under review, based on the performance matrix of the eligible employees the Nomination and Remuneration Committee vested 47048 Stock Options to the eligible employees. During the year 850 options has been exercised by the eligible employee.

Further, 46,873 options have been forfeited/cancelled during the Financial Year 2019-20. There are 1,77,465 outstanding options as on 31st March, 2020.

During the year the Company has not granted any Options to its employees.

Directors' Report (Contd.)

The details pursuant to the Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, as amended and SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on the website of the Company at <http://www.ramkrishnaforgings.com/notice.html>

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

A Certificate from the Statutory Auditors with regard to the implementation of ESOP Scheme 2015 shall be available for inspection at the Registered Office of the Company from 10.00 A.M to 4.00 P.M. (Monday to Friday) before the Annual General Meeting and also at the Annual General Meeting and shall also be made available on making request to the Company at neha.gupta@ramkrishnaforgings.com.

Pollution Control Measures

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

Credit Rating

As on the date of this report Company's long term rating from ICRA has been revised from A (Negative Outlook) to A - (Negative Outlook) and the short term rating has been revised from A1 (A one) to A2+ (A two plus). The main reason for the downgrade in the ratings was deterioration in credit matrix due to slowdown in domestic M&HCV industry and anticipated weak outlook in export market.

Details of Directors and Key Managerial Personnel

(A) Appointment/Reappointment of Directors

Upon the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 9th November 2019, subject to the approval of the members, appointed Mr. Chaitanya Jalan (DIN: 07540301) as an Additional Director. He was also appointed as the Wholtime Director for a period of 5 years w.e.f 9th November 2019, subject to the approval of the members. The Company sought approval of the members for above appointment vide Postal Ballot notice dated 12th February 2020, which was passed with requisite majority on 1st April 2020.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 12th February 2020, subject to the approval of the members, re-appointed Mr. Pawan Kumar Kedia (DIN: 00375557) as the wholtime Director, designated as Director (Finance), for a period of 1 year w.e.f. April 1, 2020. The Company sought approval of the members for the above appointment vide Postal Ballot notice dated 12th February 2020, which was passed with requisite majority on 1st April 2020.

(B) Statement on Declaration given by Independent Directors under Sub-Section (7) of Section 149

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014 as per the declaration received from the Directors.

(C) Familiarization Programme Undertaken for Independent Directors

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

The details of programmes imparted by the Company during the year pursuant to Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are placed on the website of the Company at the link: <https://www.ramkrishnaforgings.com>.

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

During the Financial Year ended 31st March 2020, none of the Directors have resigned from the Company.

(E) Re-Appointment of Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Naresh Jalan (DIN 00375462) Director, retires by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting. His appointment will be placed for approval of the members and forms part of the notice of the ensuing Annual General Meeting.

The information about the Director seeking appointment/re-appointment as required by Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 on General Meeting has been given in the notice convening the Annual General Meeting.

(F) Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Mahabir Prasad Jalan, Chairman,

Directors' Report (Contd.)

Mr. Naresh Jalan, Managing Director, Mr. Pawan Kumar Kedia, Wholetime Director, Mr. Lalit Kumar Khetan, Chief Financial Officer and Mr. Rajesh Mundhra, Company Secretary and Compliance Officer.

During the year, Mr. Chaitanya Jalan, has been appointed as the Wholetime Director designated as Director (Executive] w.e.f. 9th November 2019.

Remuneration Policy

The Company has in place a policy on Directors' and Senior Management appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, read with Regulation 19 (4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Pursuant to the provisions of Section 134 (3) (p) and other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual evaluation of the performance of the Board, its Committees and of individual Director was done. The performance evaluation of the Independent Directors was also carried out by the entire Board (excluding the director being evaluated).

The evaluation of performance for the year 2019-20 was carried out through structured questionnaires (based on various aspects of the Board's functioning, composition, its committees, culture, governance, execution and performance of statutory duties and obligations). The questionnaire covers all aspects prescribed by SEBI vide its circular no. SEBI/HO/CFD/CMD/ CIR/P/2017/004 dated 5th January, 2017.

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

The performance evaluation of the Board, its Chairman and the Non-Independent Directors were carried out by the Independent Directors in the Independent Director Meeting.

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

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of annual accounts for the year ended 31st March 2020, 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 2019-20 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;
- iv) they have prepared the annual accounts for 2019-20 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 had two wholly owned Subsidiaries i.e. Globe Forex & Travels Limited (CIN: U63040WB1994PLC062139) and Ramkrishna Aeronautics Private Limited (CIN: U62100WB2016PTC216705).

During the year, your Company has formed a wholly owned subsidiary viz; Ramkrishna Forgings LLC, USA.

A brief highlight of the consolidated performance and its contribution to the overall performance of the Company for the Financial Year 2019-20 is as below:

Directors' Report (Contd.)

(₹ in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company) Consolidated	Globe Forex & Travels Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Gross Revenues from operation	1,21,647.18	10,687.06	8.78%
Profit before Taxation (PBT)	1,479.23	71.66	4.84%
Profit/(Loss) after Taxation (PAT)	969.55	42.03	4.34%

(₹ in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company) Consolidated	Ramkrishna Aeronautics Private Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Gross Revenues from operation	1,21,647.18	0.00	0.00%
Profit before Taxation (PBT)	1,479.23	(1.75)	(0.11%)
Profit/(Loss) after Taxation (PAT)	969.55	(1.75)	(0.18%)

(₹ in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company) Consolidated Figures	Ramkrishna Forgings LLC, USA (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Gross Revenues from operation	1,21,647.18	0.00	0.00%
Profit before Taxation (PBT)	1,479.23	0.00	0.00%
Profit/(Loss) after Taxation (PAT)	969.55	0.00	0.00%

Pursuant to Section 129(3) of the Companies Act, 2013, and implementation requirements of the Indian Accounting Standards Rules on accounting and disclosure requirements, as applicable and as prescribed under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the consolidated financial statements of the Company and its subsidiaries prepared in accordance with the relevant accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, forms part of this Annual Report. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of the subsidiaries are available at our website at <http://www.ramkrishnaforgings.com>.

In addition, the financial data of the subsidiaries has been furnished under note. 47 of the Consolidated Financial Statements and forms part of this Annual Report.

The Annual Accounts of the Subsidiaries and other related detailed information will be kept at the Registered Office of the Company and also at the Registered Office of the Subsidiary Company and will be available to the investors for seeking information from 10.00 A.M. to 4.00 P.M. (except Saturday and Sunday).

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 2019-20.

During the year there has been no change in the nature of the business carried out by the Subsidiary Companies.

The statement in Form AOC-1 containing the salient features of the financial statement of the Company's subsidiaries, Joint Ventures and Associates pursuant to first-proviso to sub-section (3) of section 129 of the Companies Act 2013 forms part of this Report as "Annexure-A".

Auditors

Statutory Auditors

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

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

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

Directors' Report (Contd.)

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report is given as “Annexure B” forming part of this Report.

The Secretarial Audit Report for the year under review mentions that the Company has generally complied with the Provision of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned in the Report.

The Board has re-appointed M/s. MKB & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2020 – 21.

Cost Auditors

As per Section 148 (3) and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee has appointed M/s. S.K. Choudhary & Associates (Membership no. 21916/FRN: 102319), Cost Accountants, as Cost Auditors to carry out the audit of the cost records of the Company for the Financial Year 2020-21.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor, as approved by the Board, is required to be placed before the Members in a general meeting for their ratification and the same forms part of the notice of the Annual General Meeting.

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

Risk Management Policy

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

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

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

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. The Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules 2014, M/s. Singhi & Co, Chartered Accountants, (Firm Registration no. 302049E) are appointed as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and standard operating procedures of the Company and reports its adequacy and effectiveness through periodic reporting.

Corporate Social Responsibility (CSR)

CSR for your Company means Corporate Sustainable Responsibility and this means embedding CSR into its business model.

In terms of the provisions of section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (“CSR”) Committee.

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

Your company has spent the requisite percentage of the average net profit of the three immediately preceding Financial Years on CSR related activities as covered under Schedule VII of the Companies Act, 2013.

Your Company as part of its CSR initiatives has initiated projects as per its CSR Policy.

The Company has framed and adopted a CSR Policy which is available at the following web link: <http://www.ramkrishnaforgings.com/policies.html>. The policy indicates the CSR activities to be undertaken by the Company to achieve its social commitments.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 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

Directors' Report (Contd.)

material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Persons which may have a potential conflict with the interest of the Company at large.

The details of the material Related Party transaction in Form AOC-2 is enclosed and marked as “Annexure D”.

All related party transactions are placed before the Audit Committee and Board for its approval. In accordance with Ind AS-24, the Related Party Transactions are disclosed under Note No. 39 of the Standalone Financial Statements.

Stock Exchange(s)

The Equity Shares of your Company are listed on two stock exchanges:

- National Stock Exchange of India Limited (NSE), Exchange Plaza, Plot no. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
- BSE Limited (BSE), Phiroze Jeejeeboy Towers, Dalal Street, Mumbai 400 001.

The annual listing fees for the year 2020-21 have been paid to both the stock exchanges where the shares of your Company are listed.

Management's Discussion And Analysis Report

Management's Discussion and Analysis Report for the year under review under Regulation 34 (2) (e) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. 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.

Business Responsibility Report

Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended inter alia, provides that the annual reports of the top 1000 listed entities based on market capitalisation (calculated as on March 31st of every financial year), shall include a Business Responsibility Report (BRR). As on 31st March, 2020, Your Company ranks among the top 1000 listed entities based on market capitalization. The Business Responsibility Report for the financial year 2019-20 presented in the separate section and forms part of the Annual Report.

Disclosures

a) Meetings of Board of Directors

During the year under review, 5 (Five) meetings of the Board of Directors were held. The details of the meetings and the attendance of the Directors are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the statutory laws and the necessary quorum were present at all the meetings.

b) Committees:

The Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently 5 (five) committees of the Board, namely:

- Audit and Risk Management Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Management & Finance Committee

Details of the Committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this report.

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

c) Meeting of Independent Directors

In accordance with the requirement of the statutory laws a separate meeting of the Independent Directors was held on 14th March, 2020. In the meeting, the Directors among other things reviewed the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board and found it satisfactory.

Directors' Report (Contd.)

d) 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 such Investments, loans and guarantees have been provided in Note no. 7, 9 and 44 to the Standalone Financial Statements.

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 – E" to this Report.

f) 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-F" to this Report

g) Particulars of Employees and related disclosures

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 read with Rules 5 (1) (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in "Annexure-G" to this Report.

h) Whistle Blower Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees and directors are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Vigilance and Ethics officer who operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. The status of the complaints received, if any, under the whistle blower policy is also placed on a quarterly basis before the Board. During the year under review, no employee was denied access to the Audit Committee. The Vigil Mechanism / Whistle Blower Policy of the Company can be accessed at the website of the Company at the following link: <http://www.ramkrishnaforgings.com/whistle-blower-policy.pdf>.

i) Transfer of amounts to Investor Education and Protection Fund (IEPF)

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

Accordingly, during the financial year 2019-20, the Company has transferred an unpaid & unclaimed dividend of ₹ 31,708 and has also transferred 446 shares for the Financial Year 2011-12 to the IEPF Fund. The details are provided at the website of the Company at the following link: <https://www.ramkrishnaforgings.com/unpaid-dividend.html>.

Mr. Rajesh Mundhra, Company Secretary and Compliance Officer, acts as the Nodal Officer. His details are provided at the website of the Company at the following link: <https://www.ramkrishnaforgings.com/unpaid-dividend.html>.

General

- i. During the year under review, there has been no change in the nature of business of the Company.
- ii. No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended 31st March, 2020 till the date of this Report.
- iii. There have been no significant or material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.
- iv. During the year under review, the Company has not issued sweat equity shares.
- v. During the year under review, the Company has not issued shares with differential voting rights.
- vi. The Company has not revised any of its financial statements or reports.
- vii. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- viii. The Company has complied with the applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Prevention of Sexual Harassment at Workplace

Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has an Internal Complaints Committee in all its workplace. Your Directors further state that during

Directors' Report (Contd.)

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 2019-20 and Notice of the 38th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in permitted mode.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Place: Kolkata
Dated: 26th Day of June, 2020

On behalf of the Board
For **Ramkrishna Forgings Limited**

Sd/-
Mahabir Prasad Jalan
(Chairman)
(DIN: 00354690)



Annexure to the Directors' Report

Annexure - A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary is presented with amounts in ₹ lakhs)

Sr. No.	Name of the subsidiary	Globe Forex & Travels Limited	Ramkrishna Aeronautics Private Limited	Ramkrishna Forgings LLC.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	USD Closing rate: 75.62
3	Share capital	478.77	10.00	-
4	Reserves & surplus	923.03	(5.66)	-
5	Total assets	6,855.92	310.56	184.38
6	Total Liabilities (excluding shareholders' fund)	5,454.12	306.22	184.38
7	Investments	-	-	-
8	Total Revenues (Net)	10,687.06	-	-
9	Profit before taxation	71.66	(1.75)	-
10	Provision for taxation	29.63	-	-
11	Profit after taxation	42.03	(1.75)	-
12	Proposed Dividend	-	-	-
13	% of shareholding	100%	100%	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NIL

On behalf of the Board
For Ramkrishna Forgings Limited

Sd/-
Mahabir Prasad Jalan
(DIN: 00354690)
(Chairman)

Sd/-
Naresh Jalan
(DIN: 00375462)
(Managing Director)

Sd/-
Pawan Kumar Kedia
(DIN: 00375557)
(Finance Director)

Place: Kolkata
Dated: 26th June 2020

Sd/-
Rajesh Mundhra
(Company Secretary)

Sd/-
Lalit Kumar Khetan
(CFO)

Annexure to the Directors' Report (Contd.)

Annexure - B

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.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, 2020 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, 2020 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 Rules made thereunder;
- iii) The Depositories Act, 1996 and 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 & 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 Takeover) Regulations, 2011.
 - b) The Securities and 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, 2018.
 - d) The Securities and 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, 2018.
- 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 and Rules thereunder
 - e) Indian Electricity Act and Rules
 - f) Hazardous Wastes (Management and Handling) Rules, 1989
 - g) Jharkhand Municipal Corporation Act

Annexure to the Directors' Report (Contd.)

- h) Environment Protection Act, 1986 and Environment Impact Assessment Notification S.O 60(E), dated 27-01-1994
- i) Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982
- j) Water (Prevention & Control of Pollution) Act, 1974 & Water (Prevention and Control of Pollution) Rules, 1975
- k) Jharkhand Fire Services Act, 2007

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 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:

- i. the company has shifted its registered office from "Ramkrishna Chambers", 72, Shakespeare Sarani, Kolkata – 700 017 to 23, Circus Avenue, Kolkata – 700 017 with effect from 12th February, 2020.
- ii. the Board of Directors at their meeting held on 21st March, 2020 approved buyback of equity shares of the company for an aggregate amount of ₹ 40 Crores.

We further report that during the period under audit, the Company has passed the following special resolutions:

- i. To re-appoint Mr. Padam Kumar Khaitan (DIN: 00019700) as an Independent Director of the Company for another term of five consecutive years from 1st April, 2019;
- ii. To re-appoint Mr. Yudhisthir Lal Madan (DIN: 05123237) as an Independent Director of the Company for another term of five consecutive years from 1st April, 2019;
- iii. To re-appoint Mr. Ram Tawakya Singh (DIN: 00276330) as an Independent Director of the Company for another term of five consecutive years from 1st April, 2019;
- iv. To re-appoint Mr. Amitabha Guha (DIN: 02836707) as an Independent Director of the Company for another term of five consecutive years from 14th August, 2019;
- v. To re-appoint Ms. Aditi Bagri (DIN: 06943139) as an Independent Director of the Company for another term of five consecutive years from 1st November, 2019.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries

Sd/-
Raj Kumar Banthia
Partner

Date: 26.06.2020
Place: Kolkata
UDIN: A017190B000384799

ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Annexure to the Directors' Report (Contd.)

Annexure- I

To
The Members,
RAMKRISHNA FORGINGS LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode only and the same have been verified by us.

For **MKB & Associates**
Company Secretaries

Sd/-
Raj Kumar Banthia
Partner

ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 26.06.2020
Place: Kolkata
UDIN: A017190B000384799



Annexure to the Directors' Report (Contd.)

Annexure - C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

[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) policy embodies the various initiatives and programs of Ramkrishna Forgings Limited ("herein after referred as 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 2019-20.

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

2. Corporate Social Responsibility Committee (CSR Committee):

The CSR Committee consists of three directors, out of which the Chairman of the Committee is an Independent Director. The composition of the committee as on 31st March 2020 is as follows:

1. Mr. Ram Tawakya 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 Years: ₹ 11,874.51 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above): ₹ 237.49 Lakhs

5. Details of CSR spent during the Financial Year:

a) Total Amount to be spent for the Financial Year: ₹ 237.49 Lakhs

b) Amount unspent, if any: Nil

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 (₹ in Lakhs)	Amount spent on the Projects or Programs for the F.Y. 2019 -20 (1) Direct Expenditure (2) Over heads (₹ in Lakhs)	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
1.	Jankalyan Yojana	Availability of safe Drinking Water	Providing safe drinking water Sariekela Region, Jharkhand	25.00	-	17.05	N.A.
2.	Jankalyan Yojana	Eradication of hunger, poverty and malnutrition	Food and Saree distribution among poor women, religious and welfare activities Sariekela Region, Jharkhand	25.00	4.09	28.88	Through IA-Ramkrishna Foundation Trust

Annexure to the Directors' Report (Contd.)

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 (₹ in Lakhs)	Amount spent on the Projects or Programs for the F.Y. 2019 -20 (1) Direct Expenditure (2) Over heads (₹ in Lakhs)	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
3.	Jankalyan Yojana	Sanitation	Installation of Dustbin Jamshedpur	25.00	5.31	7.05	Through IA-Ramkrishna Foundation Trust
4	Jankalyan Yojana	Rural development projects	Infrastructural Improvement for Installation of street Lights Sariekela Region, Jharkhand	20.00	-	2.17	N.A.
5	Jankalyan Yojana	Enhancing vocational skills among women		15.00	-	2.75	N.A.
6	Jankalyan Yojana	Ensuring environment sustainability	Renovation of Pond Jamshedpur	50.00	-	40.23	N.A.
7.	Swastya Yojana	Promoting Health Care including preventive health care	Medical Centre Sariekela Region, Jharkhand	200.00	19.96	114.38	Through IA-Ramkrishna Foundation Trust
8.	Swastya Yojana	Promoting healthcare including preventive healthcare	Free medical treatment for weaker section of society including cancer awareness Kolkata, West Bengal	40.00	9.74	24.30	Through IA-Ramkrishna Foundation Trust
9.	Swastya Yojana	Promoting Health Care including preventive health care	Blood/Free Health Camp Sariekela Region, Jharkhand	20.00	2.22	10.08	Through IA-Ramkrishna Foundation Trust
10.	Swastya Yojana	Promoting healthcare including preventive healthcare	Contribution for Setting up of Hospital Ghorabanda Jamshedpur	200.00	-	100.00	N.A.
11.	Shiksha Yojana	Promoting Education, vocational training and enhancement of vocational skill	To provide Technical education to students/improving infrastructures in school and colleges Sariekela Region, Jharkhand	75.00	-	59.28	N.A.

Annexure to the Directors' Report (Contd.)

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 (₹ in Lakhs)	Amount spent on the Projects or Programs for the F.Y. 2019 -20 (1) Direct Expenditure (2) Over heads (₹ in Lakhs)	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
12.	Shiksha Yojana	Promoting Education	Education to under privileged children/ Establishment of Recreational activities for Children at School. Jamshedpur, Jharkhand	30.00	7.49	27.74	Through IA-Ramkrishna Foundation Trust
13	Siksha Yojana	Promoting Education	Establishment of School for under privileged Children Jamshedpur, Jharkhand	1200.00	175.54	242.53	Through IA-Ramkrishna Foundation Trust
14	Siksha Yojana	Promoting Special education among differently abled children	To provide special education to Specially abled Children diagnosed with Autism Kolkata, West Bengal	100.00	21.00	21.00	Through IA-Ramkrishna Foundation Trust
15	Sanskriti Yojana	Protection of art and culture	Repair and Renovation of temple and providing safe drinking water Bholadih, Kolabira & Jugsalai Region, Jharkhand	20.00	11.00	22.13	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.

Dated: 26th June, 2020
Place: Kolkata

Sd/-
R . T. Singh
(Chairman of the Committee)
(DIN: 00276330)

Sd/-
Naresh Jalan
(Managing Director)
(DIN: 00375462)

Annexure to the Directors' Report (Contd.)

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 had any material related party transaction during the Financial Year 2019-20 and thus Form AOC-2 is not applicable to the Company.

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

Dated: 26th June, 2020
Place: Kolkata

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



Annexure to the Directors' Report (Contd.)

Annexure - E

Form MGT - 9

Extract of Annual Return as on the financial year ended on 31st March, 2020

[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 Limited
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	:	23, Circus Avenue
	Town / City	:	Kolkata
	State	:	West Bengal
	Pin Code:	:	700 017
	Country Name	:	India
	Telephone No	:	033- 40820900/71220900
	Fax Number	:	033- 40820998
	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. KFin Technologies Pvt. Ltd. (Previously known as Karvy Fintech Private Limited)
	Address	:	Selenium Tower B, Plot 31-32, Financial District, Nanakramguda
	Town / City	:	Serilingampally Mandal
	State	:	Hyderabad
	Pin Code:	:	500 032
	Country Name	:	India
	Telephone No	:	040 - 6716 1565
	Fax Number	:	040 - 2342 0814
	Email Address	:	shyam.kumar@kfintech.com

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 %

Annexure to the Directors' Report (Contd.)

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 : 72, Shakespeare Sarani, Kolkata-700017, West Bengal	U63040WB1994PLC062139	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
2.	Ramkrishna Aeronautics Private Limited Address: Ramkrishna Chambers, 72, Shakespeare Sarani, Kolkata - 700 017, West Bengal	U62100WB2016PTC216705	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
3.	Ramkrishna Forgings LLC Address: 919, North Market Street, Suite 950, Wilmington, 19801	N.A.	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**	Reason of change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share		
A. Promoters										
(1) Indian										
a) Individual/ HUF	1552925	0	1552925	4.76	1564570	0	1564570	4.79	0.03	Purchase
b) Central Govt	0	0	0	0	0	0	0	0	0	
c) State Govt (s)	0	0	0	0	0	0	0	0	0	
d) Bodies Corp.	13072741	0	13072741	40.03	13101224	0	13101224	40.12	0.09	Purchase
e) Banks / FI	0	0	0	0	0	0	0	0	0	
f) Any Other	0	0	0	0	0	0	0	0	0	
Sub-total (A) (1):-	14625666	0	14625666	44.79	14665794	0	14665794	44.91	0.12	Purchase
(2) Foreign	0	0	0	0	0	0	0	0	0	
a) NRIs Individuals	0	0	0	0	0	0	0	0	0	
b) Other – Individuals	0	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	
d) Banks / FI	0	0	0	0	0	0	0	0	0	
e) Any Other....	0	0	0	0	0	0	0	0	0	
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	14625666	0	14625666	44.79	14665794	0	14665794	44.91	0.12	Purchase
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	6122162	0	6122162	18.75	5177810	0	5177810	15.8641	-2.89	sell/ purchase
b) Banks / FI	67967	0	67967	0.21	68602	0	68602	0.21	0.00	
c) Central Govt	0	0	0	0	0	0	0	0	0	
d) State Govt(s)	0	0	0	0	0	0	0	0	0	
e) Venture Capital	0	0	0	0	0	0	0	0	0	
f) Insurance Companies	330598	0	330598	1.01	330598	0	330598	1.01	0	
g) FIIs/FPI	3688896	0	3688896	11.30	3308093	0	3308093	10.13	-1.17	sell/ purchase
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
i) Others (specify)	774988	0	774988	2.37	774988	0	774988	2.37	0.00	

Annexure to the Directors' Report (Contd.)

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**	Reason of change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share		
INSTITUTION OTHERS (International Finance Corporation)	774988	0	774988	2.37	774988	0	774988	2.37	0.00	
Sub-total (B)(1):-	10984611	0	10984611	33.64	9660091	0	9660091	29.58	-4.06	sell/ purchase
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	1913597	0	1913597	5.86	2413967	0	2413967	7.39	1.53	sell/ purchase
ii) Overseas	0	0	0	0	0	0	0	0	0	
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2222032	33	2222065	6.81	2048152	33	2048185	6.27	-0.54	sell/ purchase
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2634813	0	2634813	8.07	3507998	0	3507998	10.74	2.67	
c) Others (specify)										
(i) NBFCs Registered with RBI	5600	0	5600	0.02	9728	0	9728	0.03	0.01	sell/ purchase
(ii) NRI/ Non Repatriation NRI	202255	0	202255	0.62	174622	0	174622	0.53	-0.09	sell/ purchase
(iii) Trust	10032	0	10032	0.03	4021	0	4021	0.01	-0.02	sell/ purchase
(iv) Clearing Member	6539	0	6539	0.02	19963	0	19963	0.06	0.04	sell/ purchase
(v) IEPF	1671	0	1671	0.01	2117	0	2117	0.01	0.00	
Sub-total (B)(2):-	6996539	33	6996572	21.43	8180568	33	8180601	25.05	3.62	sell/ purchase
Total Public Shareholding (B)=(B)(1)+(B)(2)	17981150	33	17981183	55.07	17840659	33	17840692	54.64	-0.43	sell/ purchase
C. Non Promoter Non Public	46051	0	46051	0.14	146414	0	146414	0.45	0.31	Purchase
1. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00	
2. Employee Benefit Trust	46051	0	46051	0.14	146414	0	146414	0.45	0.31	Purchase
Grand Total (A+B+C)	32652867	33	32652900	100	32652867	33	32652900	100	0.00	

Annexure to the Directors' Report (Contd.)

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	RIDDHI PORTFOLIO PRIVATE LTD	7454241	22.83	5.69	7482724	22.92	12.54	0.09
Reason for change - Due to purchase during the year								
2	EASTERN CREDIT CAPITAL PRIVATE LIMITED	5618500	17.21	0.00	5618500	17.21	0.00	0.00
3	RAMKRISHNA RAIL & INFRASTRUCTURE PVT LTD	0	0.00	0.00	0.00	0.00	0.00	0.00
4	MAHABIR PRASAD JALAN	451000	1.38	0.00	456000	1.40	0.00	0.02
Reason for change - Due to purchase during the year								
5	RASHMI JALAN	418750	1.28	0.00	418750	1.28	0.00	0.00
6	NARESH JALAN	285750	0.88	0.00	285750	0.88	0.00	0.00
7	NARESH JALAN (HUF)	268750	0.82	0.00	268750	0.82	0.00	0.00
8	MAHABIR PRASAD JALAN (HUF)	120000	0.37	0.00	120000	0.37	0.00	0.00
9	CHAITANYA JALAN	8675	0.03	0.00	15320	0.05	0.00	0.02
Reason for change - Due to purchase during the year								
		14625666	44.79	5.69	14665794	44.91	12.54	0.12

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

RIDDHI PORTFOLIO PRIVATE LTD

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
01.04.2019	At the beginning of the year	7454241	22.83		
31.08.2019	Purchase	4373	0.01	7458614	22.84
09-03-2020	Purchase	7500	0.02	7466114	22.87
12-03-2020	Purchase	11610	0.04	7477724	22.90
13-03-2020	Purchase	5000	0.02	7482724	22.92
31-03-2020	At the End of the year	7482724	22.92	7482724	22.92

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
01-04-2019	At the beginning of the year	5618500	17.21		
	Date wise Increase / Decrease in Share holding during the Year	Nil	Nil	Nil	Nil
31-03-2020	At the End of the year	5618500	17.21	5618500	17.21

Annexure to the Directors' Report (Contd.)

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
01.04.2019	At the beginning of the year	451000	1.38		
09.03.2020	Purchase	5000	0.02	456000	1.40
31.03.2020	At the End of the year	456000	1.40	456000	1.40

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
01.04.2019	At the beginning of the year	418750	1.28		
	Date wise Increase /Decrease in Share holding during the Year	Nil	Nil	Nil	Nil
31.03.2020	At the End of the year	418750	1.28	418750	1.28

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
01.04.2019	At the beginning of the year	285750	0.88		
	Date wise Increase /Decrease in Share holding during the Year	Nil	Nil	Nil	Nil
31.03.2020	At the End of the year	285750	0.88	285750	0.88

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
01.04.2019	At the beginning of the year	268750	0.82		
	Date wise Increase / Decrease in Share holding during the Year	Nil	Nil	Nil	Nil
31.03.2020	At the End of the year	268750	0.82	268750	0.82

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
01.04.2019	At the beginning of the year	120000	0.37		
	Date wise Increase / Decrease in Share holding during the Year	Nil	Nil	Nil	Nil
31.03.2020	At the End of the year	120000	0.37	120000	0.37

Annexure to the Directors' Report (Contd.)

CHAITANYA 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
01.04.2019	At the beginning of the year	8675	0.03		
03.03.2020	Purchase	365	0.00	9040	0.03
06.03.2020	Purchase	780	0.00	9820	0.03
09.03.2020	Purchase	1000	0.00	10820	0.03
12.03.2020	Purchase	2000	0.01	12820	0.04
16.03.2020	Purchase	2500	0.01	15320	0.05
31.03.2020	At the End of the year	15320	0.05	15320	0.05

RAMKRISHNA RAIL AND INFRASTRUCTURE PVT. LTD

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
01.04.2019	At the beginning of the year	Nil	Nil		
	Date wise Increase/Decrease in Share holding during the Year	Nil	Nil	Nil	Nil
31.03.2020	At the End of the year	Nil	Nil	Nil	Nil

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

Sl. No	Name of the Share Holder	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	Aditya Birla Sun Life Trustee Private Limited A/C	1707276	5.23	01/04/2019			1707276	5.23
				19/07/2019	20000	Purchase	1727276	5.29
				26/07/2019	13400	Purchase	1740676	5.33
				27/09/2019	9900	Purchase	1750576	5.36
				04/10/2019	9600	Purchase	1760176	5.39
				07/02/2020	1995	Purchase	1762171	5.40
				14/02/2020	3694	Purchase	1765865	5.41
				28/02/2020	2311	Purchase	1768176	5.42
				27/03/2020	51795	Purchase	1819971	5.57
				31/03/2020			1819971	5.57
2	Franklin India Smaller Companies Fund	1349476	4.13	01/04/2019			1349476	4.13
				13/12/2019	1349476	Purchase	2698952	8.27
				13/12/2019	-1349476	Sale	1349476	4.13
				31/03/2020			1349476	4.13

Annexure to the Directors' Report (Contd.)

Sl. No	Name of the Share Holder	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	Massachusetts Institute of Technology	700000	2.14	01/04/2019			700000	2.14
				17/05/2019	62271	Purchase	762271	2.33
				31/05/2019	37729	Purchase	800000	2.45
				20/09/2019	70000	Purchase	870000	2.66
				08/11/2019	95984	Purchase	965984	2.96
				15/11/2019	142743	Purchase	1108727	3.40
				22/11/2019	18759	Purchase	1127486	3.45
				29/11/2019	74714	Purchase	1202200	3.68
				31/03/2020			1202200	3.68
4	Lata Bhanshali	1058975	3.24	01/04/2019			1058975	3.24
				06/12/2019	-5000	Sale	1053975	3.23
				31/03/2020			1053975	3.23
5	International Finance Corporation	774988	2.37	01/04/2019			774988	2.37
				31/03/2020			774988	2.37
6	Blue Diamond Properties Pvt Ltd	146000	0.45	01/04/2019			146000	0.45
				30/08/2019	56000	Purchase	202000	0.62
				13/09/2019	274724	Purchase	476724	1.46
				18/10/2019	12000	Purchase	488724	1.50
				20/12/2019	57000	Purchase	545724	1.67
				07/02/2020	48020	Purchase	593744	1.82
				21/02/2020	17408	Purchase	611152	1.87
				28/02/2020	60103	Purchase	671255	2.06
				06/03/2020	10000	Purchase	681255	2.09
				31/03/2020			681255	2.09
7	ICG Q Limited	661230	2.03	01/04/2019			661230	2.03
				27/03/2020	15769	Purchase	676999	2.07
				31/03/2020	20	Purchase	677019	2.07
				31/03/2020			677019	2.07
8	Akash Bhanshali	0	0.00	01/04/2019			0	0.00
				06/09/2019	147385	Purchase	147385	0.45
				25/10/2019	150000	Purchase	297385	0.91
				01/11/2019	2615	Purchase	300000	0.92
				20/12/2019	330499	Purchase	630499	1.93
				27/12/2019	309	Purchase	630808	1.93
				31/12/2019	2547	Purchase	633355	1.94
				31/03/2020			633355	1.94

Annexure to the Directors' Report (Contd.)

Sl. No	Name of the Share Holder	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
9	VANTAGE EQUITY FUND	536000	1.64	01/04/2019			536000	1.64
				03/05/2019	7000	Purchase	543000	1.66
				10/05/2019	6500	Purchase	549500	1.68
				17/05/2019	13500	Purchase	563000	1.72
				31/05/2019	1500	Purchase	564500	1.73
				07/06/2019	72500	Purchase	637000	1.95
				14/06/2019	3000	Purchase	640000	1.96
				21/06/2019	8000	Purchase	648000	1.98
				13/03/2020	-4530	Sale	643470	1.97
				20/03/2020	-11240	Sale	632230	1.94
				31/03/2020	-2180	Sale	630050	1.93
				31/03/2020			630050	1.93
10	Abakkus Growth Fund-1	503771	1.54	01/04/2019			503771	1.54
				05/07/2019	4705	Purchase	508476	1.56
				31/03/2020			508476	1.56

v) Shareholding of Directors and Key Managerial Personnel:

MAHABIR PRASAD JALAN – CHAIRMAN CUM WHOLE TIME 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
01.04.2019	At the beginning of the year	451000	1.38		
09.03.2020	Purchase	5000	0.02	456000	1.40
31.03.2020	At the End of the year	456000	1.40	456000	1.40

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
01.04.2019	At the beginning of the year	285750	0.88		
	Date wise Increase /Decrease in Share holding during the Year	0	0	0	0
31.03.2020	At the End of the year	285750	0.88	285750	0.88

Annexure to the Directors' Report (Contd.)

PAWAN KUMAR KEDIA – WHOLE TIME 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
01.04.2019	At the beginning of the year	15129	0.05		
27.05.2019	Purchase (ESOP Allotment)	200	0.00	15329	
21.06.2019	Purchase (ESOP Allotment)	200	0.00	15529	
26.08.2019	Purchase (ESOP Allotment)	250	0.00	15779	
31.03.2020	At the End of the year	15779	0.05	15779	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
01.04.2019	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
31.03.2020	At the End of the year	0	0	0	0

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
01.04.2019	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
31.03.2020	At the End of the year	0	0	0	0

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
01.04.2019	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
31.03.2020	At the End of the year	0	0	0	0

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
01.04.2019	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
31.03.2020	At the End of the year	0	0	0	0

Annexure to the Directors' Report (Contd.)

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
01.04.2019	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
31.03.2020	At the End of the year	0	0	0	0

SANDIPAN CHAKROVORTTY - 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
01.04.2019	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
31.03.2020	At the End of the year	0	0	0	0

PARTHA SARATHI BHATTACHARYYA - 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
01.04.2019	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year	0	0	0	0
31.03.2020	At the End of the year	0	0	0	0

RANAVER SINHA - 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
01.04.2019	At the beginning of the year	1250	0.01	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year	0	0.00	0	0.00
31.03.2020	At the End of the year	1250	0.01	1250	0.01

CHAITANYA JALAN - WHOLETIME DIRECTOR (APPOINTED W.E.F. 09.11.2019)

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
01.04.2019	At the beginning of the year	8675	0.03		
03.03.2020	Purchase	365	0.00	9040	0.03
06.03.2020	Purchase	780	0.00	9820	0.03
09.03.2020	Purchase	1000	0.00	10820	0.03
12.03.2020	Purchase	2000	0.01	12820	0.04
16.03.2020	Purchase	2500	0.01	15320	0.05
31.03.2020	At the End of the year	15320	0.05	15320	0.05

Annexure to the Directors' Report (Contd.)

LALIT KUMAR KHETAN – CHIEF FINANCIAL OFFICER

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
01.04.2019	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Shareholding during the year	0	0.00	0	0.00
31.03.2020	At the End of the year	0	0.00	0	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
01.04.2019	At the beginning of the year	17127	0.05	0	0.00
21.06.2019	Purchase (ESOP Allotment)	200	0.00	0	0.00
31.03.2020	At the End of the year	17327	0.05	17327	0.05

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	82,839.93	5,309.28	-	88,149.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	-	-	-	-
Total (i+ii+iii)	82,839.93	5,309.28	-	88,149.22
Change in Indebtedness during the financial year				
•Addition	18,503.94	-	-	18,503.94
Exchange Difference	1,208.25	-	-	1,208.25
IND AS Adjustment	171.30	-	-	171.30
•Reduction	9,695.85	3,223.20	-	12,919.12
Net Change	10,187.49	(3,223.30)	-	6,793.00
Indebtedness at the end of the financial year				
i) Principal Amount	93,027.43	2,086.08	-	95,113.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	93,027.43	2,086.08	-	95,113.52

Annexure to the Directors' Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A - Remuneration to Managing Director, Whole Time Directors

Mahabir Prasad Jalan – Chairman cum Whole Time Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	211.14 46.70	257.84
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others,	-	-
	Total (A)	-	257.84
	Ceiling as per the Act		1,972.24

Naresh Jalan – Managing Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	128.72 44.98	173.70
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, Rent free Accommodation and EPF	18.73	18.73
	Total (A)	-	192.43
	Ceiling as per the Act		1,972.24

Pawan Kumar Kedia – Whole Time Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	33.23 2.55	35.78
2	Stock Option	1.79	1.79
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...EPF	- 2.43	- 2.43
5	Others,	-	-
	Total (A)		40.00
	Ceiling as per the Act		1,972.24

Annexure to the Directors' Report (Contd.)

Chaitanya Jalan – Whole Time Director (Appointed w.e.f. 09.11.2019)

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	8.43 0.16	8.59
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others,	-	-
	Total (A)	-	8.59
	Ceiling as per the Act		1,972.24

B - Remuneration of other Directors

Yudhisthir Lal Madan – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	10.05	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		10.05

Ram Tawakya Singh – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	8.35	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		8.35

Padam Kumar Khaitan – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	5.95	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		5.95

Amitabha Guha – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	8.75	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		8.75

Annexure to the Directors' Report (Contd.)

Aditi Bagri – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	7.80	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		7.80

Sandipan Chakravorty – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	7.05	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		7.05

Partha Sarathi Bhattacharyya – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	5.30	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		5.30

Ranaveer Sinha – Independent Director

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Fee for attending board /committee meetings	6.00	
2	Commission	NIL	
3	Others, please specify	NIL	
	Total		6.00

C - Remuneration of KMP's

Lalit Kumar Khetan – Chief Financial Officer

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	71.94 2.70	74.64
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others - EPF	3.84	3.84
	Total (A)		78.48

Annexure to the Directors' Report (Contd.)

Rajesh Mundhra – Company Secretary

Sl. No.	Particular of Remuneration	Amount (in Lakhs)	Total Amount (in Lakhs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	33.53 1.54	35.07
2	Stock Option	0.88	0.88
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	1.81	1.81
	Total (A)		37.76

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
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

Annexure to the Directors' Report (Contd.)

Annexure - F

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134 (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES 2014

A. CONSERVATION OF ENERGY

(i) 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:

- On-off mechanism for compressors and efforts are being done to arrest any leakage in pipelines.
- To switch off the Modules of IBH one by one during stoppage for planned stoppage and during die change.
- Unloading arrangement has been introduced for easy handling of Material in MPI Section to increase productivity and improve safety.
- Modification of the coils of induction furnace to reduce electric consumption and to maintain uniformity of heat.
- Auto-stop feature implemented for auxiliary machine in line.
- Improvement of Material Handling arrangement in Furnace to improve productivity and reduce manpower fatigue.
- Installation of LED Lights and conversion of existing lights with LED lights.
- Stopper introduced for easy handling of heavy material in all up-setter to improve productivity and reduce manpower fatigue.
- Replacement of higher wattage Mancollers with lower wattage.
- Pinch roll replacement in Induction heater of 12500 Ton pressline to reduce repair time and manpower fatigue
- Strict monitoring implemented to control fallout material to reduce electricity consumption.
- Regular inspection undertaken for all electrical installations.
- Modification of the heating process to reduce consumption of electricity consumption.
- Modification of logic to shutdown of equipment after a predefined interval.
- Improvement in loading arrangements in reheating furnace with the help of Chain pulley block to improve productivity and reduce manpower fatigue.

(ii) Steps taken for utilizing alternate source of energy:

The company has installed roof top Solar Plant solar in one of the Plants at Jamshedpur.

(iii) Capital Investment on energy conservation equipment's: Rs.34.39 lakhs

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption :

Innovation and Technology are synonyms with the Company. Your company continues to invest in research and development and better technology equipment for manufacturing products to meet customer requirements.

Your Company is engaged in continuous yield improvement through design improvisation and process modification which helps to control the raw material cost. Die Welding technology utilized which prevents recut of dies thereby avoiding scrap generation and helps to reduce cost.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

Your Company has undertaken the under-mentioned steps:

- In-house development of the Mechanical Spares helped to reduce cost and inventory.
- Modification in product operation for elimination of machining requirement.
- Modification of the process resulting in reduction in raw materials section which helped to reduce cut weight and sawing cost.
- Raw Materials are procured in multiple lengths to reduce final off cuts. Apart from that nesting is being implemented to cut the smaller product along with the main product thereby consuming the whole length.
- Bigger offcuts are been used for making smaller products thereby reducing wastage.
- Elimination of the Trim Cut thereby reducing material cost and cutting cost.
- Reduction in bar Length for the machine clamping and tolerance.

Annexure to the Directors' Report (Contd.)

- Inhouse development of the spares which helped in reduction of the cost and reduce inventory holdings for such spares.
- Design Improvement & modification of machine parts thereby reducing breakdown and improving life.
- Process modification to improve maintenance efficiency and safety of machine.
- Tool cost reduction by making reuse of inserts and CPC reduction.
- In-house development of fixtures.

(iii) **Technology imported during the last 3 years:** Nil

(iv) **Expenditure incurred in Research and Development:**

The Company has been granted Certificate of Registration to its In-House R&D unit(s) of its Plant at Village Baliguma, Kolabera, Dist Saraikela Kharswan Jamshedpur from Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, New Delhi. The expenditure incurred on R & D for the year is as under:

Revenue : Rs. 623.05 Lakhs

Capital : Rs. 47.83 Lakhs

C. FOREIGN EXCHANGE EARNING AND OUTGO

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

(Rs in Lakhs)

Particulars	2019-20	2018-19
Earned		
- Export Sales*	43,434.86	52,399.02
- Die design	447.44	-
Total	43,882.30	52,399.02
Used	14,069.64	8,201.76

*CIF Value

On behalf of the Board
For **Ramkrishna Forgings Limited**

Sd/-
Mahabir Prasad Jalan
(Chairman)
(DIN: 00354690)

Place: Kolkata
Dated: 26th Day of June, 2020

Annexure to the Directors' Report (Contd.)

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 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 2019-20 (Rs.in lakhs)	% increase in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Mahabir Prasad Jalan	257.84	(24.27%)	69.88:1
2	Mr. Naresh Jalan	192.43	20.28%	52.15:1
3	Mr. Pawan Kumar Kedia	40.00	(18.58%)	10.84:1
4	Mr. Chaitanya Jalan*	8.59	-\$	2.33:1
5	Mr. Padam Kumar Khaitan	5.95#	30.77%	1.61:1
6	Ms. Aditi Bagri	7.80#	73.33%	2.11:1
7	Mr. Yudhisthir Lal Madan	10.05#	50.00%	2.72:1
8	Mr. Ram Tawakya Singh	8.35#	43.97%	2.26:1
9	Mr. Amitabha Guha	8.75#	53.51%	2.37:1
10	Mr. Sandipan Chakravorty	7.05#	51.61%	1.91:1
11	Mr. Partha Sarathi Bhattacharyya	5.30#	51.43%	1.44:1
12	Mr. Ranaveer Sinha	6.00#	-\$	1.63:1
13	Mr. Rajesh Mundhra	37.76	(20.61%)	10.23:1
14	Mr. Lalit Kumar Khetan	78.48	7.26%	21.27:1

* Appointed w.e.f. 9th November 2019.

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

\$ % increase is not comparable as they were not directors/KMP in the year 2018-19.

- II. The median remuneration of employees of the Company during the Financial Year was 3.69 Lakh. In the Financial Year 2019-20, the median remuneration of employees was 2.79 % higher compared to previous year.
- III. There were 1765 permanent employees on the rolls of Company as on 31st March, 2020.
- IV. Average percentage increase made in the salaries of employees other than the managerial Personnel in the Financial Year 2018-19 was 6.35 % 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 2020								
1	Kasi Nath	68	Executive Vice President	312.45	MBA, Master of Technology (M.Engg), Bachelor of Engineering (Hons.) Diploma in Business Administration	33	01-07-2012	Director Global Purchasing Meritor Inc
2	Lalit Kumar Khetan	50	CFO	78.48	CA & ICWA	24	25-05-2018	McNally Bharat Engineering Company Ltd.

Annexure to the Directors' Report (Contd.)

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
3	Prakash Khose	50	Executive Director (Non Board)	76.49	Diploma in Mech Engineering	32	25-05-2019	Parsan Steel Forging and Machining Co.
4	Victor Manuel Martinez Gijon	51	Sales Lead- Mexico	71.98	Bachelor Degree in Mechanical Engineering	28	04-04-2015	Dana Corporation
5	Rajat Subhra Datta	55	Vice President IT	57.38	MSc	30.0	01-02-2010	Adhunik Group
6	Sakti Prasad Senapati	47	Chief People Officer	54.25	MBA & Diploma in Labour Law	22.0	01-04-2016	NRB Bearings Ltd.
7	Milesh Gandhi	40	Vice President	43.14	B.Com (Hons.), LIII, SMP	19.0	01-09-2000	NA
8	Vijay Kumar Mishra	59	Plant Head	40.7	M.Tech	30.0	05-05-2006	GMT Ltd.
9	Kali Kumar Ghosh	55	General Manager	38.40	M.Tech	33	08-05-2012	Hitech Gears Limited
10	Kanchan Chaudhuri	61	Plant Head	37.82	Adv. Dip. in Forging Technology from NIFFT	37	09-10-2012	Ahmednagar Forgings Limited
B. Details of Employee employed throughout the year and in receipt of remuneration not less than Rs.10,200,000/- p.a.								
1.	Kasi Nath	68	Executive Vice President	312.45	MBA, Master of Technology (M.Engg), Bachelor of Engineering (Hons.) Diploma in Business Administration	33	01.07.2012	Director Global Purchasing Meritor Inc
2.	Mr. Mahabir Prasad Jalan	71	Chairman cum Wholetime Director	257.84	B.Tech	54	12.11.1981	NA
3.	Mr. Naresh Jalan	45	Managing Director	192.43	MBA	23	05.11.2001	NA
C. Details of Employee employed part of the year and in receipt of remuneration not less than Rs. 850,000/- p.m.								
Nil								

Notes:

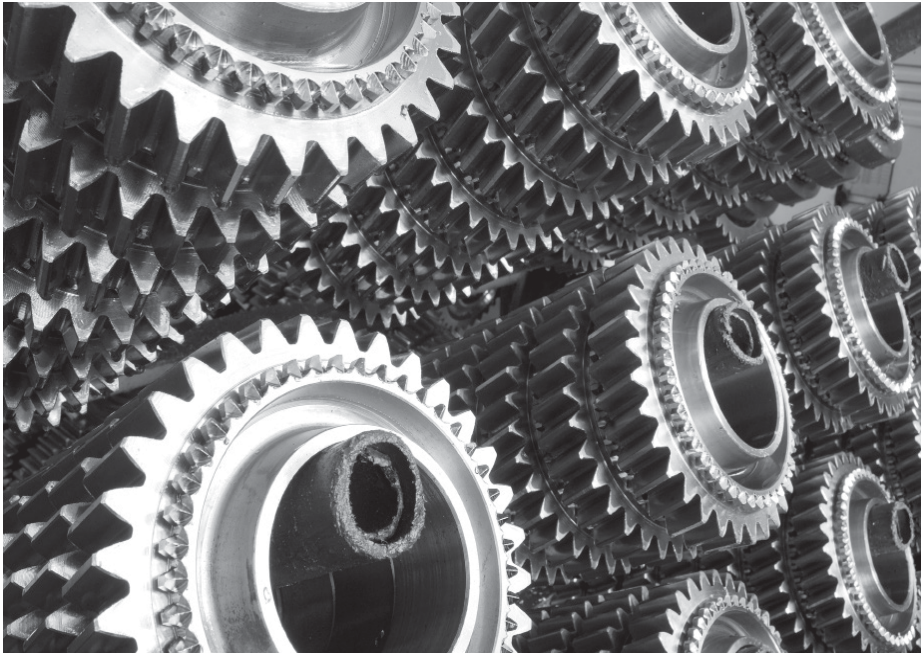
- Gross Remuneration includes Basic Pay, Allowances, Monetary value of Perquisites, Lease Rent, Commissions, Retirement benefits and Healthcare Insurance, if any.
- All the employees as mentioned above are under permanent roll of the Company
- Mr. Mahabir Prasad Jalan, Chairman cum Wholetime Director, Mr. Naresh Jalan, Managing Director and Mr. Chaitanya jalan, Wholetime Director are related to each other.
- The nature and terms of the employment are as per resolution/agreements/appointment letter.
- Mr. Mahabir Prasad Jalan holds 4,56,000 equity shares, Mr. Naresh Jalan holds 2,85,750 equity shares and Mr. Chaitanya jalan, Wholetime Director, holds 15,320 equity shares representing 1.40 %, 0.88 % and 0.05% of the paid up share capital, respectively, as on 31st March, 2020.

On behalf of the Board
For Ramkrishna Forgings Limited

Sd/-
Mahabir Prasad Jalan
(Chairman)
(DIN: 00354690)

Place: Kolkata
Dated: 26th Day of June, 2020

Management Discussion and Analysis



Reduction in shipment of auto-components owing to the outbreak of Covid-19 augurs well for auto-component manufacturers. If this trend continues, Ramkrishna Forgings stands to gain.

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Global Economy

Performance: Growth across economies worldwide decelerated markedly in 2019 with a sustained weakness in international trade and investments. This weakness affected both the advanced economies, particularly the Euro Area, as well as the emerging markets and the developing economies.

Global trade contracted for most part of 2019, leading to a slowdown in manufacturing and financial markets remained fragile. Concerns over economic growth triggered widespread monetary policy easing by major central banks last year. In the backdrop of such turmoil, global growth weakened to an estimated 2.9% last year — the lowest rate of expansion since the 2008 financial crisis.

Outlook: The Covid-19 pandemic is inflicting high and rising human costs worldwide. Moreover, the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –4.9% in 2020, much worse than during the 2008–09 financial crisis.

In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.4% in 2021 as economic activity normalises, helped by policy support. (Source: IMF June Report)

Indian economy

Overview: Characterised as a developing market economy the economy, of India is the world's fifth-largest economy by nominal GDP and the third largest by purchasing power parity (PPP).

Performance : India's economic growth rate slumped to 3.1% in the March quarter – the slowest in 11 years. Data released by the statistics department showed that the gross domestic product (GDP) grew at 4.2% in the year ended 31 March 2020, compared with 6.1% a year ago, as private consumption slowed down and investment demand contracted even before the pandemic hit the economy. India's fiscal metrics worsened beyond the government's estimates with the fiscal deficit for FY20 widening to 4.6% of the GDP as against the finance ministry estimate of 3.8%. (Source: <https://economictimes.indiatimes.com/news/economy/indicators/fiscal-deficit-widens-to-4-6-of-gdp-in-2019-20/articleshow/76093931.cms>)

And toward the tailend of FY 20, India became part of the global pandemic. The coronavirus pandemic came at a time when India's economy was already slowing, due to persistent financial sector weaknesses. The severe disruption of economic activities caused by Covid-19, both through demand and supply shocks, has overtaken the incipient recovery in the Indian economy leading to distress.

Management Discussion and Analysis (Contd.)



Bucking the normal trend, North American class 8 natural gas trucks, retail sales increased 20% through the first 11 months in 2019, from the same period in 2018.

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The total capacity of the industry is 30 lakh MT (FY2019) with a total production valued at Rs 45,000 crore to Rs. 50,000 crore.

Outlook: The Covid-19 outbreak ran riots on the teetering economy, bringing activities down to grinding halt in April 2020. But as the lockdowns have been eased in a phased manner, business activity has resumed.

Built over a strong foundation and seasoned by several crises, the Indian economy has gathered enough strength

terms of sales. Over the last couple of years, the industry has created additional capacity expecting a robust uptick in the automobile sector – this has impacted the capacity utilisation of the entire sector - the overall capacity utilisation is less than 50%.

The apex body of the forging industry in India, the Association of Indian Forging Industry (AIFI) expressed concern over the lack of demand with respect to fresh orders from the automotive sector. With the ripple down effect of slumping automobile sales, the forging industry is facing the heat with a sharp decline in demand. The industry is additionally grappling with various other concerns which could have further negative impact besides the fall in demand for forged parts.

Further, the disruption caused by coronavirus has hit the automotive industry and thus also hammered the automotive component and forging industries, which had already reduced their production rate due to the market conditions.

US truck and bus sector

America's trucking industry is the lifeblood of the U.S. economy. As such, the business is highly sensitive to the health of the wider economy. Nearly 71% of all freight tonnage in the U.S. moves on the back of trucks. Moving 10.5 billion tons of freight annually requires more than 3.6 million heavy-duty Class 8 trucks.

In 2019, some 4.7 million automobiles, about 550,000 light trucks, and some 350,00 heavy duty trucks were sold to customers in the United States.

to rebound. Experts believe that while the economic damage of the pandemic has so far been deep and far-reaching, there is belief that the economic activities will spike once the Covid-19 restrictions are eased.

The Indian forging industry

The Indian forging industry has close to 400 forging units, of which 83% can broadly be categorised as tiny and small enterprises (MSMEs). While 9% are medium units, the rest are large manufacturing plants. In terms of production and sales the MSMEs contribute to approximately one-third of the total output.

The total capacity of the industry is 30 lakh MT (FY2019) with a total production valued at Rs 45,000 crore to Rs. 50,000 crore. More than 60% of the sales of the forging industry is to the automotive sector. Hence the slowdown of all the segments of the auto sectors - commercial vehicle, cars, tractors and two wheeler has adversely affected the forging industry. The industry is down by about 25-30% in

Management Discussion and Analysis (Contd.)

EU demand for new commercial vehicles expanded by 2.5%, marking the seventh consecutive year of growth. Each of the major markets ended the year on a positive note.

Overbuying through 2019 and insufficient freight to absorb the ensuing capacity overhang continued to weigh on the front end of the Class 8 demand cycle. Truck makers saw the slowdown eat away at a record industry backlog of a year ago and cut production that resulted in significant job losses.

Outlook: The U.S. economy amid the Covid-19 crisis is suffering under the weight of multiple factors, including lower consumer spending, falling business investment and global travel bans. The inevitable impact on the U.S. economy depends largely on how long the virus lasts in America. Trucking and transport will get some cushion from the virus-sparked jump in food delivery and household goods demand.

Experts opine that The Class 8 market remains in equilibrium with orders well matched to production, stuck at close to replacement demand levels. Fleets remain profitable and are continuing to replace older units according to planned cycles. The smaller fleets, however, are being more cautious because revenue is declining from the previous years.

The market for Class-8 trucks is expected to grow by around 15 % in CY 21 and around 30 % in CY 22.

European commercial vehicle space

(Source: European Automobile Manufacturers Association-<https://www.acea.be/press-releases/article/commercial-vehicle-registrations-2.5-full-year-2019-5.7>)

Efficient transport is the backbone of Europe's economy, growth and competitiveness. Indeed, the European Union would literally come to a stop without trucks, buses or vans.

Overall in 2019, EU demand for new commercial vehicles expanded by 2.5%, marking the seventh consecutive year of growth. Each of the major markets ended the year on a positive note: Germany (+6.1%), France (+4.3%), the United Kingdom (+3.0%), Italy (+1.9%) and Spain (+0.3%).

Trucks: The 6.3 million trucks in circulation throughout the EU carry 76.7% of all freight transported over land, or almost 15 billion tonnes per year. Indeed, trucks serve as the backbone of trade and commerce in Europe. Trucks function as part of an integrated logistics chain, with other transport modes often depending on them to transfer freight to and from depots, rail terminals, airfields and ports. Global exports of heavy-duty trucks generate a trade surplus of €5.2 billion for the EU per year.

In 2019, heavy-truck registrations (16T+) across the EU remained largely stable compared to 2018 due to the growth recorded in the first half of 2019. With the exception of Italy (-7.7%), all key markets posted gains last year: the UK (+9.2%), Spain (+2.8%), France (+2.1%) and Germany (+1.9%).

For the New medium and heavy commercial vehicles (MHCV) over 3.5T, 2019 ended positively for the EU truck market (+0.9%), despite

the slowdown observed in the second half of the year. The United Kingdom (+9.5%), Germany (+4.2%), France (+1.5%) and Spain (+1.1%) all performed better than in 2018. Italy (-7.6%) was the only key market with falling demand.

Buses: There are 750,000 buses on Europe's roads today, making them the most widely-used form of collective transport and an important link in multi-modal mobility chains. With one bus capable of replacing 30 cars on the road, buses help ease traffic congestion. As such, buses have the lowest carbon footprint per passenger of any form of motorised transport.

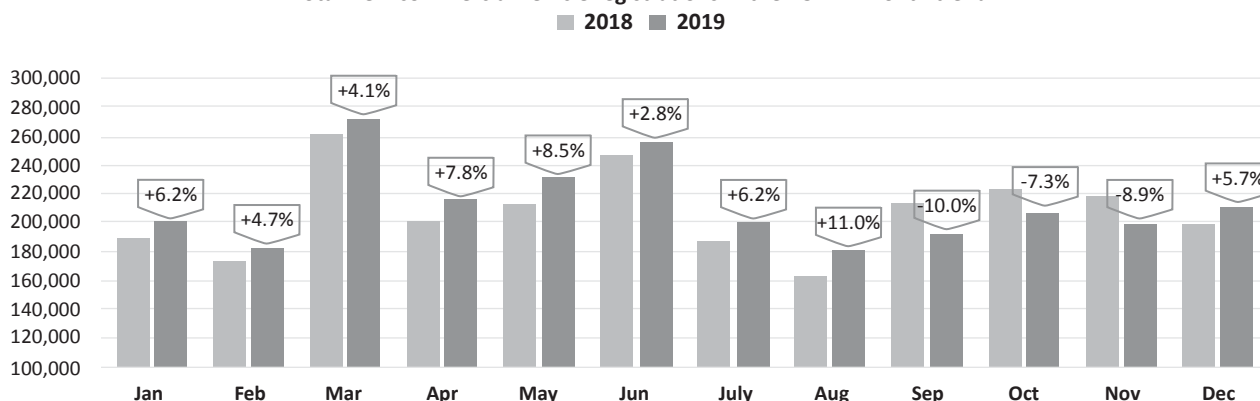
In 2019, new bus and coach registrations expanded by 1.8% across the European Union, despite the negative performance of the segment during the second half of the year. It is worth noting that the Central European countries gave a strong boost (+5.1%) to the full-year total. Among the major Western European markets, only France (+8.8%) made a positive contribution to the region's growth.

Vans: Largely used by SMEs as business tools, vans power the European economy, helping businesses to thrive. 31.6 million vans, also known as light commercial vehicles, are in use throughout the EU today, making up almost 11% of the total vehicle fleet.

Last year, new van registrations totalled 2.1 million units across the EU, a 2.8% increase compared to 2018. The introduction of WLTP for vans in September pulled forward registrations during the summer months, which subsequently slowed down from September to November. However, that effect eased in December, with demand for vans going up again. The five big markets all posted gains last year, with Germany (+6.9%) and France (+4.5%) making a particularly important contribution.

Management Discussion and Analysis (Contd.)

Total New commercial vehicle registrations in the EU - 12 month trend



Domestic Commercial vehicles

Automobile industry witnessed one of its sharpest decline in 2019-20. It reeled under severe de-growth and the pressure of disrupted supply chain, which was followed by a majority of the auto companies announcing a shutdown of their manufacturing units in the last week of March 2020, due to concerns over ensuring workplace safety & health of their employees consequent to the spread of Covid-19. As SIAM estimates, the auto industry was losing Rs 2,300 crore in production turnover for every day of closure.

The commercial vehicle segment (a key indicator of economic activity), which was anyway struggling with reduced cargo movement amid slowdown and new rules passed under the axle load norms in 2018, continued its downward slide in 2019-20.

The Commercial Vehicle was the hardest hit with sales dipping by 28.75% - Commercial Vehicle sales was 717,688 units in April-March 2020 compared to 1,007,311 units in April- March 2019.

Sales of commercial vehicle (CV) segment, crashed 89% year-on-year in March 2020. Domestic sales in March were deeply impacted by the Covid-19 lockdown as well as the planned transition to BS-VI.

Medium & Heavy commercial vehicles (M&HCV): This segment was hit the hardest as production volumes declined by 47% over

the previous year. This was owing to the culmination of a number of factors - revision of axle load norms in July 2018 and faster turnaround of vehicle post GST implementation, coupled with slowdown in the economy and infrastructure projects and the resultant lower freight availability. (Source: SIAM)

The India story remains intact although with a slight delay. Hence, while the current year would remain subdued with a further reduction in volumes, FY22 should witness a resurgence owing to the Government's thrust on new-age infrastructure development as the recently announced policies should transcend into on ground realities.

Light commercial vehicles (LCV): Production of LCVs declined but at a lesser pace by 22.45% in FY 20. Interestingly, the demand is expected to improve faster as e-commerce, in the post pandemic era, is gaining significant traction – consequent to the a complete shift in the Indian's consumers behavioural pattern (from market place shopping to e-marketplace purchasing).

Another positive for the commercial vehicle space is India's vehicle scrappage policy, which is awaiting its final clearance from the Union cabinet. This would focus on eliminating the fleet of old polluting commercial vehicles plying on the country's roads. This could create some replacement demand over the next 2-3 years.

Performance of Commercial vehicle in 2019-20.

	PRODUCTION			DOMESTIC SALES			EXPORTS		
	April – March			April – March			April – March		
	2018-19	2019-20	% Change	2018-19	2019-20	% Change	2018-19	2019-20	% Change
Commercial Vehicles									
M&HCVs									
Passenger carriers	45,506	42,594	(6.40)	39,604	40,257	1.65	8,286	9,294	12.17
Goods carriers	398,850	191,385	(52.02)	351,128	184,549	(47.44)	40,390	14,868	(63.19)
Total M&HCVs	444,356	233,979	(47.34)	390,732	224,806	(42.47)	48,676	24,162	(50.36)
LCVs									
Passenger carriers	54,066	42,828	(20.79)	52,170	45,369	(13.04)	4,094	2,655	(35.15)
Goods carriers	613,983	475,215	(22.60)	564,409	447,513	(20.71)	47,163	33,896	(28.13)
Total LCVs	668,049	518,043	(22.45)	616,579	492,882	(20.06)	51,257	36,551	(28.69)
Total Commercial Vehicles	1112,405	752,022	(32.40)	1,007,311	717,688	(28.75)	99,933	60,713	(39.25)

Management Discussion and Analysis (Contd.)

The revised axle load regulation that was announced in July 2018 with immediate effect, increases the vehicle's permissible operating GVW capacity by approximately 12% to 15%. This resulted in nationwide faster freight transportation.

Buses industry

Bus industry is one of the vital integral segments of Indian automobile industry. It is a common widespread public transport in India. The industry comprises of buses that are categorised into school buses, mini buses, tourist buses, deluxe buses, commuter buses and others depending on the use. Accounting for approximately 16% of the world's production, India stands strong as the second largest producer of buses across the globe.

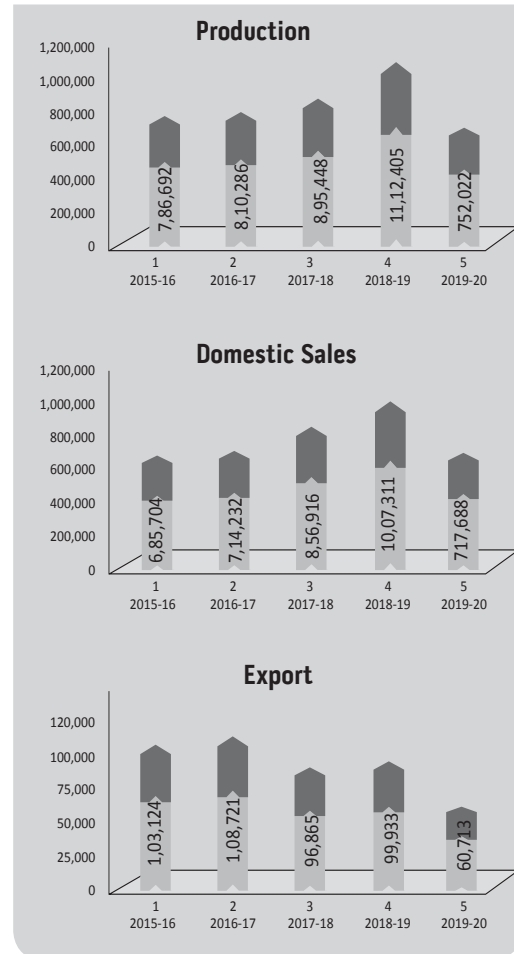
Owing to the development of infrastructure and roads, connecting to remote places has become easier due to which more and more people are availing bus services. This has greatly contributed to the growth of bus industry.

In the ongoing difficult fiscal year (2019-20) that India Auto Inc is currently experienced, all key vehicle segments declined to negative sales territory – all except a few. One of the important outliers was the bus segment.

With demand growing across corporate India for quality executive staff buses, safer buses to transport children to schools, and premium inter-state buses for travellers, bus manufacturers across the country are benefiting. Of the seven bus manufacturers in the fray in India, five OEMs recorded improved year-ago numbers in 2019-20.

Prospects going forward: March 2020 and the next few months after that will see industry and consumers adjusting to the BS VI shift and its resultant market dynamics, which could lead to sales being on the lower side.

But the bigger concern now is something beyond the shift to the new standards. The recent spread of the global pandemic has cast an ominous shadow on the demand for buses in the current year. As life after Covid-19, promises to be one of uncertainty and social distancing, the use of public transport could be curtailed leading to a decline in the demand for buses from State Transport Undertakings. But an expected recovery in the second half of the current year could lead to fresh demand from this segment.



Railways

India is placed at fourth position in the world in railway freight traffic after China, US and Russia. Despite possessing one of the largest railway networks in the world, Railways is incurring losses owing to the falling share of freight in its overall earnings pie. In 1970, railway was carrying nearly 86% of the total freight volume, which has now come down to 33% – in US and China the share of freight is 48% and 47% respectively.

(Source: <http://www.maritimegateway.com/bringing-modal-shift/#:~:text=In%201970%2C%20railway%20was%20carrying,cent%20to%2059%20per%20cent.>)

Privatisation of passenger trains: Piyush Goyal-led Indian Railways' plan to allow private trains on the network has generated a huge buzz in the private sector with several foreign and domestic players showing interest. Among the list of stakeholders who have attended conferences held recently, the prominent names are; Hyundai Rotem, Bombardier Transportation India, Talgo, Alstom Siemens, Adani, Mitsui, Medha. Indian Railways is hopeful that in two years, the award for the first such private train will be awarded. This game-changing move is aimed at meeting increasing passenger demand. The Indian Railways is inviting

the private sector to operate world-class trains on its network. Under the Rs 22,500 crore project, as many as 150 trains on 100 routes have been identified in the first phase of the project.

LHB coaches: The railways have ramped up production and use of Linke Hoffmann Busch (LHB) coaches as these are lighter and are able to withstand accidents better, ensuring passenger safety.

The Indian Railways has to replace around 45,000 conventional Integral Coach Factory (ICF) carriages with LHB coaches in five to seven years. The Railways all mainline mail trains will be replaced with LHB coaches.

Also, the national transporter plans to discontinue ICF coaches at the end of 20 years of use, instead of 25 years now, so that they could be replaced with LHB coaches faster; this is expected to increase the demand for the LHB coaches over the coming years.

The Railways had planned to produce 5,771 LHB coaches in 2019-20 of which 3,235 LHB coaches were manufactured upto October 2019. In keeping with its goal, the Railways have fast tracked the production of LHB coaches over the coming years.

Management Discussion and Analysis (Contd.)

Corporate overview

Ramkrishna Forgings is one of India's leading forging companies that have, over the years, established itself as a reliable supplier of quality forgings.

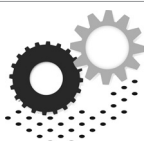
Timely investments in cutting-edge technology, capacity augmentation, and equipment modernisation has enabled the Company to earn the position of preferred supplier status with leading globally-respected OEMs operating in India. Its ability to develop customised products has

created a huge product basket – widening its opportunity canvass.

Ramkrishna Forgings has established a strong presence in the global market. It successfully supplies to Tier-1 customers in the US. Further, the Company supplies to Tier-1 customers and has commenced supplies with important international OEMs in Europe. It is also engaged with many OEM's in Europe paving the way for firm contracts over the coming years.

STRENGTHS

- * Proximity to raw material sources
- * Increased scale of operations resulting in economies of scale
- * Integrated facility that 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 opportunity canvass
- * Investing in technology to remain cost competitive
- * Graduated from manufacturing components to sub-assemblies – which improves value addition



WEAKNESSES

- * Fragmented and unorganised industry
- * Dependence on the automotive industry
- * Relatively low focus on R&D compared to OEM's and Tier-I players



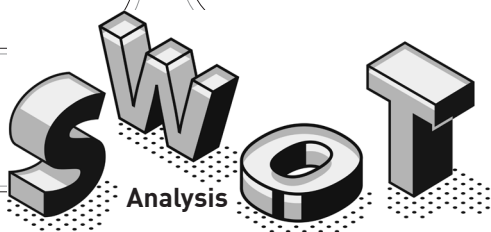
OPPORTUNITIES

- * Positioning India as a global manufacturing hub through the government's 'Make in India' mission should fuel demand for more vehicles
- * Rapidly expanding of city perimeters into suburban areas leads to the growing demand for mass transportation vehicles
- * Increasing need to transport products between production centers and consuming markets
- * Export opportunities



THREATS

- * Stiff competition owing to surplus capacity
- * High delinquencies of fleet owners
- * Volatility in raw material prices



Performance, 2019-20

Financial Performance:

- Net Sales decreased by 38.46 percent to Rs. 1,11,182.02 lakhs in 2019-20 from Rs. 1,80,668.73 lakhs in 2018-19.
- Export Sales decreased by 17.11 percent to Rs. 43,882.30 Lakhs in 2019-20 from Rs. 52,939.90 Lakhs in 2018-19.
- EBIDTA decreased by 45.17 percent to Rs. 20,973.17 lakhs in 2019-20 from Rs. 38,248.84 lakhs in 2018-19.

- PAT decreased by 91.94 percent from Rs. 961.44 Lakhs in 2019-20 to Rs. 11,931.08 Lakhs in 2018-19.

Production volumes decreased to 81,894 tons in 2019-20 from 1,35,791 tons in 2018-19. This decrease in production was mainly on account of slowness in the Indian commercial vehicle sector and an impact of lock down in March, 2020 for Covid-19. However the Company has taken various initiatives i.e to increase the product basket with the existing customers, developing new customers and reducing employee

Management Discussion and Analysis (Contd.)

fatigue. In addition, the team also implemented important process improvements which helped in improving product quality.

The company has taken cost optimization steps during the year as listed below:

- In-house development of the Mechanical Spares, helped to reduce cost and inventory.
- Modification in product operation for elimination of machining requirement.
- Modification of the process resulting in reduction in raw materials section, helped to reduce cut weight and sawing cost.
- Raw Materials are procured in multiple lengths to reduce final off cuts. Apart from that nesting is being implemented to cut the smaller product along with the main product thereby consuming the whole length.
- Bigger offcuts are been used for making smaller products thereby reducing wastage.
- Elimination of the trim cut thereby reducing material cost and cutting cost.
- Reduction in bar Length for the machine clamping and tolerance.
- In-house development of the spares which helped in reduction of the cost and reduce inventory holdings for such spares.
- Design Improvement & modification of machine parts thereby reducing breakdown and improving life.
- Process modification to improve maintenance efficiency and safety of machine.
- Tool cost reduction by making reuse of inserts and CPC reduction.
- In-house development of fixtures.

The team comprising metallurgist experts under the R & D continues to develop new products aligned to customer specifications, make continuous yield improvement through design and process modification which helps to reduce the raw material cost – critical for widening business horizon. In addition, the team also facilitated process changes for improving asset utilisation.

Human resource:

Intellectual capital represents its most valuable asset at Ramkrishna, from the executive level to the shop floor. In line with this, the Company has positioned employee engagement as a key priority. In order to motivate its employees the Company has implemented various initiatives which also creates a worker friendly organisation.

Training: The Company in order to align the capability matrix with the dynamic business realities has introduced many training programmes to improve the functional and behavioural soft skills of its employees. In addition to an institutionalized training calendar, the Company encourages its team members to participate in external knowledge-

sharing forums, to gain and collaborate with sector experts, to gain insights into industry best-practices and a governance-driven working culture. Training programmes are conducted round the year with the help of both internal as well as external trainers. It also facilitated in gaining insights into prevailing trends and emerging opportunities.

Training effectiveness: The Company adopts a need based capability building training requirements whose effectiveness is measured by adopting the Kirk Patrick Model for measuring training effectiveness. Pre and post training tests are conducted as a tool for gauging effectiveness and effective communication of the same is given to the employees. The performance improvement of the employee is monitored regularly to gauge the training effectiveness. This has helped in strengthening the learning culture within the organisation.

Employee engagement: Significant energy has been invested in creating a 'fun at work' environment and creating an inclusive culture for our team. The engagement initiatives include its suggestion scheme, cross functional 5S zonal competition and birthday celebrations. The Company has introduced 'Umang' initiative, a mass communication platform between the management and team members, which made considerable progress as extended discussions facilitated in growing operational and strategic awareness and cross pollination of ideas helped in improving business operations. The high engagement level within the Company helps stronger people understanding and fosters bonds beyond professional needs which interestingly works as a catalyst in growing the business. The Company also arranges inter plant tournaments to enhance the team spirit & cohesiveness among the employees.

Performance and rewards: The Company continues to make regular appraisals wherein performers are periodically recognised. 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 middle 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 implemented an ESOP scheme for the senior management – under which options has been vested to the senior management team -- strengthening the bond between the Company and its decision makers.

Management Discussion and Analysis (Contd.)

Analysis of financial statements:

Statement of Profit and Loss

Revenue from operations: The net revenues for the FY19-20 was Rs 111,182.02 Lakhs as compared to Rs 180,668.73 Lakhs, showing a decline of 38.46%.

Revenue from exports decreased to Rs 43,882.30 Lakhs in 2019-20 from Rs 52,939.90 Lakhs in 2018-19 showing a decline of 17.11 %.

The revenues in export segment decreased on account of tapering of the export demand from North American markets and the lock down in March, 2020 for Covid-19. However the Company had been able to increase its exposure in the European Market compared to last year on account on expanding its reach and product profile with the existing customers.

The revenue in the domestic segment has decreased to Rs 67,299.72 Lakhs in 2019-20 from Rs 127,728.83 lakhs in 2018-19 on account of fall in the production volumes of M&HCV vehicles by 47% from Rs 4,44,356 vehicles in FY 2019 to 2,33,979 in FY 20 over the previous year. This fall in volumes was owing to the culmination of a number of factors - new rules passed under the axle load norms in 2018 and faster turnaround of vehicle post GST implementation alongwith with slowdown in the economy and infrastructure projects and the resultant lower freight availability which continued its downward slide in 2019-20.

Operating expenses: Operating expenses (total expenses less interest and depreciation and stock variation) decreased by 36.37% to Rs 90,810.46 Lakhs in 2019-20 from Rs 142,718.74 Lakhs in 2018-19. Operating expenses as a percentage of net sales stood at 81.68 % in 2019-20 against 78.99% in 2018-19.

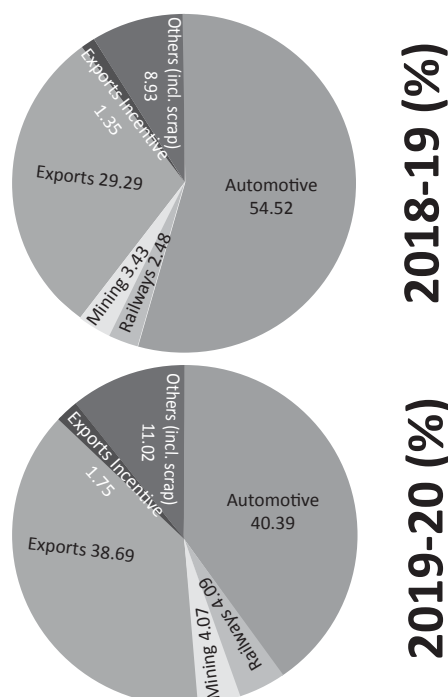
Cost of material consumed: Material costs decreased by 41.04% from Rs 94,319.75 lakhs in 2018-19 to Rs 55,610.52 lakhs in 2019-20. This decrease was owing to an decrease in production volumes from 1,35,791 tons in 2018-19 to 81,894 tons in 2019-20 coupled with decrease in the prices of Raw Materials.

Employee expenses: It is decreased by 2.67% from Rs 9,682.11 lakhs in 2018-19 to Rs 9424.07 Lakhs in 2019-20.

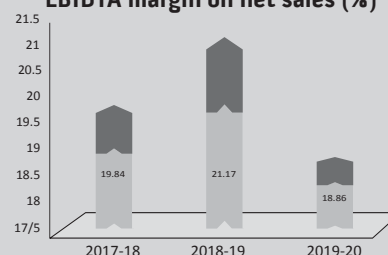
Finance cost: The interest liability decreased by 5.13%, from Rs 7,921.70 lakhs in 2018-19 to Rs 7,515.17 Lakhs. The interest cover stood at 2.79x in 2019-20 against 4.83x in 2018-19.

Profitability and margins: The EBITDA decreased by 45.17% from Rs 38,248.84 lakhs in 2018-19 to Rs 20,973.17 Lakhs in 2019-20. The EBITDA margin on net sales also decreased by 231 bps, from 21.17% in 2018-19 to 18.86% in 2019-20. The Net profit after Tax stood at Rs 961.44 Lakhs in 2019-20 as compared to Rs 11,931.08 lakhs in 2018-19. The net margin stood at 0.86% in 2019-20 as against 6.60% in 2018-19.

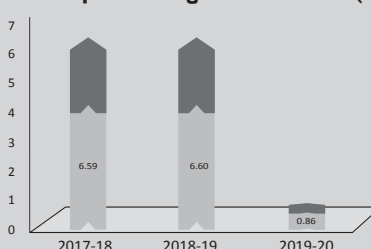
Revenue Mix (by user segment)



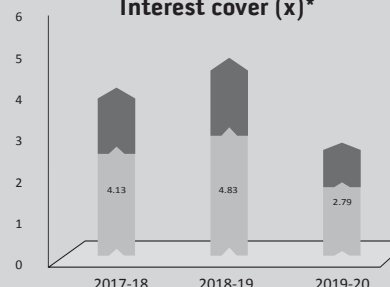
EBITDA margin on net sales (%)



Net profit margin on net sales (%)



Interest cover (x)*



*The formula for Interest Coverage Ratio has been taken as Earnings before Interest, Depreciation & Tax (EBITDA)/Interest

Management Discussion and Analysis (Contd.)

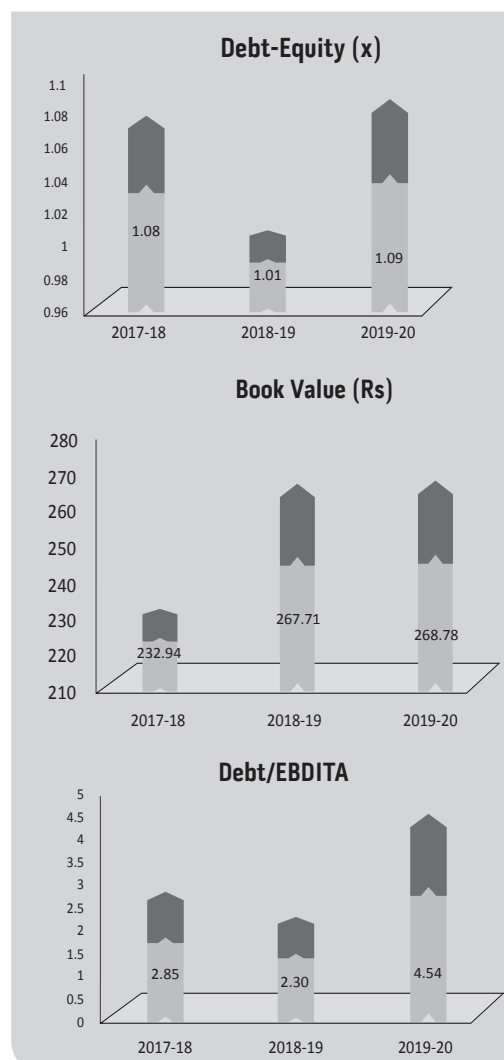
Balance Sheet :

Capital employed (Total Assets less Current Liabilities excluding Current Maturities of Long Term Debt): The Capital employed in the business increased by 2.93%, from Rs 1,49,919.31 lakhs as on March 31, 2019 to Rs 1,54,305.98 Lakhs as on March 31, 2020 .

Shareholders' funds: The balance under this head increased by 0.40%, from Rs 87,290.18 lakhs as on March 31, 2019 to Rs 87,642.72 lakhs as on March 31, 2020. This increase was on account of ploughback of business profits at the year end.

External funds: The Company's debt portfolio increased by 7.90% from Rs 88,149.20 lakhs as on March 31, 2019 to Rs 95,113.52 Lakhs as on March 31, 2020. The debt-equity ratio stood at 1.09x as on March 31, 2020 against 1.01x as on March 31, 2019. The Debt/EBDITA stood at 4.54x as on March 31, 2020 against 2.30x as on March 31, 2019.

Gross block of Fixed Assets including Right to Use Assets: The Gross Block of Fixed Assets increased by 12.95% from Rs 1,38,477.26 lakhs as on March 31, 2019 to Rs 1,56,410.52 Lakhs as on March 31, 2020



Key Financial Indicators (Rs. in lakhs except ratios)

Particulars		As at Mar 31, 2019	As at Mar 31, 2020	Percentage- Change
Net Revenue from Operations	Rs Lakhs	1,80,668.73	1,11,182.02	(38.46)
EBDITA (Less: other Income)	Rs Lakhs	37,949.99	20,371.57	(46.32)
EBDITA Margin on net sales	Percentage	21.01	18.32	-
Net Profit after Tax	Rs Lakhs	11,931.08	961.44	(91.94)
Net Profit Margin on net sales	Percentage	6.60	0.86	-
Net Worth	Rs Lakhs	87,290.18	87,642.72	0.40
Total Debt	Times	88,149.20	95,113.52	7.90
Total Debt/Equity	Times	1.01	1.09	7.92
Return on Net worth	Times	13.67	1.10	(91.95)
Current Ratio	Times	1.13	0.99	(12.39)
Interest Coverage Ratio*	Times	4.83	2.79	(42.24)
Inventory Days	Days	64	113	76.56
Receivable Days	Days	95	127	33.68%
Book Value per Share		267.71	268.78	0.40

Management Discussion and Analysis (Contd.)

Note:

The Inventory days and the Receivable days based on net sales

*The formula for Interest Coverage Ratio has been taken as Earnings before Interest, Depreciation & Tax (EBITDA)/Interest

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 the economy and efficiency of the Company, protecting assets from unauthorised use or losses and ensuring the 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.

Managing business uncertainties:

At Ramkrishna Forgings, risk management is an integral part of its business model, focusing to mitigate the adverse impact of risks on business objectives. The Company leverages its rich experience to minimise its risk profile in a dynamic and ever evolving business landscape. The pandemic and the onset of BS VI could have a major dent on the company's fortunes.

Mitigation: While the pandemic has been a disastrous phase, the BS VI has a lasting impact. Hence, the pandemic, despite the widespread social and economic destruction would clear out over the coming months and demand is expected to come back. For BS VI, which is the new norm in the automotive sector, the Company has proactively developed products aligned to this new environment and secured approvals for the same from leading customers. As a result, when demand returns, Ramkrishna Forging will be ready to capitalise on the new-age opportunities.

Business concentration on the US and India, both economies significantly weakened by the pandemic, could impact the Company's fortunes adversely moving forward.

Mitigation: The Company has intelligently cherry-picked strong economies as its key markets, those that possess and have demonstrated the dexterity and will to overcome challenges to its growth momentum. So, while the next few months could be subdued, an economic rebound should happen, faster than expected. In keeping with its strategy of minimising its risk profile, the Company had deftly established a meaningful footprint in economically stronger European nations which promise healthy growth opportunities. Going forward, the combination of these factors should assist in sustain the Company's growth momentum.

Cost management, in the current time, has assumed greater significance, keeping in mind that business stability will happen a few months down the road.

Mitigation: Continuous improvement is an institutionalised practice at Ramkrishna Forging, which leads to investment in automation solutions, superior equipment, creative problem-solving solutions and the ingenuity to improve man-machine productivity, leading to an optimum cost structure. This has continued to strengthen the Company's competitive edge in an otherwise cluttered market place.

Health hazard owing to business operations in prevailing pandemic environment could result in a forced shut down of operations.

Mitigation: Proactive planning and disciplined adherence to safety and health measures at operating facilities and offices by the team members, complemented by strict monitoring by the crisis management teams, have ensured that business operations have sustained since April, 2020 without any health risk to colleagues and the organisation. This will also help in minimising the impact of the pandemic on the Company's performance in the current year.

Inconsistent product quality could jeopardise credibility with the customer impacting business relations.

Mitigation: With business operations meticulously aligned to stringent global benchmarks (ISO 9001:2008, TS-16949:2009, OHSAS 18001:2007 and ISO14001:2004 certified), the Company has minimised the incidence of quality deviation. Moreover, the passion towards process automation has also minimised human errors in business process, moreover it provides a clear audit trail for monitoring and analysing errors, to eliminate their recurrence. Further, regular customer audits of facilities further cement the quality passion into the operational and organisational culture, building trust among customers.

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 Financial Year 2019-20

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations"). **The Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations") and subsequent amendments thereof.**

1. Company's Philosophy on Corporate Governance

Ramkrishna Forgings Limited (RKFL) has a strong legacy of fair, transparent and ethical governance practices. The Company believes that good Corporate Governance emerges from the application of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters. The Company is fully committed to practising sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

At RKFL, we also consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. We are committed to a balanced corporate governance system, which provides the framework for achieving the Company's objectives encompassing practically every sphere of management, from action plans and internal controls to corporate disclosures. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our efforts in financial and business excellence.

Your Company believes that it has 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 and low attrition of our personnel. 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 a robust system, process and technology.

The Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

The Company recognises the rights of its stakeholders and encourages co-operation with them in the following manner:

- (i) It respects the rights of stakeholders
- (ii) Stakeholders have the opportunity to get redressed for redressal of their rights.
- (iii) Stakeholders have access to relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in corporate governance process.
- (iv) The Company has devised an effective whistle blower mechanism enabling stakeholders, including individual employees to freely communicate their concerns about illegal or unethical practices.

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. These codes and policies can be accessed at the Company's website at the following link - <http://www.ramkrishnaforgings.com/policies.html>.

The Company also has a Risk Management Policy and Policy on prevention of Sexual Harassment.

2. Board of Directors

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. It provides strategic direction, guidance and leadership to the Company's management and also monitors the performance of the Company with the objectives of creating a long term relationship with the Company's stakeholders. The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations. 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. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 ("Act") and the Rules framed thereunder.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.
- The Independent Directors can serve a maximum of two terms of five years each. The Company's upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and Listing Regulations.

As on 31st March 2020, the Company's Board consists of twelve Directors out of which eight are Non-Executive Directors. The Company has an optimum combination of Executive and Non-Executive Directors with one independent woman Director. It has an Executive Chairman and eight

Corporate Governance Report (Contd.)

Independent Directors. None of the Independent Directors serve as Independent Director in more than seven listed Companies and no whole-time Director of the Company serves as Independent Director in any of 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 listed Companies in which he is a Director. Necessary disclosures regarding Committee positions in other Companies as on 31st March, 2020 have been made by the Directors. The composition of the Board is in conformity with the Listing Regulations.

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 Committee minutes alongwith a brief note of the discussion held in the Committee meeting are placed before the Board. 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 budgets 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.

During the financial year 2020, information as mentioned in Part A of Schedule II of SEBI Listing Regulations, as applicable, has been placed before the Board for its consideration.

Meetings, Attendance, Directorships/Chairmanships-

During the Financial Year 2019-2020, 5 (five) board meetings were held i.e. on 25.05.2019, 10.8.2019, 09.11.2019, 12.02.2020 and 21.03.2020. 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 the Company)			
		Board Meeting	Last AGM	Directorship		Committee membership	Committee Chairmanship
				Listed Company (names along with category)	Unlisted Company		
Mr. Mahabir Prasad Jalan	Promoter, Chairman, Executive	5	No	Nil	2	Nil	Nil
Mr. Naresh Jalan	Promoter, Managing Director, Executive	5	Yes	Nil	2	Nil	Nil
Mr. Chaitanya Jalan*	Promoter, Wholetime Director, Executive (Additional Director)	2	NA	Nil	1	Nil	Nil
Mr. Pawan Kumar Kedia	Wholetime Director, Executive	5	Yes	Nil	1	Nil	Nil
Mr. Padam Kumar Khaitan**	Non-Executive, Independent	4	No	Independent Director : 1) Asian Hotels (East) Limited 2) Magadh Sugar & Energy Limited 3) Cheviot Co Ltd	3	1	1
Ms. Aditi Bagri**	Non- Executive, Independent	4	No	Nil	Nil	Nil	Nil
Mr. Amitabha Guha**	Non-Executive, Independent	5	Yes	Independent Director: 1) Xpro India Limited	Nil	2	Nil
Mr. Ram Tawakya Singh**	Non-Executive, Independent	5	Yes	Nil	Nil	Nil	Nil
Mr. Yudhisthir Lal Madan**	Non-Executive, Independent	5	Yes	Independent Director: 1) Pritika Auto Industries Limited	1	1	Nil
Mr. Partha Sarathi Bhattacharyya	Non-Executive, Independent	4	Yes	Independent Director: 1) Tide Water Oil Co India Ltd 2) Deepak Fertilisers And Petrochemicals Corporation Ltd	5	2	1

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Name of the Director	Category	Attendance particulars		No. of Directorship and other Committee Membership/ Chairmanship (excluding the Company)			
		Board Meeting	Last AGM	Directorship		Committee membership	Committee Chairmanship
				Listed Company (names along with category)	Unlisted Company		
Mr. Sandipan Chakravorty	Non-Executive, Independent	5	Yes	Independent Director: 1) International Combustion (International) Limited	1	Nil	Nil
Mr. Ranaveer Sinha	Non-Executive, Independent	5	Yes	Independent Director: 1) TRF Limited	Nil	1	1

*Mr. Chaitanya Jalan was appointed in the Board w.e.f 9th November, 2019.

**Mr. Padam Kumar Khaitan, Mr. Yudhisthir Lal Madan and Mr. Ram Tawakya Singh were re-appointed as Independent Directors for a second term of 5 years w.e.f 1st April, 2019. Mr. Amitabha Guha was re-appointed as Independent Director for a second term of 5 years w.e.f 14th August, 2019. Ms. Aditi Bagri was re-appointed as Independent Director for a second term of 5 years w.e.f 1st November, 2019.

Notes:

- For the purpose of considering the limit of the Companies on which a Director can serve, all Public Limited Companies, whether listed or not, has been included and all other Companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.
- 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.
- Chairmanship/Membership of only Audit Committee and Stakeholder Relationship Committee has been considered of other Public Limited Companies.
- The number of directorship(s), committee membership(s) / chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations.
- None of the Directors except Mr. Mahabir Prasad Jalan, Mr. Naresh Jalan and Mr. Chaitanya Jalan are related to each other.
- None of the Directors have any business relationship with the Company.
- All the Directors have certified that the disqualifications mentioned under Section 164(1) (g) of the Companies Act, 2013 are not applicable to them.
- None of the Independent Directors hold any shares or convertible instruments in the Company, except Mr. Ranaveer Sinha, who holds 1250 shares.
- Video-conferencing facilities are also used to facilitate Directors at other locations to participate in the meetings.

Familiarisation Programme of the Directors

RKFL has an on-going familiarization programme for all its Directors including Independent Directors. The details of familiarisation programmes to 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 available on the website of the Company at: <http://www.ramkrishnaforgings.com/investors/familiarization-program-2019-20.pdf>

Board Meetings

During the Financial Year 2019-20, the Company has held five Board meetings. The details of the Board meetings are as follows:

Sl. No.	Dates	Strength	No. of Directors Present
1	25.05.2019	11	11
2	10.08.2019	11	11
3	09.11.2019	11	9
4	12.02.2020	12	12
5	21.03.2020	12	11

Independent Directors

The Independent Directors play an important role in deliberations and decision making at the Board Meeting and bring to the Company wide experience 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.

Corporate Governance Report (Contd.)

In terms of 25(8) SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as per Regulation 16(1) (b) of SEBI Listing Regulations and that they are independent of the management.

None of the Independent Directors resigned during the Financial Year 2019-2020.

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 and in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Meeting of Independent Directors

The Company's Independent Directors met once in the Financial Year 2019-20 on 14th March, 2020 without the presence of Executive Directors or Management Personnel. Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views before the Board. The Chairman of the meeting of Independent Directors takes appropriate steps to present the views of the Independent Directors to the Chairman of the Board.

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

- Evaluation of the performance of the Non-Independent Directors.
- Evaluation of the performance of the Board, as a whole.
- Evaluation of the performance of the Chairman of the Company.
- Review of the quality of flow of information from management to the Board.
- Any other matter.

Chart setting out the skills/expertise/competence of the board of directors

The Board is the set of leaders who provide comprehensive guidance, support and direction to the company towards its success. The Board is responsible for shaping the future of the organisation within its fiduciary characteristics. Therefore, identifying the key competencies of the Board members is very much essential to ensure that the qualified persons undertake this cardinal role. Globally, identifying the key competencies of Board members is considered as the step towards a successful Board. Broadly, the key competencies or skill- set can be categorised as follows:

Competency	Definition
Strategic Expertise	Ability to understand, review and guide strategy by analyzing the company's competitive position and benchmarking taking into account market and industry trends
Business and Financial Acumen	Qualifications and experience in finance and the ability to analyse key financial statements, critically assess financial viability and performance, contribute to strategic financial planning and oversee budgets and the efficient use of resources and oversee funding arrangements and accountability.
Risk Management	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance.
Building High Performance Teams	Build and nurture talent to create strong and competent future business leaders
Industry Knowledge	Experience in similar industries
Corporate Governance	Understanding of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the organisation.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

Corporate Governance Report (Contd.)

SL No.	Name of Director	Expertise/ Skill
1.	Mr. Mabahir Prasad Jalan	Strategic Expertise, Risk Management, Spearheading new projects, Industry Knowledge
2.	Mr. Naresh Jalan	Strategic planning, Risk Management, Business and Financial Acumen, Industry Knowledge Sales & Marketing
3.	Mr. Chaitanya Jalan	Sales & Marketing
4.	Mr. Pawan Kumar Kedia	Business and Financial Acumen
5.	Mr. Padam Kumar Khaitan	Risk Management, Corporate Governance
6.	Ms. Aditi Bagri	Risk Management, Corporate Governance
7.	Mr. Amitabha Guha	Business and Financial Acumen, Corporate Governance, Risk Management
8.	Mr. Ram Tawakya Singh	Industry Knowledge & Corporate Governance
9.	Mr. Yudhisthir Lal Madan	Business and Financial Acumen, Corporate Governance, Risk Management
10.	Mr. Partha Sarathi Bhattacharyya	Corporate Governance, Risk Management, Business and Financial Acumen
11.	Mr. Sandipan Chakravorty	Business and Financial Acumen, Corporate Governance, Risk Management
12.	Mr. Ranaveer Sinha	Business and Financial Acumen, Corporate Governance, Risk Management

COMMITTEES OF THE BOARD

At present, there are five main Board Committees viz.

- i. Audit and Risk Management Committee,
- ii. Nomination and Remuneration Committee,
- iii. Stakeholder Relationship Committee,
- iv. Management and Finance Committee,
- v. Corporate Social Responsibility (CSR) Committee

The terms of reference of the Board Committees are determined by the Board from time to time and includes the roles, powers and duties as vested under Companies Act, 2013, Listing Regulation 2015 alongwith any amendments thereof. 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 and Risk Management 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 Listing Regulations and Section 177 of the Companies Act, 2013. 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. They can also seek legal and other professional advice as and when required.

Corporate Governance Report (Contd.)

Meetings and Attendance

During the financial year 2019-20 the Committee has met five (5) times.

The details of the Audit Committee meetings held during the Financial Year 2019-20 are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	24.05.2019	3	3
2	10.08.2019	3	3
3	09.11.2019	3	3
4	11.02.2020*	2	2
5	21.03.2020	3	2

Note: The Audit Committee Meeting dated 11.02.2020 was adjourned (continued) on 12.02.2020.

Attendance record at the Audit Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meeting(s) Attended
1.	Mr. Yudhisthir Lal Madan	Independent, Chairman	5	5
2.	Mr. Amitabha Guha	Independent	5	4
3.	Ms. Aditi Bagri	Independent	5	4

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) Recommending the re-appointment and remuneration of the Cost Auditors.
- e) Reviewing with the management the annual financial statement and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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.
- f) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- g) 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.
- h) Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
- i) Approval or any subsequent modification of transactions of the Company with related parties.
- j) Scrutiny of inter-corporate loans and investments.
- k) Valuation of undertakings or assets of the Company, wherever it is necessary.
- l) Evaluation of internal financial controls and risk management systems.
- m) Reviewing with the management, performance of Statutory and Internal auditors and adequacy of internal control systems.

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- n) 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.
- o) Discussion with the Internal Auditors about any significant findings and follow-up thereon.
- p) 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.
- q) 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.
- r) 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, if any.
- s) Reviewing the functioning of the whistle blower mechanism.
- t) 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.
- u) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- v) Take note of the end use of funds raised by equity issuance.
- w) Take note of the legal cases of the Company, if any.

The Chairman of the Audit Committee appraises 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 Listing Regulations, 2015, the Board has constituted a Nomination & Remuneration Committee ("NRC") to oversee the Company's nomination (appointment) process for the Board of Directors, Key Managerial Personnel and Senior Management Personnel and to decide the compensation within the broad frame-work of the group policy, merit and Company's performance. The Committee is also responsible 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 four Independent Non-Executive Directors.

- 1) Mr. Padam Kumar Khaitan, Chairman.
- 2) Mr. Yudhisthir Lal Madan
- 3) Mr. Ram Tawakya Singh
- 4) Mr. Sandipan Chakravorty

Meetings and Attendance

During the Financial Year 2019-20, the Committee has met three (3) times as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	25.05.2019	4	4
2	09.11.2019	4	3
3	12.02.2020	4	4

Attendance record at the Nomination and Remuneration Committee meeting:

Sl.No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Padam Kumar Khaitan	Independent, Chairman	3	2
2	Mr. Ram Tawakya Singh	Independent	3	3
3	Mr. Yudhisthir Lal Madan	Independent	3	3
4	Mr. Sandipan Chakravorty	Independent	3	3

Corporate Governance Report (Contd.)

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 Listing Regulation 2015 alongwith any amendments thereof. It is also responsible 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 Board of Directors, Key Managerial Personnel and/ Senior Management Personnel from time to time and deciding remuneration policy of the Company.

The Committee is responsible for:

- i) Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc for executives and reviewing it on a periodic basis.
- ii) 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 Director and Key Managerial Personal.
- iii) Recommend to the board, all remuneration, in whatever form, payable to Senior Management.
- iv) Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
- v) Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- vi) Formulating the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vii) Devising a Policy on diversity of Board of Directors.
- viii) Specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- ix) Issue necessary guidelines to the ESOP Trust for the accomplishment of the ESOP Scheme(s).
- x) Determining the quantum of options to be granted/vested under any ESOP Scheme(s) as per the laid parameters.
- xi) Determining the conditions under which vested options may lapse.
- xii) Determining the exercise period within which the employee should exercise the option.
- xiii) Determining 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.
- xiv) Determining the grant, vest and exercise of option in case of employees who are on long leave.
- xv) Determining the pricing/re-pricing of the stock options.
- xvi) Liaising with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors.
- xvii) Reviewing the ongoing appropriateness and relevance of the remuneration policy.
- xviii) Ensuring that all provisions regarding disclosure of remuneration, including pensions, are fulfilled.
- xix) Ensuring that no Director or Executive is involved in any decisions as to their own remuneration.
- xx) 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.

Details of Remuneration of Directors

The details of the remuneration paid to the Executive Directors for the financial year 2019-20 are as follows:

(₹ in Lakhs)

Sl. No.	Name of Director	Salary	Others	Total
1	Mr. Mahabir Prasad Jalan	140.76	117.08	257.84
2	Mr. Naresh Jalan	117.02	75.42	192.44
3	Mr. Pawan Kumar Kedia	20.26	19.74	40.00
4	Mr. Chaitanya Jalan	3.78	4.81	8.59
	Total	281.82	217.05	498.87

Note:

- (a) Mr. Mahabir Prasad Jalan is the father of Mr. Naresh Jalan and Mr Naresh Jalan is the father of Mr. Chaitanya Jalan. Apart from three of them, no other Directors are in any way related to each other.
- (b) Salary represents Basic Salary. Others include House Rent Allowance and other Allowances, Medical Reimbursement, Bonus, Leave Travel Allowance/Re-imbursments, Perquisites, Lease Rent, Contribution to National Pension Scheme, Leave encashment and contribution to

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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.

- (c) The Company has paid a managerial remuneration in excess of the limits as laid down in section 197 of the Companies Act, 2013 during the financial year 2019-20. The payment of the remuneration in excess of the limits requires approval of the shareholders by special resolution. The Company has sought the approval of the shareholders as mentioned above by postal ballot and the same was approved by them with an effective date of 1st April, 2020.
- (d) The appointment of Executive Directors is governed, in general, by resolution passed by the Board, Nomination & Remuneration Committee & 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.
- (e) Mr. Mahabir Prasad Jalan, Mr. Naresh Jalan and Mr. Chaitanya Jalan, being the promoters (and/or belonging to promoter group) of the Company are not eligible for grant of options under the ESOP Scheme 2015 of the Company.
- (f) Mr. Pawan Kumar Kedia has been granted 9635 stock options at the Board Meeting held on 7th November, 2015. The options have been initially granted at 90% to the market price prevailing on the date of grant. The exercise price was changed to Rs. 400 per share by a special resolution of the shareholders in the Annual General Meeting held 24th September, 2016. The grants as determined by the Nomination and Remuneration Committee are to be vested in the 3rd, 4th and 5th year 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.

Out of the 9635 options, 2,891 shares have been vested during both the financial years 2018-19 & 2019-20 (3rd and 4th year from grant, respectively), as determined by the Nomination and Remuneration Committee. 1500 options were exercised during the financial year 2018-19 and 650 options during the financial year 2019-20 at a price of ₹ 400 per share.

Details of Sitting Fees to Non-Executive Directors

The Non-Executive Directors of the Company have not been paid any other remuneration apart from the eligible sitting fees for attending the meetings. The Non-Executive 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 2019-20 are as follows:

(₹ in Lakhs)

Sl. No.	Name of the Director	Sitting Fees for Board & Committee Meetings (incl. Independent Directors Meeting)
1	Mr. Ram Tawakya Singh	8.35
2	Mr. Padam Kumar Khaitan	5.95
3	Mr. Amitabha Guha	8.75
4	Ms. Aditi Bagri	7.80
5	Mr. Yudhisthir Lal Madan	10.05
6	Mr. Sandipan Chakravorty	7.05
7	Mr. Partha Sarathi Bhattacharyya	5.30
8	Mr. Ranaveer Sinha	6.00
	Total	59.25

Details of Shareholding in the Company by Directors

Details of shares of the Company held by the Directors as on 31st March, 2020 are as below:-

Sl.No.	Name of Director	No. of shares held	% of Total Holding
1	Mr. Mahabir Prasad Jalan	4,56,000	1.40
2	Mr. Naresh Jalan	2,85,750	0.88
3	Mr. Chaitanya Jalan	15,320	0.05
4	Mr. Pawan Kumar Kedia	15,779	0.05
5	Mr. Ranaveer Sinha	1,250	0.003

Other than the above, none of the Directors hold any shares in the Company. No Director holds any convertible Instruments.

C. Stakeholders Relationship Committee

The Company has in place a Stakeholders Relationship Committee of Directors in terms of Section 178 (5) of the Act, read with Regulation 20 of the Listing Regulations. The Committee specifically looks into various aspects of interest of shareholders. It considers and resolves the grievances of the shareholders of the Company including complaints related to transfer and transmission of shares, non-receipt of annual reports and non-receipt of declared dividends and such other grievances as raised by the shareholders, if any.

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The composition of the Stakeholders Relationship Committee is given below:

Name	Category
Mr. Ram Tawakya Singh	Independent Director, Chairman
Mr. Yudhisthir Lal Madan	Independent Director
Ms. Aditi Bagri	Independent Director

Meetings and Attendance

During the Financial Year 2019-20, the Stakeholders Relationship Committee has met four (4) times as follows.

Sl. No.	Dates	Strength	No. of Directors Present
1	25.05.2019	3	3
2	10.08.2019	3	3
3	09.11.2019	3	3
4	12.02.2020	3	3

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. Ram Tawakya Singh (Chairman)	Independent Director	4	4
2	Mr. Yudhisthir Lal Madan	Independent Director	4	4
3	Ms. Aditi Bagri	Independent Director	4	4

The role of the Committee inter-alia includes the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Compliance Officer

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

Ramkrishna Forgings Limited.
23, Circus Avenue
Kolkata-700017

Details of complaints received and redressed:

The details regarding complaints received and resolved during the Financial Year 2019-20 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	9	9	0

D. Management and Finance Committee

Composition

The Management and Finance Committee of the Board comprises of four (4) Directors namely,

- 1) Mr. Mahabir Prasad Jalan
- 2) Mr. Naresh Jalan
- 3) Mr. Padam Kumar Khaitan
- 4) Mr. Amitabha Guha

The Company Secretary acts as the Secretary of the Committee.

Corporate Governance Report (Contd.)

Meetings and Attendance

During the year 2019-20 the Committee has met three (3) times as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	29.07.2019	4	4
2	31.08.2019	4	4
3	07.12.2019	4	4

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	Executive Chairman	3	3
2	Mr. Naresh Jalan	Executive	3	3
3	Mr. Padam Kumar Khaitan	Independent, Non-Executive	3	3
4	Mr. Amitabha Guha	Independent, Non-Executive	3	3

Terms of Reference

The Committee will act in accordance with the provisions of the Companies Act, Listing Regulations 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 and accept the sanction letters.
2. To borrow monies as term loans (Secured and/or Unsecured) from Bank(s)/NBFC(s)/Financial Institution(s) within the limits as approved by the Board and accept the sanction letters.
3. To undertake opening/closure of the bank account.
4. 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.
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 negotiate the terms and conditions for the sanction of loan, and 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.
11. To provide Corporate Guarantee/additional Corporate Guarantee to any Bank for enhancement of working capital for the subsidiary of the Company.
12. To create hypothecation/mortgage over the assets of the Company.
13. To authorise the Committee to deal with such matters which has been specifically delegated to the Committee.

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 (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the Company. The Company has formed four (4) CSR 'Yojanas' under which it expends for its CSR projects. The four Yojanas are:

- 1) Ramkrishna Shiksha Yojana
- 2) Ramkrishna Swastha Yojana

Corporate Governance Report (Contd.)

3) Ramkrishna Jankalyan Yojana

4) Ramkrishna Sanskriti Yojana

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

3) Mr. Naresh Jalan

Meetings and Attendance

During the Financial Year 2019-20, the Committee has met four (4) times, the details of which are as follows:

Sl.No.	Dates	Strength	Presence of Directors
1	25.05.2019	3	3
2	10.08.2019	3	3
3	09.11.2019	3	3
4	12.02.2020	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, Chairman	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 Resolutions Passed
2018-2019	"Kala Kunj", 48 Shakespeare Sarani, Kolkata-700017	07.09.2019	11:15 AM	NIL
2017-2018	"Kala Kunj", 48 Shakespeare Sarani, Kolkata-700017	22.09.2018	11.15 AM	NIL
2016-2017	"Satyajit Ray Auditorium" Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata-700071	16.07.2017	11.00 AM	NIL

Postal Ballot

For matters which are urgent and require shareholders' approval in the period between the AGMs, the Company seeks the approval of shareholders through postal ballot. In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company also provides electronic voting (e-voting) facility to all its members.

The details of the previous postal ballots are available on the website, at <http://ramkrishnaforgings.com/notice.html>.

During the year, the Company did not pass any resolutions via postal ballot.

However, the Company had completed despatch of Postal Ballot Notice dated 12th February, 2020 to the shareholders on 2nd March, 2020, which was opened for a period of 30 days. i.e from 3rd March, 2020 to 1st April, 2020, to obtain their approval through postal ballot, which includes e-voting (Voting by electronic means) for the following Special Resolutions:

Corporate Governance Report (Contd.)

1. Payment of remuneration to Mr. Mahabir Prasad Jalan (DIN: 00354690), Chairman, pursuant to Section 197 read with Section II of Part II of Schedule V and all other applicable provisions of the Companies Act, 2013, as minimum remuneration.
2. Payment of remuneration to Mr. Naresh Jalan (DIN: 00375462), Managing Director, pursuant to Section 197 read with Section II of Part II of Schedule V and all other applicable provisions of the Companies Act, 2013, as minimum remuneration.
3. Payment of remuneration to Mr. Pawan Kumar Kedia (DIN: 00375557), Director (Finance), pursuant to Section 197 read with Section II of Part II of Schedule V and all other applicable provisions of the Companies Act, 2013, as minimum remuneration.
4. Appointment and payment of remuneration to Mr. Chaitanya Jalan (DIN: 07540301) as wholetime Director designated as Director (Executive), pursuant to Section 197 read with Section II of Part II of Schedule V and all other applicable provisions of the Companies Act, 2013, as minimum remuneration.

Person who conducted the Postal Ballot Process

Asha Banthia & Co., Practising Chartered Accountants, Kolkata (Membership No. 055643) (FRN: 327389E) was appointed as scrutinizer to conduct the Postal Ballot process.

The postal ballot results of the above resolutions were declared on 2nd April, 2020 (Effective date of passing the Resolution 1st April, 2020).

Procedure for Postal Ballot

In compliance with the provisions of the Companies Act, 2013, read with appropriate rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India, the Company provides electronic voting (e-voting) facility to all its Members. The Company engages the services of Kfin Technologies Pvt Ltd, the Registrar and Share Transfer Agents of the Company for the purpose of providing e-voting facility to all its Members. The members also have the option to vote either by physical ballot or through e-voting. The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members in the electronic form to the email addresses registered with their depository participants and to their registered addresses (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The Postal Ballot is kept open for a period of 30 days and thereafter, the scrutinizer submits her/his report to the Chairperson or a person authorised by him in writing, to countersign the report, after the completion of scrutiny and the consolidated results of voting by postal ballot are then announced. The results are also displayed on the Company's website, www.ramkrishnaforgings.com, besides being communicated to the Stock Exchanges, & Registrar and Share Transfer Agent. The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

Means of Communication:

Quarterly results: The Company's quarterly results are published in 'Business Standard' (all editions), Mint (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 presentations 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 presentations made 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, business responsibility report and other important information is circulated to members and others entitled thereto.

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.

Dedicated email id : rajesh@ramkrishnaforgings.com & neha.gupta@ramkrishnaforgings.com

Corporate Governance Report (Contd.)

GENERAL SHAREHOLDERS INFORMATION

Company Registration Details:

The Company is registered in the State of West Bengal, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74210WB1981PLC034281.

a) Annual General Meeting:

Date & Time : 19th September, 2020, 11.30 A.M.
Venue : Through Video Conferencing
Date of book closure : 12th September, 2020 (Saturday) to 19th September, 2020 (Saturday) (both days inclusive)

b) Financial Calendar:

The Financial Year of the Company is April 2019 to March 2020.

The probable dates for the publication of the quarterly and annual results for the Financial Year 2020-21 will be within the period as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof. Dividend Warrants will be posted to the shareholders or dividend will be paid within 30 days from the date of AGM.

c) Listing on Stock Exchange and Depositories:

- 1) BSE Limited (BSE) located at P.J. Towers, Dalal Street, Mumbai – 400 001.
- 2) The National Stock Exchange of India Limited (NSE) located at Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

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

d) Stock Code:

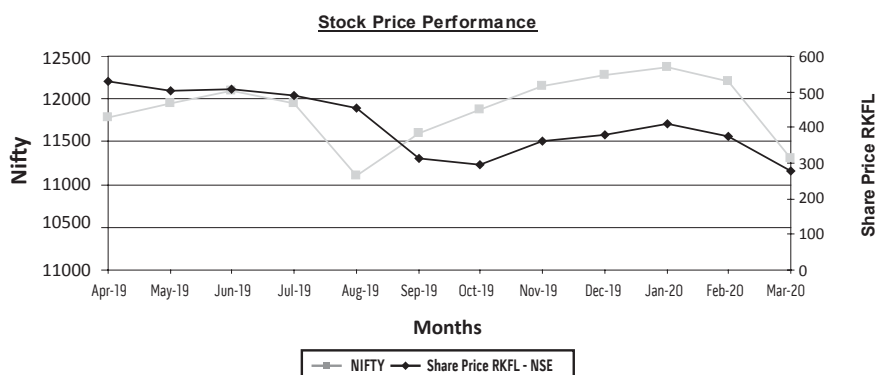
The scrip code as provide by Bombay Stock Exchange Limited is **532527**
 The symbol as provided by National Stock Exchange is **RKFORGE**
 The ISIN no. as provided by the Depositories is **INE399G01015**

e) Market Price Data and the performance in comparison to NSE (NIFTY) and BSE (SENSEX)

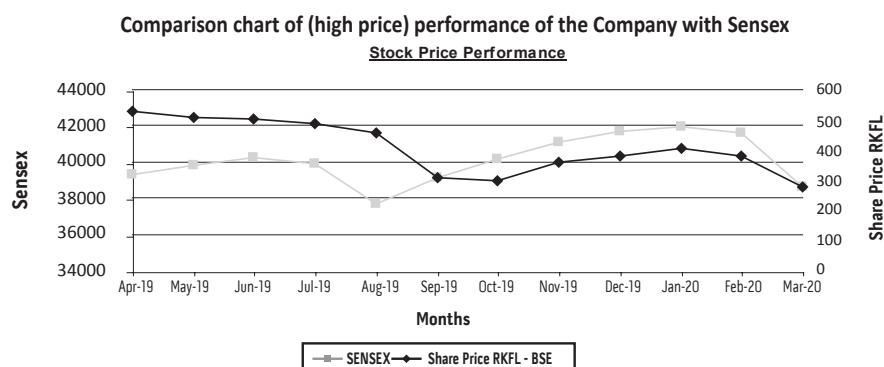
The high and low closing prices during each month of the year 2019-2020 at NSE and BSE and the NSE NIFTY and Sensex are as given below:

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, 2019	529.65	506.05	530.45	504.00	11787.15	11575.95	39275.64	38564.88
May, 2019	501.80	455.50	507.00	459.35	11945.90	11148.20	39831.97	37090.82
June, 2019	506.85	411.80	502.35	412.35	12088.55	11672.15	40267.62	38960.79
July, 2019	488.35	435.55	487.60	436.50	11946.75	11085.40	39908.06	37397.24
August, 2019	455.60	302.65	458.35	301.30	11109.65	10741.35	37641.27	36472.93
Sepember, 2019	312.20	274.00	309.00	274.05	11600.20	10704.80	39097.14	36093.47
October, 2019	296.80	266.20	296.80	266.10	11877.45	11126.40	40129.05	37531.98
November, 2019	361.35	285.05	361.30	284.95	12151.15	11840.45	41130.17	40116.06
December, 2019	380.90	311.55	379.90	314.25	12271.80	11856.80	41681.54	40239.88
January, 2020	409.10	345.85	407.30	345.70	12362.30	11962.10	41952.63	40676.63
February, 2020	376.05	291.00	377.25	291.40	12201.20	11201.75	41565.90	38297.29
March, 2020	277.70	146.50	277.95	145.75	11303.30	7610.25	38623.70	25981.24

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



Corporate Governance Report (Contd.)



f) Registrar and Transfer Agents:

M/s. KFin Technologies (P) Ltd.
Selenium Tower B,
Plot 31-32, Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad - 500 032
Tel: +91 040 - 18003454001
E mail: shyam.kumar@kfintech.com, einward.ris@kfintech.com
Website: www.kfintech.com

g) 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 Company Secretary, who in turn will provide report to the Stakeholders Relationship Committee.

Share transfers are processed and share certificates duly endorsed are delivered within time. 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.

h) Distribution of shareholding as on 31st March, 2020

Category (Shares)	No. of Holders	No. of Shares	% of Total Shares
0001 - 500	8007	631360	1.93
0501 - 1000	502	393773	1.21
1001 - 2000	257	379631	1.16
2001 - 3000	96	236137	0.72
3001 - 4000	44	153377	0.47
4001 - 5000	30	136934	0.42
5001 - 10000	82	604748	1.85
10001 and above	117	30116940	92.24
TOTAL	9135	32652900	100.00

Pattern of Shareholding as on 31st March, 2020

Sl. No	Category	No. of Shares Held	% of Total Shares
1	PROMOTERS GROUP	14665794	44.91
2	FOREIGN PORTFOLIO - CORP	3257143	9.98
3	ALTERNATIVE INVESTMENT FUND	1314514	4.03
4	BANKS & INDIAN FINANCIAL INSTITUTIONS	68602	0.21
5	CLEARING MEMBERS	19963	0.06
6	INSTITUTION OTHERS	774988	2.37
7	INSURANCE COMPANIES	330598	1.01
8	FOREIGN PORTFOLIO INVESTORS	50950	0.16

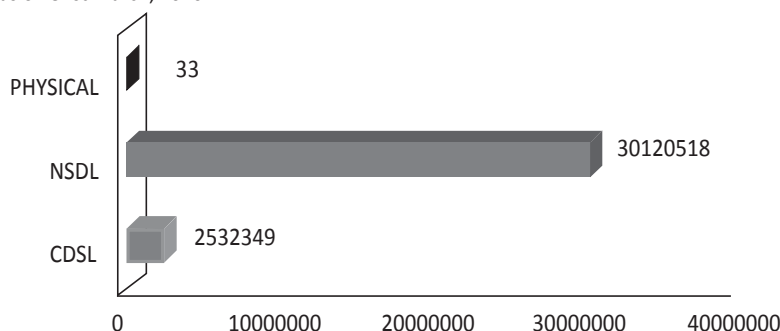
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Sl. No	Category	No. of Shares Held	% of Total Shares
9	IEPF	2117	0.01
10	BODIES CORPORATES	2413967	7.39
11	MUTUAL FUNDS	3863296	11.83
12	NBFC	9728	0.03
13	NON RESIDENT INDIANS	174622	0.53
14	RESIDENT INDIVIDUALS	5350072	16.39
15	TRUSTS	150435	0.46
16	HUF	206111	0.63
	Total	32652900	100.00

i) Dematerialisation of Shares as on 31st March, 2020

Description	No. of Shareholders	Shares	% of Total Shares
PHYSICAL	12	33	0.00
NSDL	5019	30120518	92.24
CDSL	4104	2532349	7.76
Total:	9135	32652900	100.00

The shares of the Company are traded only in dematerialised form. 32652867 equity shares out of the total 32652900 equity shares are held in a dematerialised form as on 31st March, 2020.



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

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as on 31st March, 2020.

k) 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.

l) 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, Adityapur Industrial Area, Jamshedpur - 832109, Jharkhand
- Plant V : Baliguma, Kolabira, Saraikela, Kharsawan - 833220, Jharkhand.
- Plant VII : Plot No. 1988, Plant-VII, Mouza Dugni, Block: Saraikela, PO : Dugni, Saraikela Kharsawan, Jharkhand - 833220.

m) Address for correspondence:

i) For shares held in physical and demat form:

M/s. KFin Technologies Private Limited
 (Formerly known as Karvy Fintech Private Ltd)
 Selenium Tower B, Plot 31-32, Gachibowli Financial District,
 Nanakramguda, Serilingampally Mandal
 Hyderabad - 500 032, Telangana, India.
 Tel: + 040 - 18003454001
 E mail: shyam.kumar@kfintech.com / einward.ris@kfintech.com
 Website: www.kfintech.com

Corporate Governance Report (Contd.)

ii) For General Information:

M/s. Ramkrishna Forgings Limited
23, Circus Avenue, Kolkata - 700017
West Bengal
Tel: +91 33 4082 0900/0999
Fax: +91 33 4082 0998
E mail: neha.gupta@ramkrishnaforgings.com
Website: www.ramkrishnaforgings.com

n) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year

The long term rating from ICRA has been revised from A (Stable) to A (Negative Outlook) and the Short term rating has been retained as A1, during the year under review.

o) 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 Ind AS-24 are set out in Note. 39 of the Notes to the Accounts. During the year the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from payment of the sitting fees.

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.

The Related Party Transactions Policy is posted at <http://ramkrishnaforgings.com/investors/policy/policy-for-transactions-with-related-parties-2019.pdf>

b) Details of Non Compliance etc.

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations, and also with other regulatory requirements on capital markets during 2017-2018, 2018-2019 and 2019-2020.

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 behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, 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 have been denied access to the Audit Committee. A statement of complaints received, if any, under the vigil mechanism is also placed on a quarterly basis before the Board. 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

In terms of Regulation 16 of the Listing Regulations, 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://ramkrishnaforgings.com/investors/policy/material-subsidiary-company-policy.pdf>

f) Policy on related party transactions

In terms of Regulation 23 of the Listing Regulations, the Board of Directors has adopted a policy on related party transactions. The Related Party Transactions Policy is posted at <http://ramkrishnaforgings.com/investors/policy/policy-for-transactions-with-related-parties-2019.pdf>

g) 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.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement

No money has been raised through preferential allotment or qualified institutions placement during the year under review.

i) Certificate from Company Secretary in practice that none of the Directors have been debarred or disqualified from being appointed or continuing as directors

The Company has obtained a certificate from Pawan Kumar Anchalia, Practising Company Secretary, stating that none of the Directors have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Corporate Governance Report (Contd.)

- j) **Instances where the board had not accepted any recommendation of any committee of the board which is mandatorily required.**
There have been no such instances in the relevant financial year
- k) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network.**
The total fees payable to M/s. S. R. Batliboi & Co. LLP (Statutory auditors of the Company) for the year ended March 31, 2020 is ₹ 83.71 lakhs (exclusive of GST). The details of the same is mentioned in note no. 30 of the notes to accounts.
The total fees payable to all other entities in the network of M/s. S. R. Batliboi & Co. LLP for the year ended 31st March, 2020 is ₹ 33.36 Lakhs (exclusive of GST) for Other Services.
The total fees payable to M/s S. K. Naredi & Co for the year ended March 31, 2020 as Audit Fees is ₹ 3.00 Lakhs (exclusive of GST) which forms part of the Audit Fees in the details in note no. 30 of the notes to accounts.
- l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
The Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
The Company has complied with all the requirements as stipulated in para 2 to para 10 of Part C of Schedule V of the Listing Regulations
- m) **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	Particular of Regulations	Compliance Status (Yes/No)
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 employees including Senior Management, KMP, Directors & Promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

p) **Code of Conduct:**

The Board at its meeting held on 1st November, 2014 had adopted a revised Code of Conduct which lays down the procedures to be adhered by the Board Members and Senior Management Employees. The Code is applicable to all 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. A status of the violation of the code of conduct, if any, by the Directors or senior management is placed on a quarterly basis to Board. 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, 2020.

For Ramkrishna Forgings Limited

Sd/-

Naresh Jalan

(Managing Director)

DIN No. 00375462

Corporate Governance Report (Contd.)

q) Compliance certificate from the auditors

Certificate from the Company's Auditors, S.R. Batliboi & Co. LLP, confirming compliance with the conditions of Corporate Governance, as stipulated under Listing Regulations, is attached to this Report.

r) 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 Schedule II of the Listing Regulations.

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.

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.



CERTIFICATE UNDER PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This Certificate is issued pursuant to Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities and Exchange Board of India.

I have examined the compliance of provisions of the aforesaid Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the disclosures received from the Directors pursuant to Section 164(2) and rule 14(1) of Companies Appointment and Qualification of Directors) Rules, 2014 and on the basis of the information provided to me, I hereby certify that none of the Directors on the Board of M/s. Ramkrishna Forgings Ltd have been debarred or disqualified from being appointed or are continuing as directors, by SEBI or Ministry of Corporate Affairs or any such statutory authority.

PAWAN KUMAR ANCHALIA

C.P. Number: 8881

FCS: 8789

UDIN: F008789B000325248

Place: Kolkata

Date: 8th June, 2020

Independent Auditor's Certificate on Corporate Governance

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
Ramkrishna Forgings Limited
 23, Circus Avenue,
 Kolkata-700 017

1. The Corporate Governance Report prepared by Ramkrishna Forgings Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings held from April 1, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit and Risk Management Committee;
 - (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Corporate Social Responsibility Committee;
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee wherever applicable.

Independent Auditor's Certificate on Corporate Governance (Contd.)

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN : 20060352AAAACL4088

Place: Kolkata

Date: June 26, 2020



Business Responsibility Report

About this report

The Securities and Exchange Board of India (SEBI) as per its Listing Obligations and Disclosure Requirements Regulations, 2015 had mandated the inclusion of a "Business Responsibility Report" (BRR) as a part of the Company's Annual Report for top 500 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). SEBI further expanded the ambit of Business Responsibility Reporting (BRR) by notification No. SEBI/LAD-NRO/GN/2019/45 dated 26.12.2019 by including top 1000 (instead of 500) listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

As per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations, the annual report shall contain a business responsibility report describing the initiatives taken by the listed entity from an environmental, social and governance perspective in a reporting format based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and core elements for each of the those 9 Principles.

Following is the maiden Business Responsibility Report of Ramkrishna Forgings Limited which is based on the format suggested by the SEBI.

Section A: General Information about the Company

- 1) Corporate Identity Number (CIN) of the Company : L74210WB1981PLC034281
- 2) Name of the Company: Ramkrishna Forgings Limited
- 3) Registered address : 23, Circus Avenue, 9th Floor, Kolkata – 700017
- 4) Website : www.ramkrishnaforgings.com
- 5) E-mail id : rajesh@ramkrishnaforgings.com
- 6) Financial Year reported : 2019-20
- 7) Sector(s) that the Company is engaged in (industrial activity code-wise) – 259 Manufacturer of Forgings
- 8) List three key products/services that the Company manufactures/provides (as in Balance Sheet) – Steel Forgings, Front Axles Beams and Knuckles.
- 9) Total number of locations where business activity is undertaken by the Company
 - a) Number of International Locations (provide details of major 5) – 2
MEXICO & USA
 - b) Number of National Locations – 02
- 10) Markets served by the Company – Local/State/National/ International
India, Canada, USA, Mexico, Brazil, Sweden, Germany, Spain, Italy, Turkey, Thailand, Australia, Belgium & Scotland.

Section B: Financial Details of the Company

- 1) Paid up Capital (INR) : 32.65 Crores (excluding ESOP effect)
- 2) Total Turnover (INR) : 1117.83 Crores
- 3) Total Profit after Taxes (INR) : 9.61 Crores
- 4) Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - Please refer to Annexure C of the Board's Report.
- 5) List of activities in which expenditure in 4 above has been incurred:-
Please refer to Annexure C of Board's Report.

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 3 (three) direct subsidiaries as on 31st March, 2020.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :	Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in BR initiatives process of the Company
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]	The other entities that the Company does business with are not directly included in the BR initiatives of the Company.

Business Responsibility Report (Contd.)

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy/policies

- i) DIN : 00375462
- ii) Name : Mr. Naresh Jalan
- iii) Designation : Managing Director

b) Details of the BR head :

Sl.	Particulars	Details
1.	DIN Number (if applicable)	00375462
2.	Name	Mr. Naresh Jalan
3.	Designation	Managing Director
4.	Telephone number	033 – 40820900
5.	e-mail id	naresh@ramkrishnaforgings.com

2. Principle - wise (as per NVGs) BR Policy/policies

The Company's policies are in line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) which provides the following (09) nine areas of Business Responsibility to be adopted by the organisation:

Principle 1	Ethics, Transparency & Accountability	Principle 6	Environment
Principle 2	Products Sustainability	Principle 7	Public Policy
Principle 3	Employees' Well-being	Principle 8	Inclusive Growth
Principle 4	Stakeholders Engagement	Principle 9	Customer Relations
Principle 5	Human Rights		

(a) Details of compliance -

(Reply in Y/N)

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/policies for.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the management of the Company.								
Does the policy conform to any national /international standards? If yes, specify?	Yes, as stipulated by the applicable provisions of the regulations of the Securities and Exchange Board of India and the Companies Act, 2013. The Company has also adopted various standard specified by the International Organization for Standardization (ISO). The same can also be found on the website of the Company at the following link - http://ramkrishnaforgings.com/certifications.html								
Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	All the policies have been approved by the Board and have been signed by the Managing Director of the Company.								
Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	These policies are administered and supervised by the management of the Company through a robust internal governance structure.								
Indicate the link for the policy to be viewed online?	http://ramkrishnaforgings.com/investors/policy/business-responsibility-report-policy.pdf								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Communication is on-going process. For this purpose, the Policy has been posted on the Company's website for information of all the internal and external stakeholders of the Company.								
Does the company have in-house structure to implement the policy/policies	Yes, the Company has necessary structure in place to implement the policy.								
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, the Company has necessary grievance redressal mechanism, to address the grievance of the relevant stakeholder.								
Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The policies on Quality, Safety & Health and Environment are subject to internal and external audits as part of certification process and ongoing periodic assessments.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why – N.A

Business Responsibility Report (Contd.)

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board assesses the BR performance of the Company annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the very First Business Responsibility Report and is published annually as part of the Annual Report. It can be assessed at the Company's website at http://ramkrishnaforgings.com/annual-report.html

Section E: Principle - Wise Performance

Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others

Our philosophy is based on the trusteeship, transparency and accountability. We believe that it is imperative for us to manage our business affairs in the fairest and transparent manner with a firm commitment to our values. Any business without ethics cannot win the trust of the stakeholders.

The policy relating to ethics, bribery and corruption is applicable only to the Company. The Company's Code of Conduct affirms its commitment to the highest standards of integrity and ethics. The copy of the same is available on the website of the Company at <http://ramkrishnaforgings.com/investors/code-of-conduct.pdf>.

Your Company also has a Whistle Blower Policy which allows employees to bring to the attention of the management, promptly and directly, any unethical behaviour, suspected fraud or irregularity in the Company practices, leak of unpublished price sensitive information with respect to the Company, etc. The copy of the same is available on the website of the Company at <http://ramkrishnaforgings.com/investors/policy/whistle-blower-policy.pdf>.

The Company encourages and expects the parties associated with its value chain partners like vendors, suppliers, contractors, employees, etc. to follow the Code of Business Conduct and principles envisaged in the policy for their interactions with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2019-20, nine (9) shareholder complaints were received by the Company and all of which were duly resolved. No complaint was pending as on 31st March, 2020. The Company has not received any complaints in connection with ethics, bribery or corruption during the financial year.

Principle 2: SAFETY AND SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Refer to (Section A) Schedule – I of Business Responsibility Report.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

Ramkrishna Forgings Ltd has a well-defined and documented procedure for vendor approval. The Company procures all raw materials only from approved domestic vendors. The Company's supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey and continuous risk assessments.

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Local sourcing reduces costs, provides local employment benefits and reduced environmental footprint in sourcing. The Company has a network of medium enterprises around its factory which complements our manufacturing capability. Quality of our final product depends on the capability of our inputs and therefore, due steps are taken to ensure quality of inputs received from Vendors. The Company's contractor who supplies labour services for plant operations employ workmen from nearby communities.

4. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

The production process of the Company is based on principles of optimising the material and energy resources. It has taken various initiatives like:

- Recycling of the forging flash .

Business Responsibility Report (Contd.)

- Waste heat is recovered using regenerative burners resulting in reducing the fuel combustion.
- Recycled water from sewage treatment plant is used for maintenance of greenery in the Plant.
- Implantation of rain water harvesting.
- Disposal of the hazardous waste to authorised agencies.
- Recycling of packing boxes.
- Monitoring of the waste generation and taking steps for reduction of the same.

Principle 3: WELL BEING OF ALL EMPLOYEES

1. Please indicate the Total number of employees - 1765
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 2147
3. Please indicate the number of permanent women employees - 26
4. Please indicate the number of permanent employees with disabilities - Nil
5. Do you have an employee association that is recognized by management - Yes
6. What percentage of your permanent employees is members of this recognized employee association? - 27%
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Sl No.	Particulars	Safety Training (Nos.)	Job Skill Training (Nos.)
1	Permanent Employees	55.30	80.88
2	Permanent Women Employees	46.15	46.15
3	Casual/Temporary/Contractual Employees	82.81	78.20
4	Employees with Disabilities	NA	NA

Principle 4: RESPECTING AND PROTECTION OF STAKEHOLDERS' INTEREST

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the principal stakeholders of the Company are its employees, shareholders, suppliers, customers, vendors, government and regulatory authorities, associates, etc. These stakeholders are mapped through systematic communication platforms which helps us to understand the customer needs and the improvement opportunities for the Company in all aspects.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes, the Company identifies communities around our manufacturing facilities at Jharkhand. We help to provide vocational training to the rural youth and skills based trainings to the graduate engineers for their employability.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company has always made special efforts for the people and communities residing in the nearby vicinity of the plant locations to enable them to improve their living. 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. The details of the initiatives taken in this regard are listed in Annexure C to the Board's Report.

Principle 5 - RESPECTING AND PROMOTING HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company does not have a stand-alone policy for human rights. The policies and their implementation are directed towards adherence to applicable laws and to uphold the spirit of human rights.

However the internal policies of the Company on Code of Conduct and CSR recognizes the key aspects of human rights which lays down the acceptable behaviour of the employees and provides for stringent disciplinary actions in case of violations of these policies.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received pertaining to human rights violations during the year.

Business Responsibility Report (Contd.)

Principle 6: PROTECTING, PRESERVATION AND RESTORING THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes the policy extends to its all interested parties which includes company employees, group companies, subsidiaries, suppliers, contractors and others.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc

Yes. As part of its endeavour of contributing towards reducing carbon footprint and ensuring sustainability across all operations, the Company focuses on various initiatives like: using bio fuels, modern regenerative combustion technology, recycled water, reduced cycle waste and adoption of eco-friendly waste disposal. The Company also has an environment policy which is available on the following link: <http://ramkrishnaforgings.com/policy/ems-policy.pdf>.

3. Does the Company identify and assess potential environmental risks?

Yes, the Company has the risk management mechanism in place to identify and assess the existing and potential risks across its operations.

Environment risks are covered in the Company's principles that are based on ISO 14001 standards. Every unit or plant implements the following:

- (i) EHS risks and opportunities
- (i) Identification and evaluation of EHS aspects and requirements
- (iii) Legal obligations & other requirements
- (iv) EHS emergency management, and
- (v) Environment management programmes are taken at high risks areas.

Once risks are identified, steps are taken to measure and mitigate these risks through EHS management system approach.

Link to ISO 14001 certifications: <http://ramkrishnaforgings.com/certifications.html>

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes. The Company is contributing towards 'Clean India Mission'. The Company is promoting cleanliness by maintaining dustbins for waste disposal. This has helped in igniting the spark of awareness and promoting behavioural activities.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company regularly strives to continually improve performance, especially through emphasizing on prevention of pollution.

The Company has undertaken various initiatives for renewable energy and sustainability development like solar power.

The various initiatives taken by the Company on clean technology, energy efficiency, renewable energy is available on the following link: <http://ramkrishnaforgings.com/images/certificates/EC-condition-compliance-september-2019.pdf>.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all emissions / waste generated are regularly monitored quarterly and ensured for being within the permissible limit as per Jharkhand Pollution Control Board Consent norms.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

Nil

Principle 7: RESPONSIBILITY TOWARDS PUBLIC AND REGULATORY POLICY

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of :

- (i) Confederation of Indian Industry (CII)
- (ii) Automotive Component Manufacturers Association (ACMA)
- (iii) Singhbhum Chamber of Commerce
- (iv) Adityapur Small Industries Association
- (v) Indo America Chamber of Commerce
- (vi) Federation of Indian Chambers of Commerce and Industry (FICCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Business Responsibility Report (Contd.)

Your Company is associated with above institutions with an intention of mutual learning and contribution in development of processes. As and when required, the Company put forth its views on the issues faced by the industry with respective business forums and chambers.

Principle 8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has aligned its CSR programmes / initiatives / activities with the requirements of Companies Act, 2013. The Company's CSR activities are being monitored by the Corporate Social Responsibility Committee constituted by the Board. The details and impact of the CSR programmes / initiatives / activities taken by the Company in the recognized fields are detailed in the CSR annexure attached to the Annual Report of the Company.

2. Are the programmes/projects undertaken through in house team/own foundation/external NGO/government structures/any other organization?

The Company carries such programmes/ initiatives/ activities directly as well as indirectly and strives to ensure a better quality of life for the people while contributing towards a strong economy. All our CSR efforts stem from our well-articulated Corporate Social Responsibility (CSR) Policy and focus on some of the key priorities of the communities. Assistance of external agencies / expert may be taken as and when required.

3. Have you done any impact assessment of your initiative?

Yes, the Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.

Details of amount spent by the Company by way of CSR Programmes towards the development of the Community have been provided in Annexure C of the Directors' Report for the financial year 2019-20.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the Community? Please explain in 50 words, or so

The Company undertakes CSR activities after assessing the needs of the community. Further, all CSR activities are rolled out directly to the society. The Company believes that they will benefit the society at large. This helps in increased reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

Principle 9: ENGAGING AND ENRICHING CUSTOMER / CONSUMER VALUE

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company is dedicated to delivering products that satisfy the needs of the customers. It values customer satisfaction as one of its greatest assets. Therefore, it has put in place effective redressal mechanism for addressing and handling customer complaints. The system is also periodically reviewed by management team. The Company regularly organizes feedback and awareness programs for its customers across various locations. The Company always endeavors to resolve the complaints at the earliest.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks(additional information)

As the Company's products are OEM specific and as per OEM requirements, the Company displays product requirement on packaging as per the requirements of OEM & consistent with applicable laws.

The typical information displayed on product includes details of manufacturer, heat code, process no., dispatch no., part no., etc

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Customer response and customer satisfaction are one of the most important factors of any business. The Company engages with its customers at various platforms to understand their expectations. Customer Satisfaction trends are compiled, monitored and reviewed by top management at defined intervals for getting the directives for improvement.



Financial Section

Independent Auditor's Report

To the Members of
Ramkrishna Forgings Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Ramkrishna Forgings Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2020, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 48 to the standalone financial statements, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition (as described in Note 2.3(d) of the standalone Ind AS financial statements)	
Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. During the year ended March 31, 2020, the Company has recognised revenue amounting to ₹ 54,891.99 lacs and ₹ 43,438.79 lacs from domestic and export sales respectively. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included the following: <ul style="list-style-type: none"> ▪ Considered Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. ▪ Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. ▪ Tested samples of individual sales transaction and traced to sales invoices, sales orders, (received from customers) and other related documents. Further, in respect of the samples tested, checked recognition of revenue in accordance with the incoterms / when the conditions for revenue recognitions are satisfied.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	<ul style="list-style-type: none"> Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents. Performed procedures to identify any unusual trends of revenue recognition. Assessed the relevant disclosures made within the standalone Ind AS financial statements.
Impairment assessment of property, plant and equipment (as described in Note 48 of the standalone Ind AS financial statements)	
<p>As at March 31, 2020, the carrying value of property, plant and equipment (PPE) were ₹ 1,15,731.81 lacs. In view of the uncertainty on account of COVID-19 pandemic, impairment indicators were identified, that gave rise to a risk that PPE may be impaired. Consequently, impairment assessment was performed for PPE.</p> <p>The inputs to the impairment testing model which have the most significant impact on the recoverable value include projected Earnings before interest, tax and depreciation and amortization (EBITDA), revenue growth rate, discount rates, terminal growth rate and capital expenditure and sensitivity testing of these assumptions.</p> <p>The impairment testing involves significant judgement and estimates in assessing the recoverable value, therefore it has been considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the design and tested the operating effectiveness of internal controls related to impairment of PPE Assessed the Company's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable amount, including valuation report used by the Company for determining the fair value ('recoverable amount') of the PPE. Evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used. Involved our valuation experts and tested the data and assumptions used by the management, arithmetical accuracy and evaluated the adequacy of headroom available for recoverable value through sensitivity analysis. Discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. Assessed the disclosures made in the standalone Ind AS financial statements for compliance with the relevant Ind AS requirements.
Recognition and recoverability of MAT credit (as described in note 11 and Note 48 of the Standalone Ind AS financial statements)	
<p>As at March 31, 2020, net deferred tax liability recognised were ₹ 5,944.50 lacs which comprises deferred tax asset of ₹ 8,020.34 lacs and deferred tax liability of ₹ 13,964.84 lacs. The deferred tax assets include MAT credit entitlement of ₹ 7,035.14 lacs.</p> <p>In view of the COVID-19 pandemic, the Company has reassessed its future projections for recoverability of MAT as at March 31, 2020 while assessing the adequacy of taxable income of future years.</p> <p>The recognition and recovery of MAT credit is a key audit matter as the recoverability of such MAT credit within the allowed time frame involves significant estimate of financial projections, availability of sufficient taxable income in future periods and significant judgement in the interpretations of tax laws regulations and tax positions adopted by the Company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Evaluated the Company's accounting policies with respect to recognition and recoverability of MAT credits in accordance with Ind AS 12 "Income Taxes". Obtained an understanding of the process and tested the controls over preparation of the taxable profit forecast. Assessed the key assumptions used in the future projections by comparing it to the approved business plan. Involved our tax specialists who evaluated the reasonableness of the Company's tax positions by comparing it with prior years and past precedents. Tested the arithmetical accuracy of the tax computations, future projections of taxable profits including its correlation with the annual business plan approved by the Board of Directors. Assessed the disclosures in respect of the deferred tax asset balances including those disclosures related to significant accounting judgements and estimates.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so,

Independent Auditor's Report (Contd.)

consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (Contd.)

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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) 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, as amended 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 litigations on its financial position in its standalone Ind AS financial statements – Refer Note 35 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Sd/-

per Sanjay Kumar Agarwal

Partner

Membership No.: 060352

UDIN: 20060352AAAACJ8814

Place: Kolkata

Date: June 26, 2020

For M/S. S.K. NAREDI & CO.

Chartered Accountants

ICAI Firm registration number: 003333C

Sd/-

per Abhijit Bose

Partner

Membership No.: 056109

UDIN: 20056109AAAABX3309

Place: Kolkata

Date: June 26, 2020

Annexure - I to the Independent Auditors' Report

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR EVEN REPORT ON THE EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RAMKRISHNA FORGINGS LIMITED

To the Members of

Ramkrishna Forgings Limited ("the Company")

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. The inventory has been physically verified by the management subsequent to the year end in view of COVID-19 pandemic including inventories lying with third parties. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. (a) The Company has granted loan to its wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan is not prejudicial to the Company's interest.
- (b) The Company has granted loan to its wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loan granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and guarantees given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of the Company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Jharkhand Value Added Tax Act, 2005	Sales Tax	25.43	F.Y. 2015-16	Ranchi High Court
	Sales Tax	175.95	F.Y. 2013-2014 to 2015-16	Ranchi High Court
	Sales Tax	0.90	F.Y. 2015-2016	Deputy Commissioner of Sales Tax
Service Tax under Finance Act, 1994	Service Tax	56.55	F.Y. 2012-2013 to 2015-2016	Commissioner of GST and Central Excise
	Service Tax	727.65	F.Y. 2012-2013 to June 2018	Commissioner of GST and Central Excise
	Service Tax	615.73	F.Y. 2009-10 to 2017-18	Commissioner of CGST, Central Excise and Audit
CGST Act, 2017	Cess (Education and Higher Education Cess)	45.12	F.Y. 2017-2018	Ranchi High Court

Annexure - I to the Independent Auditors' Report (Contd.)

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank during the year. The Company did not had any outstanding loans or borrowing from Government or dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Sd/-

per Sanjay Kumar Agarwal

Partner

Membership No.: 060352

UDIN: 20060352AAAACJ8814

Place: Kolkata

Date: June 26, 2020

For M/S. S.K. NAREDI & CO.

Chartered Accountants

ICAI Firm registration number: 003333C

Sd/-

per Abhijit Bose

Partner

Membership No.: 056109

UDIN: 20056109AAAABX3309

Place: Kolkata

Date: June 26, 2020

Annexure - II to the Independent Auditors' Report (Contd.)

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RAMKRISHNA FORGINGS LIMITED

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 March 31, 2020 in conjunction with our audit of the standalone 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. 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 the 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.

Annexure - II to the Independent Auditors' Report (Contd.)

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 standalone Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, 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 S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Sd/-

per Sanjay Kumar Agarwal

Partner

Membership No.: 060352

UDIN: 20060352AAAACJ8814

Place: Kolkata

Date: June 26, 2020

For M/S. S.K. NAREDI & CO.

Chartered Accountants

ICAI Firm registration number: 003333C

Sd/-

per Abhijit Bose

Partner

Membership No.: 056109

UDIN: 20056109AAAABX3309

Place: Kolkata

Date: June 26, 2020

Standalone Ind AS Balance Sheet

as at March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,15,731.81	1,10,486.26
(b) Capital work-in-progress	4(a)	21,643.72	12,958.51
(c) Intangible assets	5	81.52	144.93
(d) Right-of-use assets	6	840.78	-
(e) Financial assets			
(i) Trade receivables	8	371.36	-
(ii) Investments	7	1,930.32	1,930.32
(iii) Loans	9	1,350.11	1,250.31
(iv) Other financial assets	10	71.32	51.81
(f) Non-current tax assets (net)	12(a)	249.58	-
(g) Other non-current assets	13	2,231.52	4,021.33
		1,44,502.05	1,30,843.47
Current assets			
(a) Inventories	14	35,719.24	33,126.03
(b) Financial assets			
(i) Trade receivables	8	30,259.74	46,603.87
(ii) Cash and cash equivalents	15(a)	226.46	193.69
(iii) Bank balances other than (ii) above	15(b)	6.66	53.84
(iv) Loans	9	731.73	60.82
(v) Other financial assets	10	3,230.55	2,689.21
(c) Current tax assets (net)	12(b)	14.36	23.02
(d) Other current assets	13	3,072.11	1,314.65
		73,260.85	84,065.13
TOTAL ASSETS		2,17,762.89	2,14,908.60
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,260.77	3,260.68
(b) Other equity	17	84,381.95	84,029.50
TOTAL EQUITY		87,642.72	87,290.18
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	47,903.26	45,815.70
(ii) Lease liabilities	19	352.61	-
(b) Deferred tax liabilities (net)	11	5,944.50	5,717.95
(c) Other non-current liabilities	23	1,677.62	1,968.83
		55,877.99	53,502.48
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	36,424.99	33,206.86
(ii) Lease liabilities	19	39.75	-
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		88.30	260.44
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		20,604.61	26,211.30
(iv) Other financial liabilities	21	15,791.38	12,090.48
(b) Other current liabilities	23	758.89	1,598.48
(c) Provisions	22	534.26	557.83
(d) Current tax liabilities (net)	12(c)	-	190.55
		74,242.18	74,115.94
TOTAL LIABILITIES		1,30,120.17	1,27,618.42
TOTAL EQUITY & LIABILITIES		2,17,762.89	2,14,908.60

Significant Accounting Policies

The accompanying notes form an integral part of these standalone Ind AS financial statements

As per our report of even date

2

For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : June 26, 2020

For S. K. Naredi & Co.

Chartered Accountants

ICAI Firm Registration No. 003333C

Sd/-

Per Abhijit Bose

Partner

Membership No. 056109

Place : Kolkata

Dated : June 26, 2020

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Standalone Ind AS Statement of Profit and Loss

for the year ended 31st March, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	24	1,11,182.02	1,80,668.73
Other income	25	601.60	298.85
Total Income (i)		1,11,783.62	1,80,967.58
Expenses			
Cost of materials consumed	26	55,610.52	94,319.75
(Increase) / Decrease in inventories of finished goods, work in progress and scrap	27	(4,937.60)	(1,669.73)
Employee benefits expense	28	9,424.07	9,682.11
Power & Fuel		9,718.56	14,247.64
Finance costs	29	7,515.17	7,921.70
Depreciation and amortisation expense	6A	12,016.49	12,083.33
Other expenses	30	20,994.91	26,138.97
Total Expenses (ii)		1,10,342.12	1,62,723.77
Profit before Tax (i-ii)		1,441.50	18,243.81
Tax expense			
- Pertaining to Profit for the current period		237.79	3,894.89
- Deferred tax charge *		241.04	2,408.38
- Tax adjustments for earlier years		1.23	9.46
Total tax expense (iii)		480.06	6,312.73
Profit for the year (iv) = (i - ii - iii)		961.44	11,931.08
* Includes credit of Minimum Alternate Tax of ₹ 145.13 lakhs (March 31, 2019 : ₹ 285.35 lakhs)			
Other Comprehensive Income			
Other comprehensive income not to be reclassified to Profit or Loss in subsequent periods:			
i) Re-measurement losses on defined benefit plans		(41.43)	(130.01)
ii) Income tax effect on above		14.48	45.43
Other Comprehensive Income for the year (net of tax) (v)		(26.95)	(84.58)
Total Comprehensive Income for the year (iv + v)		934.49	11,846.50
Earnings per equity share -			
Nominal value ₹ 10 per share (March 31, 2019: ₹ 10 per share)			
1) Basic		2.95	36.60
2) Diluted		2.94	36.51

Significant Accounting Policies

2

The accompanying notes form an integral part of these standalone Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/
E300005
Sd/-
Per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Dated : June 26, 2020

For S. K. Naredi & Co.
Chartered Accountants
ICAI Firm Registration No.
003333C
Sd/-
Per Abhijit Bose
Partner
Membership No. 056109
Place : Kolkata
Dated : June 26, 2020

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

Sd/-
Mahabir Prasad Jalan
Chairman
DIN: 00354690
Sd/-
Pawan Kumar Kedia
Finance Director
DIN: 00375557

Sd/-
Naresh Jalan
Managing Director
DIN: 00375462
Sd/-
Lalit Kumar Khetan
Chief Financial Officer
FCA: 056935

Statement of Standalone Cash Flow

for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAXES	1,441.50	18,243.81
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	12,016.49	12,083.33
Balances Written Off (Net)	161.40	630.71
Allowance for bad debt and doubtful debts	106.29	-
Loss on sale of Fixed Assets/Discarded Assets	31.87	13.66
Employees Stock Option Expenses	5.12	24.52
Interest income	(123.74)	(123.96)
Foreign exchange gain (Unrealised)	(728.55)	(1,367.52)
Amortisation of Government Grants	(1,316.60)	(1,160.56)
Finance Costs	7,515.17	7,921.70
Operating Profit before changes in operating assets and liabilities	19,108.95	36,265.69
Changes in operating assets and liabilities:		
Decrease / (Increase) in trade receivables	17,550.38	(1,297.38)
(Increase) in inventories	(2,593.21)	(2,719.73)
Decrease / (Increase) in loans	(770.71)	239.12
Decrease / (Increase) in other financial assets	(1,061.49)	3,327.62
(Increase) in other assets	(1,876.29)	(1,835.23)
Increase / (Decrease) in provisions	(65.00)	136.99
Decrease in trade payables	(5,746.64)	(3,071.00)
Increase in other financial liabilities	803.62	122.84
Increase in other liabilities	185.80	256.19
Cash generated from operations	25,535.41	31,425.11
Direct Tax paid (net of refunds)	(670.16)	(4,148.23)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	24,865.25	27,276.88
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances)	(22,475.59)	(25,458.45)
Proceeds from sale of property, plant & equipment	43.59	22.90
Redemption / (Investment) of bank deposits	27.58	(52.40)
Interest Received	162.40	103.02
NET CASH USED IN INVESTING ACTIVITIES (B)	(22,242.01)	(25,384.93)

Statement of Standalone Cash Flow (Contd.)

for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Share Capital including Securities Premium under ESOP	3.40	61.36
Dividend paid on equity shares	(489.79)	(325.92)
Tax on equity dividend paid	(100.70)	(68.20)
Advance given to ESOP trust	(278.01)	(245.57)
Payment of principal portion of lease liabilities	(20.74)	-
Interest Paid	(7,289.83)	(7,779.28)
Proceeds from Long Term Borrowings	12,063.00	27,050.00
Repayment of Long Term Borrowings	(9,695.92)	(19,352.48)
Short Term Borrowings (Net)	3,218.12	(1,074.82)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES (C)	(2,590.47)	(1,734.91)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	32.77	157.04
Opening Cash and cash equivalents at the beginning of the year (Refer note 15a)	193.69	36.65
Closing Cash and cash equivalents at the end of the year (Refer note 15a)	226.46	193.69
NET INCREASE IN CASH AND CASH EQUIVALENTS	32.77	157.04

Notes:

	As at March 31, 2020	As at March 31, 2019
a) Cash and Cash Equivalents include:		
Cash and Cash Equivalents:		
i) Cash in hand	4.80	3.34
ii) Balances with banks		
- On Current Accounts	221.66	190.35
Cash and Cash Equivalents	226.46	193.69

Significant Accounting Policies

2

The accompanying notes form an integral part of these standalone Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/
E300005
Sd/-
Per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Dated : June 26, 2020

For S. K. Naredi & Co.
Chartered Accountants
ICAI Firm Registration No.
003333C
Sd/-
Per Abhijit Bose
Partner
Membership No. 056109
Place : Kolkata
Dated : June 26, 2020

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

Sd/-
Mahabir Prasad Jalan
Chairman

DIN: 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN: 00375557

Sd/-
Naresh Jalan
Managing Director

DIN: 00375462

Sd/-
Lalit Kumar Khetan
Chief Financial Officer
FCA: 056935



Standalone Ind AS Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

A Equity Share Capital (Refer Note 16)

Particulars	Balance as at March 31, 2019	Issued during the year ended March 31, 2020	Balance as at March 31, 2020
Equity Share of ₹ 10/- each issued, subscribed and fully paid	3,260.68	0.09	3,260.77
Equity Share in numbers	3,26,06,849	850	3,26,07,699

- i) The Company, during the previous year ended March 31, 2019, had allotted 61,392 nos equity shares of face value ₹ 10/- each at a premium of ₹ 390/- aggregating to ₹ 245.57 lakhs to Ramkrishna Forgings Limited Employee Welfare Trust under Ramkrishna Forgings Limited - Employee Stock Option Plant 2015 (RKFL ESOP Scheme 2015).

Further, the Company has given advances to M/s. Ramkrishna Forgings Limited Employee Welfare Trust ("the trust") which would be recovered from the trust on issue of the aforesaid shares to the employees in terms of the above scheme. The trust has refunded ₹ 3.40 lakhs (March 31, 2019: ₹ 61.36 lakhs) in respect of 850 numbers (March 31, 2019: 15,341 numbers of equity shares) of equity shares in the current year issued to the employees. The amount towards balance 45,201 numbers of equity shares receivable from Ramkrishna Forgings Limited Employee Welfare Trust has been adjusted to the extent of ₹ 4.52 lakhs in the equity shares capital and ₹ 176.28 lakhs in the securities premium account (Previous year 46,051 number of equity shares was adjusted to the extent of ₹ 4.61 lakhs in the equity shares capital and ₹ 179.60 lakhs in the securities premium account). The Balance amount of advance paid to Ramkrishna Forgings Trust after the above adjustment as at March 31, 2020 is ₹ 281.41 lakhs has been disclosed under other financial assets (refer note 10 and 39)

B Other Equity (Refer Note 17)

Particulars	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	General reserve	Employee Stock Options Outstanding (ESOP)	Retained earnings	
Balance as at March 31, 2018	3,546.01	38,005.41	2,948.15	598.33	27,560.83	72,658.73
Profit for the year	-	-	-	-	11,931.08	11,931.08
Other comprehensive income (net of tax)						
- Re-measurement (losses) on defined benefit plans	-	-	-	-	(84.58)	(84.58)
Total comprehensive income for the year	-	-	-	-	11,846.50	11,846.50
Transfer of Retained earnings to General reserve	-	-	500.00	-	(500.00)	-
Impact of transitional adjustment due to adoption of Ind AS 115 under modified retrospective approach	-	-	-	-	(165.96)	(165.96)
ESOP cost amortized during the year	-	-	-	24.52	-	24.52
Securities premium on issue of equity share under ESOP scheme 2015	-	239.43	-	-	-	239.43
Portion of loan outstanding given to M/s. Ramkrishna Forgings Limited Employee Welfare Trust adjusted.	-	(179.60)	-	-	-	(179.60)
Equity Dividend for the year 2017-18 (Refer note 45)	-	-	-	-	(325.92)	(325.92)
Tax on equity dividend (Refer note 45)	-	-	-	-	(68.20)	(68.20)
Balance as at March 31, 2019	3,546.01	38,065.24	3,448.15	622.85	38,347.25	84,029.50
Profit for the year	-	-	-	-	961.44	961.44
Other comprehensive income (net of tax)						
- Re-measurement (losses) on defined benefit plans (net of tax)	-	-	-	-	(26.95)	(26.95)
Total comprehensive income for the year	-	-	-	-	934.49	934.49
Transfer of Retained earnings to General reserve	-	-	500.00	-	(500.00)	-
ESOP cost amortized during the year	-	-	-	5.13	-	5.13
Securities premium on issue of equity share under ESOP scheme 2015	-	3.32	-	-	-	3.32
Equity Dividend for the year 2018-19 (Refer note 45)	-	-	-	-	(489.79)	(489.79)
Tax on equity dividend (Refer note 45)	-	-	-	-	(100.70)	(100.70)
	-	3.32	500.00	5.13	(156.00)	352.45
Balance as at March 31, 2020	3,546.01	38,068.56	3,948.15	627.98	38,191.25	84,381.95

Significant Accounting Policies

2

The accompanying notes form an integral part of these standalone Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : June 26, 2020

For S. K. Naredi & Co.

Chartered Accountants

ICAI Firm Registration No. 003333C

Sd/-

Per Abhijit Bose

Partner

Membership No. 056109

Place : Kolkata

Dated : June 26, 2020

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

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Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

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DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Notes to the Standalone Ind AS Financial Statements

as at and for the year ended March 31, 2020

1. Company Overview

Ramkrishna Forgings Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at 23, Circus Avenue, 9th floor, Kolkata - 700 017, West Bengal, India. The Company is primarily engaged in manufacturing and sale of forged components of automobiles, railway wagons & coach and engineering parts. The Company presently has manufacturing facilities at Gamaria, Adityapur Industrial Area, Baliguma, Dugni at Saraikela, Jamshedpur in Jharkhand and at Liluah in West Bengal. These standalone financial statements were approved and authorised for issue with the resolution of the Board of Directors on June 26, 2020.

2. Basis of Preparation of Financial Statements and Significant Accounting Policies

2.1 Basis of Preparation of financial statements and compliance with Indian Accounting Standards "Ind-AS"

These standalone financial statements comply in all material respects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the 'Act'), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. These standards and policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis under historical cost convention and on accrual method of accounting, except for certain financial assets/ liabilities measured at fair value as described in accounting policies regarding financial instruments. The financial statements are presented in INR which is the Company's functional and presentation currency and all values are rounded to the nearest lakhs (INR 1,00,000), except when otherwise indicated.

2.2 Current v/s Non Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability beyond at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Summary of Significant Accounting Policies

a) Property, Plant and Equipment

Tangible Assets and Depreciation.

Tangible Assets are stated either at deemed cost as considered on the date of transition to Ind AS or at cost of acquisition / construction together with any incidental expenses related to acquisition and appropriate borrowing costs, less accumulated depreciation and accumulated impairment loss, if any. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred, if any.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation on property, plant and equipment is provided under the straight-line method over the useful lives of assets as prescribed in Part C of Schedule II to the Companies Act 2013 except for the following assets where the useful life considered is different than that prescribed in Schedule II on the basis of management's technical evaluation. The management believes that the useful lives as given below represents the period over which management expects to use these assets.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

Type of asset	Useful lives estimated by the management (years)
Air Conditioning Machines	10
Plant and Machinery (Including Dies)	10 to 40

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Depreciation for assets purchased / sold during the year is proportionately charged. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

b) Intangible assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation, impairment loss, if any.

Computer Software for internal use, which is primarily acquired from third party vendors, is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation / system integration services, where applicable.

Gains or losses arising from derecognition of an Intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit or loss when the asset is derecognised.

Type of asset	Useful lives estimated by the management (years)
Intangible assets - Computer software	5

c) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

d) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, goods and service tax. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor as it has pricing latitude and is also exposed to inventory and credit risks.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made and specific criteria have been met for each of the Company's activities as described below.

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

payable to the customer (if any). In case of DDP export sales where the Company provides warehousing services to its customers in their respective countries, revenue is recognised when the goods are lifted by the customer. In other cases of export sales, the Company believes that the control gets transferred to the customer on the date of bill of lading.

Export incentives

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Die design and preparation charges

Revenues from die design and preparation charges are recognized on approval of die designs by the Customers.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e., only the passage of time is required before payment of the consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) scheme, it is accounted for as Government grant and its amortised on the basis of fulfilment of underlying export obligations. Also refer note 23.

Government grants such as for export benefit scheme and other grants, for which related costs are recognised as expense, are recognised in the Statement of Profit and Loss on matching principle.

The Company considers government grant as part of its operations and hence considered as other operating revenues.

f) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence, if any. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- (i) **Raw materials, Stores and Spares:** These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average method.
- (ii) **Finished goods and work in progress:** These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average method.
- (iii) **Scrap:** Scrap is valued at Net Realisable Value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

Financial Assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate. For financial assets and financial liabilities at fair value through profit or loss, directly attributable transaction costs are immediately recognised in the Statement of Profit and Loss.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates the right to received cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer Note 40 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates the right to received cash flows that are solely payments of principal and interest on the principal amount outstanding.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in subsidiary companies (Refer Note 40 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

De-recognition:

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized i.e. removed from the Company's Balance Sheet when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset [except as mentioned in (ii) above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41A details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by IndAS109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liabilities

Initial recognition and measurement:

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate. For financial liabilities at fair value through profit or loss, directly attributable transaction costs are immediately recognised in the Statement of Profit and Loss.

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (Refer Note 40 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

h) Fair Value Measurement

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

i) Investment in Subsidiary Companies

Investment in subsidiaries are carried at cost or at deemed cost as considered on the date of transition to Ind- AS less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The details of such investments are given in Note 7.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

j) Foreign Currency Transactions and Balances

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Measurement of foreign currency items at reporting date:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year end, monetary assets and liabilities denominated in foreign currencies are restated at the year end exchange rates. The exchange differences (other than relating to long-term foreign currency monetary items recognised up to March 31, 2017) arising from settlement of foreign currency transactions and the year end restatement are recognised in profit and loss.

Exchange differences arising on reporting of long-term foreign currency monetary items recognised up to March 31, 2017 (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset).

k) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current Income tax:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred income tax is provided, using the Balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit/ loss nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax assets. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Presentation of current and deferred tax:

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

l) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

m) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

Post-Employment Benefits:

I. Defined Contribution plans:

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

II. Defined Benefit plans:

- The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method as per Ind AS 19 at the year end.
- The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligations.
- The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employees Benefits Expense in the statement of profit and loss.
- Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity.
- Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

Other employee benefit obligations

The liabilities for earned leave and sick leave are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as per Ind AS 19. The benefits are discounted using the market yields on Government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss. Entitlements to annual leave (earned leave) are recognized when they accrue to employees. They can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave.

o) Employee Stock Options Scheme/ Share based payments

The grant date fair value of equity settled share based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the vesting period, the entity revises its estimates of the number of options that are expected to vest based on the non market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Statement of Profit or Loss, with a corresponding adjustment to equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

q) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

r) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

s) Earnings Per Share

Basic earnings 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 earnings 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.

3.1 Key Accounting Estimates & Judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes

Deferred tax assets are recognised for unused tax losses / MAT carry forward to the extent is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies including amount expected to be paid / recovered for uncertain tax positions (Refer Note 11).

b. Property, Plant and Equipment and Useful Life of PPE and Intangible Assets

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

c. Defined Benefit Plans

Post-employment benefits represents obligation that will be settled in future and require assumptions to project benefit obligations. Post-employment benefits accounting is intended to reflect the recognition of future benefits cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations, funding requirements and benefit costs incurred. Refer Note 43.

d. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

e. Provisions and Contingencies

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

3.2 Standard issue but not effected

There are no standards issued but not yet effective up to the date of issuance of the Company's financial statements.

3.3 Changes in accounting policies and disclosures

i. Leases

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in refer note 47.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on April 1, 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under refer note 47.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in note 19 and note 47.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

ii. Other Amendments in Ind AS

The Company had no material impact on the standalone financial statements on account of Amendments from April 1, 2019 in Ind AS 12 Uncertainty over Income Tax Treatment, Ind AS 109: Prepayment Features with Negative Compensation, Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 28: Long-term interests in associates and joint ventures, Ind AS 103 Business Combinations, Ind AS 111 Joint Arrangements, Ind AS 12 Income Taxes, Ind AS 23 Borrowing Costs

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

4. Property, plant and equipment	Particulars	Freehold Land (Including cost of Development)	Factory Shed and Building	Office Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment's	Computer	Air Conditioning Machines	Total
Cost :											
As at April 1, 2018		1,746.82	8,653.82	4,501.33	1,03,286.67	2,312.70	552.76	112.41	464.08	546.34	1,22,176.93
Additions #		-	637.34	562.59	13,999.41	226.63	155.01	22.91	356.80	14.49	15,975.18
Disposals/ deductions		22.39	-	-	90.25	-	30.85	-	-	2.52	146.01
As at March 31, 2019		1,724.43	9,291.16	5,063.92	1,17,195.83	2,539.33	676.92	135.32	820.88	558.31	1,38,006.10
Additions #		-	324.23	6,766.73	8,297.98	919.37	170.02	592.18	35.36	128.47	17,234.34
Disposals/ deductions		-	-	-	71.11	-	104.54	5.96	-	-	181.61
As at March 31, 2020		1,724.43	9,615.39	11,830.65	1,25,422.70	3,458.70	742.40	721.54	856.24	686.78	1,55,058.83
Depreciation :											
As at April 1, 2018		-	597.49	320.78	13,596.86	558.17	125.89	53.24	248.59	127.61	15,628.63
Charge for the year		-	310.19	168.32	10,949.13	287.10	81.66	19.41	97.60	64.86	11,978.27
Disposals/ deductions		-	-	-	61.06	-	24.02	-	-	1.98	87.06
As at March 31, 2019		-	907.68	489.10	24,484.93	845.27	183.53	72.65	346.19	190.49	27,519.84
Charge for the year		-	327.57	186.70	10,790.64	300.07	88.35	35.17	121.86	62.97	11,913.33
Disposals/ deductions		-	-	-	41.83	-	64.32	-	-	-	106.15
As at March 31, 2020		-	1,235.25	675.80	35,233.74	1,145.34	207.56	107.82	468.05	253.46	39,327.02
Net Block :											
As at March 31, 2019		1,724.43	8,383.48	4,574.82	92,710.90	1,694.06	493.39	62.67	474.69	367.82	1,10,486.26
As at March 31, 2020		1,724.43	8,380.14	11,154.85	90,188.96	2,313.36	534.84	613.72	388.19	433.32	1,15,731.81

An amount of ₹ 94.99 lakhs (March 31, 2019 : ₹ 110.65 lakhs) included in plant and machinery is towards Export Promotion Capital Goods scheme.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

4. (a) Capital work-in-progress	Capital work-in-progress	Total
Cost		
As at April 1, 2018	4,355.70	4,355.70
Additions	14,222.57	14,222.57
Capitalised to PPE	5,619.76	5,619.76
As at March 31, 2019	12,958.51	12,958.51
Additions	21,471.93	21,471.93
Capitalised to PPE	12,786.72	12,786.72
As at March 31, 2020	21,643.72	21,643.72

4. Details of expenditure on New / Expansion projects pending allocation and included in Capital work in progress	For the year ended	
	March 31, 2020	March 31, 2019
Salaries, Wages & Allowances	381.48	279.87
Power and Fuel	14.07	-
Carriage Inward Expenses	7.66	-
Insurance Charges	14.70	-
Interest / Bank Charges	1,354.00	244.43
Rate & Taxes	19.08	-
Miscellaneous Expenses	177.86	20.51
Travelling Expenses	26.10	9.29
Professional Fees / Consultancy	121.45	28.47
Total	2,116.40	582.57
Add: Balance brought forward from previous year	1,193.64	1,128.58
	3,310.04	1,711.15
Less: Transfer / Allocated to Property, Plant and equipment during the year	579.97	517.51
Balance pending allocation included in CWIP	2,730.07	1,193.64

ii) For lien / charge against property, plant and equipment, Refer note 18.2.

5. Intangible Assets	Computer Software
Cost :	
As at April 1, 2018	463.47
Additions	7.69
As at March 31, 2019	471.16
Additions	-
As at March 31, 2020	471.16
Depreciation :	
As at April 1, 2018	221.17
Charge for the year	105.06
As at March 31, 2019	326.23
Charge for the year	63.41
As at March 31, 2020	389.64
Net Block :	
As at March 31, 2019	144.93
As at March 31, 2020	81.52

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

6. Right-of-use assets	Lease hold Land
Cost	
As at April 1, 2019	880.53
Additions	-
As at March 31, 2020	880.53
Depreciation	
Charge for the year	39.75
For the year ended March 31, 2020	39.75
Net Block :	
As at March 31, 2020	840.78

Refer Note 47 for the related disclosures

6. (A) Depreciation and amortization expenses	For the year ended	
	March 31, 2020	March 31, 2019
Depreciation of Property, plant and equipment	11,913.33	11,978.27
Amortization of Intangible assets	63.41	105.06
Right-of-use assets (Refer note 47)	39.75	-
Total	12,016.49	12,083.33

7. Investments (Non-current)	Face Value per share (₹)	Number of shares		Amount	
i. Investments in subsidiaries		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
At cost					
Unquoted equity instruments (fully paid)					
Investment in wholly owned subsidiaries					
- Globe Forex & Travel Ltd.	10	47,87,650	47,87,650	1909.82	1909.82
- Ramkrishna Aeronautics Pvt. Ltd.	10	1,00,002	1,00,002	10.00	10.00
				1,919.82	1,919.82
ii. Investments (other body corporate)					
At fair value through other comprehensive income					
Unquoted equity instruments (fully paid)					
- Adityapur Auto Cluster	1000	1,050	1,050	10.50	10.50
				10.50	10.50
Total				1,930.32	1,930.32
Aggregate value of unquoted investments				1,930.32	1,930.32

Additional Information:

- During the year ended March 31, 2020, the Company has formed a Limited Liability Company, Ramakrishna Forgings LLC with its registered office in the State of Delaware, United States of America. The Company has taken an approval from Board of Directors of the Company for the same at the Meeting dated November 9, 2019. Ramakrishna Forgings LLC has been incorporated as subsidiary and there is no investment made by the Company as on March 31, 2020.
- The Company has given corporate guarantees on behalf of M/s. Globe Forex and Travels Limited amounting to ₹ 4,700.00 lakhs (March 31, 2019: ₹ 4,700.00 lakhs) (Refer Note 35)
- Refer note 40 for information about fair value measurements.

8. Trade receivables	Non-Current		Current	
At amortised cost	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured				
Considered good	-	-	29,902.66	46,632.39
Trade Receivables which have significant increase in credit risk	431.62	-	431.63	-
Less: Impairment allowance (Allowance for bad and doubtful debts)	(60.26)	-	(74.55)	(28.52)
	371.36	-	30,259.74	46,603.87

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- 8.1: Trade receivables are non-interest bearing and are generally received within 180 days.
- 8.2: The carrying amount of trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in Refer note 41A.
- 8.3: No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade receivable are due from firms or companies in which any director is a partner, a director or a member.
- 8.4: For lien / charge against trade receivables, Refer note 18.2.
- 8.5: Includes receivable from subsidiary March 31, 2020 : ₹ 170.56 lakhs (March 31, 2019: ₹ Nil) (Refer note 39)

9. Loans	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
At amortised cost				
Unsecured, considered good				
Security deposits	1,219.17	1,196.11	611.91	0.20
Loan to Employees	130.94	54.20	119.82	60.62
	1,350.11	1,250.31	731.73	60.82

- 9.1. Includes loans and advances due from officers of the Company March 31, 2020: ₹ 10.00 lakhs. (March 31, 2019: ₹ Nil) also refer note 39.

10. Other Financial Assets (Unsecured, considered good)	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
At amortised cost				
Accrued Interest	-	-	96.81	136.35
Loan to subsidiary company (refer note 39)	-	-	251.08	-
Government Grant receivable	-	-	771.16	500.00
Fixed deposits with bank (Maturity of more than twelve months)	19.51	-	-	-
Export incentives receivable	-	-	1,131.78	1,144.14
Others@	51.81	51.81	954.12	16.10
At FVTPL				
Foreign - exchange forward contracts	-	-	25.60	875.18
Interest rate swaps	-	-	-	17.44
	71.32	51.81	3,230.55	2,689.21

- 10.1. Refer note 40 for determination of fair value

@ Includes receivable from related parties March 31, 2020 : ₹ 954.12 lakhs (March 31, 2019: ₹ Nil)

11. Taxes	Non-Current	
	As at March 31, 2020	As at March 31, 2019
i) Deferred Tax		
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	13,964.84	13,418.79
On Others	-	305.82
Gross Deferred Tax Liabilities	13,964.84	13,724.61
Deferred Tax Assets		
On Retirement benefits expenses	365.10	390.58
MAT entitlement receivable [Refer note (a) below]	7,035.14	6,890.01
On Others	620.10	726.07
Gross Deferred Tax Assets	8,020.34	8,006.66
Deferred Tax Liabilities (Net)	5,944.50	5,717.95

- a. In view of profitability projections (considering additional contribution from new plants) the company expects that there would be sufficient taxable income in future periods to utilize MAT credit entitlements.
- b. Pursuant to The Taxation Laws (Amendment) Ordinance, 2019, corporate assesses have been given the option under section 115BAA of the Income Tax Act, 1961 to apply lower income rate with effect from April 1, 2019, subject to certain conditions specified therein. The Company has assessed the impact of the Ordinance and believes that it will continue to remain in the existing tax structure for the foreseeable future

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as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

based on its forecasted profits. Accordingly, no effect in this regard has been considered in measurement of tax expenses for the purpose of this financial results. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expenses when there is reasonable certainty to avail the lower rate of tax.

Reconciliation of deferred tax liabilities (net):	Year ended	
	March 31, 2020	March 31, 2019
Opening balance as of April 1, 2019	5,717.95	3,444.15
Charge pertaining to impact of adoption of Ind AS 115	-	(89.15)
Tax (income) / expense during the period recognised in profit or loss	241.04	2,408.38
Tax (income) / expense during the period recognised in OCI	(14.49)	(45.43)
Closing balance as at March 31, 2020	5,944.50	5,717.95

	Year ended	
	March 31, 2019	March 31, 2018
ii) Tax expenses		
a) Income-tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current tax on profits for the year	237.79	3,894.89
Adjustments for current tax for earlier years	1.23	9.46
Total current tax expense (a)	239.02	3,904.35
Deferred Tax		
Origination and reversal of temporary differences	241.04	2,408.38
Total deferred tax expense (b)	241.04	2,408.38
Tax expense reported in the Statement of Profit and Loss (a) + (b)	480.06	6,312.73
b) Deferred tax - Remeasurement of post employment defined benefit obligation	14.48	45.43
Total deferred tax expense recognised in Other Comprehensive Income	14.48	45.43
Tax expense recognised in OCI	14.48	45.43
c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:		
Profit before income tax	1,441.50	18,243.81
Enacted Income tax rate in India applicable to the Company	34.944%	34.944%
Tax on Profit before tax at the statutory Income tax rate in India	503.72	6,375.12
Adjustments:		
Tax effect of amounts which are not deductible / (not taxable) in calculating taxable income:		
Items not deductible	103.02	75.84
Incentives / additional benefits allowable under Income-tax Act	(133.93)	(175.84)
Income tax charge in respect of earlier years	1.23	9.46
Other items	6.02	28.15
Total Income tax expense	480.06	6,312.73

12. Tax assets and liabilities	As at	
	March 31, 2020	March 31, 2019
a) Non-current tax asset		
Non-current tax asset (net of provision for Income tax of ₹ 237.79 lakhs) (March 31, 2019 : ₹ Nil)	249.58	-
	249.58	-
b) Current tax assets		
Income Tax Refundable	14.36	23.02
	14.36	23.02
c) Current tax liabilities		
Provision for income tax (net of advance Income tax ₹ Nil) (March 31, 2019 : ₹ 3,711.77 lakhs)	-	190.55
	-	190.55

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as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

13. Other assets (Unsecured, considered good)	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
a) Capital advances	1,743.61	3,154.08	-	-
b) Advance other than capital advances				
- Advance to suppliers	-	-	685.45	456.32
- Advance to Employees	-	-	4.78	3.82
c) Others				
- Prepaid expenses	36.51	30.63	558.76	458.49
- Balance with Government Authorities	451.40	344.50	1,823.12	385.04
- Leasehold prepayment #	-	492.12	-	10.98
	2,231.52	4,021.33	3,072.11	1,314.65

The amount has been considered as Right to Use Assets on account of adoption of Ind AS 116, Refer Note 47

14. Inventories (Valued at lower of cost and net realisable value)	As at	
	March 31, 2020	March 31, 2019
Raw Materials #	6,212.78	7,923.06
Work in Progress	16,355.70	14,111.28
Finished Goods #	3,432.05	1,186.41
Stores & spares (including packing materials) #	9,417.44	9,655.68
Forgings Scrap	423.93	313.88
Less: Provision for Slow Moving Inventories	(122.66)	(64.28)
Total	35,719.24	33,126.03

Includes goods-in-transit a) Finished Goods ₹ 799.05 lakhs (March 31, 2019: ₹ 495.91 lakhs); b) Raw Materials ₹ Nil (March 2019: ₹ 39.22 lakhs); c) Stores and Spares ₹ 21.88 lakhs (March 31, 2019: ₹ 102.28 lakhs)

For lien / charge against inventories, Refer note 18.2.

15. Cash and Cash Equivalents	As at	
	March 31, 2020	March 31, 2019
a) Cash and Cash Equivalents:		
i) Cash in hand	4.80	3.34
ii) Balances with banks		
- On Current Accounts	221.66	190.35
Cash and Cash Equivalents	226.46	193.69
b) Other Bank Balances:		
- Earmarked balances (On unclaimed dividend accounts)	1.35	1.44
- Fixed deposits with original maturity of more than 3 months but less than 12 months	5.31	52.40
Other Bank Balances	6.66	53.84
Cash and Bank balances (a + b)	233.12	247.53

Changes in liabilities arising from financing activities

Particulars	April 1, 2019	Cash Flows	Others*	March 31, 2020
Current borrowings	33,206.86	3,218.12	-	36,424.99
Non current borrowings (Including current maturities of long term debts (Refer note 21))	54,942.35	2,367.08	1,379.10	58,688.53
Total liabilities from financing activities	88,149.21	5,585.20	1,379.10	95,113.52

Particulars	April 1, 2018	Cash Flows	Others*	March 31, 2019
Current borrowings	34,516.13	(1,074.82)	(234.45)	33,206.86
Non current borrowings (Including current maturities of long term debts (Refer note 21))	47,805.09	7,697.52	(560.26)	54,942.35
Total liabilities from financing activities	82,321.22	6,622.70	(794.71)	88,149.21

* Represents the impact of foreign exchange reinstatement on foreign currency borrowing and changes in fair value of borrowing measured at amortised cost using the effective interest rate method as at March 31, 2020 and March 31, 2019.

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as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

16. Equity share capital	Number of shares			
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Particulars				
Authorised capital				
Equity shares of ₹ 10/- each	3,32,50,000	3,32,50,000	3,325.00	3,325.00
			3,325.00	3,325.00
Issued, subscribed and paid-up				
Equity shares of ₹ 10/- each	3,26,07,699	3,26,06,849	3,260.77	3,260.68
			3,260.77	3,260.68
a) Reconciliation of equity shares outstanding at the beginning and at the end of the year				

Equity Shares with voting rights	Number of shares			
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	3,26,06,849	3,25,91,508	3,260.68	3,259.15
Issued during the year (Refer note c)	-	61,392	-	6.14
Less: Amount recoverable from M/s. Ramkrishna Forgings Limited Employee Welfare Trust towards 46,051 equity shares @ ₹ 10/- each.	-	(46,051)	-	(4.61)
Add: Further issue equity shares under ESOP scheme 2015	850	-	0.09	-
At the end of the year	3,26,07,699	3,26,06,849	3,260.77	3,260.68

b) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a 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.

Proposed dividend is recognised in the year in which it is approved by the shareholders.

- c) The Company, during the previous year ended March 31, 2019 had allotted 61,392 nos equity shares of face value ₹ 10/- each at a premium of ₹ 390/- aggregating to ₹ 245.57 lakhs to Ramkrishna Forgings Limited Employee Welfare Trust under Ramkrishna Forgings Limited - Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015).

Further, the Company has given advances to M/s. Ramkrishna Forgings Limited Employee Welfare Trust ("the trust") which would be recovered from the trust on issue of the aforesaid shares to the employees in terms of the above scheme. The trust has refunded ₹ 3.40 lakhs in respect of 850 numbers of equity shares in the current year issued to the employees (previous year ₹ 61.36 lakhs for 15,341 numbers of equity shares) . The amount towards balance 45,201 numbers of equity share receivable from Ramkrishna Forgings Limited Employee Welfare Trust has been adjusted to the extent of ₹ 4.52 lakhs in the equity share capital and ₹ 176.28 lakhs in the securities premium account (Previous year 46,051 number of equity shares was adjusted to the extent of ₹ 4.61 lakhs in the equity shares capital and ₹ 179.60 lakhs in the securities premium account). The Balance amount of advance paid to Ramkrishna Forgings Trust after the above adjustment as at March 31, 2020 is ₹ 281.41 lakhs has been disclosed under other financial assets (refer note 10 and 39)

- d) The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries / associates. Details of shareholders holding more than 5% shares in the Company is given as below:

Equity shares of ₹ 10/- each fully paid up	% holding		No of shares	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Riddhi Portfolio Private Limited.	22.92%	22.83%	74,82,724	74,54,241
Eastern Credit Capital Private Limited.	17.21%	17.21%	56,18,500	56,18,500
Aditya Birla Sun Life Trustee Private Limited A/c	5.57%	5.23%	18,19,971	17,07,276

- e) 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 (also refer note 46)
- f) There are no calls unpaid by Directors / Officers of the Company.
- g) The Company has not converted any securities into equity shares / preference shares during the above financial years.
- h) The Company has not forfeited any shares during the above financial years.

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as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

17. Other equity	As at	
	March 31, 2020	March 31, 2019
Capital reserves (Refer note a)	3,546.01	3,546.01
Securities Premium Account (Refer note b)	38,068.56	38,065.24
General reserve (Refer note c)	3,948.15	3,448.15
Employee's Stock Options Outstanding Account (Refer note d)	627.98	622.85
Retained earnings (Refer note e)	38,191.25	38,347.25
Total	84,381.95	84,029.50

a) Capital Reserve

This reserve had been created on Account of capital subsidy received in the form of sales tax refund under Jharkhand Industrial Policy, 2001 and on account of forfeiture of share warrants money.

	Year ended	
	March 31, 2020	March 31, 2019
Opening balance	3,546.01	3,546.01
Add: Changes during the year	-	-
Closing Balance	3,546.01	3,546.01

b) Securities Premium Reserve

Securities Premium Account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

	As at	
	March 31, 2020	March 31, 2019
Opening balance	38,065.24	38,005.41
Add: Received on allotment of equity shares	-	239.43
Less: Amount recoverable from M/s. Ramkrishna Forgings Limited Employee Welfare Trust (refer note A (i) in Statement of Changes in Equity)	-	(179.60)
Securities premium on issue of equity share under Ramkrishna Forgings Limited ESOP scheme 2015	3.32	-
Closing Balance	38,068.56	38,065.24

c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

	As at	
	March 31, 2020	March 31, 2019
Opening balance	3,448.15	2,948.15
Add: Amount transferred from Retained earnings	500.00	500.00
Closing Balance	3,948.15	3,448.15

d) Employee's Stock Options Outstanding Reserve (ESOP)

Employee's Stock Options Outstanding is a stock option guaranteed to specified employees of the Company. It offers option's holder the right but not an obligation to purchase shares of the Company on fulfilment of conditions mentioned in ESOP scheme at the price decided at the time of grant of options.

	As at	
	March 31, 2020	March 31, 2019
Opening balance	622.85	598.33
Add: Charge for the year	5.13	24.52
Closing Balance	627.98	622.85

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(All amounts in INR Lakhs, unless otherwise stated)

e) Retained earnings

	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	38,347.25	27,560.83
Less: Impact of transitional adjustment due to adoption of Ind AS 115 under modified retrospective approach	-	(165.96)
Add: Profit for the year	961.44	11,931.08
Add: Other Comprehensive Income for the year (net of tax)	(26.95)	(84.58)
	39,281.74	39,241.37
Less: Transfer to General Reserve	(500.00)	(500.00)
Less: Dividend	(489.79)	(325.92)
Less: Dividend distribution tax	(100.70)	(68.20)
	38,191.25	38,347.25

18. Borrowings	Non-Current	
	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Term Loans From banks		
- Domestic currency loans	43,945.85	37,702.23
- Foreign currency loans	14,619.79	17,082.13
- Auto car loan	122.89	157.99
Total	58,688.53	54,942.35
Less: Current maturities of long term debts (Refer note 21)	10,785.27	9,126.65
Total	47,903.26	45,815.70

	Current	
	As at March 31, 2020	As at March 31, 2019
Secured		
Working Capital facilities:		
Repayable on demand :		
From banks		
- Cash Credit	2,856.45	622.94
- Working Capital Demand / Short Term Loans / FCNR	17,117.60	3,200.00
- Packing Credit	15,364.86	25,074.64
Unsecured		
Repayable on demand :		
From banks		
- Working Capital Demand / Short Term Loans	390.00	500.00
- Bill discounting	696.08	3,809.28
Total	36,424.99	33,206.86

18.1. The Company's bank loan agreements contain compliance with certain financial ratios which are not met as of March 31, 2020 in view of depressed demand further compounded by outbreak of COVID-19 pandemic. The Company has written to its concerned lenders for condonation of the non compliance with certain ratios.

The Company is confident of obtaining waiver letter from the concerned banks and accordingly no adjustment has been made in the financial statements as regards to levying of any penal interest and classification of such loans and they continue to get classified as current / non current as per the original terms of the respective loan agreements.

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18.2 The Company has taken borrowings in domestic and foreign currencies towards funding of its capital expenditure, working capital requirements and general corporate purpose. The borrowings comprise funding arrangements with various banks. The Company's total borrowings and a summary of security provided by the Company are as follows -

Particulars	As at March 31, 2020	As at March 31, 2019
Secured long term borrowings	58,688.53	54,942.35
Secured short term borrowings	35,338.91	28,897.58
Unsecured short term borrowings	1,086.08	4,309.28
Total borrowings	95,113.52	88,149.21

Facility Category	Security Details	Payment Frequency	As at March 31, 2020	As at March 31, 2019
Rupee Term Loans	Primary 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 those assets for which there is an exclusive charge of other lenders and subject to charges of the Company's bankers created / to be created in their favour for working capital loans. Secondary Security: It is further secured by the second charge on the current assets of the Company, both present and future, excluding receivables discounted by any other bank and exclusively charged to discounting lender.	Repayable in balance	34,339.86	27,873.23
Suppliers Line of Credit *		191 quarterly instalments	4,047.04	1,739.54
Foreign Currency Term Loans		Repayable in balance 2 half yearly instalments	2,644.84	4,834.68
		Repayable in balance 4 quarterly instalments.	941.70	2,574.33
Rupee Term Loan	Secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding those assets for which there is an exclusive charge of other lenders.	Repayable in balance 24 quarterly instalments	1,041.65	873.92
Rupee Term Loan	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 those assets for which there is an exclusive charge of other lenders and subject to charges of the Company's lenders created / to be created in their favour for Working Capital loans. It is also secured by exclusive charge on the office building at 72, Shakespeare Sarani, Kolkata-700017. Collateral Security: It is further secured by the second charge on the current assets of the Company, both present and future and exclusively charged to discounting lender.	Repayable in balance 14 quarterly instalments	4,564.34	4,955.07
Rupee Term Loan	Exclusive charge on the office property acquired out of the rupee term loan facility.	Repayable in balance 34 quarterly instalments starting from May,2020	4,000.00	4,000.00
Foreign Currency Term Loan	Term Loan is secured by the exclusive first charge on the 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line imported from SMS Meer.Gmbh.	Repayable in balance 9 half yearly instalments	6,986.21	7,933.59

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(All amounts in INR Lakhs, unless otherwise stated)

Facility Category	Security Details	Payment Frequency	As at March 31, 2020	As at March 31, 2019
Auto Loans	Secured by the exclusive first charge on the asset financed by the banks.	Repayable in balance 122 monthly instalments	122.89	157.99
Cash Credit	Working capital loans from banks are secured by first pari-passu charge on current assets of the Company, both present and future, excluding receivables discounted by any other bank and exclusively charged to discounting lender, 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.	On demand	2,856.45	622.94
Working Capital Demand Loan / Short term Loan		On demand	15,459.72	3,200.00
Packing Credit Loan in Foreign Currency	Collateral Security : 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.	On demand	-	541.34
Packing Credit Loan in INR.		On demand	15,364.84	24,533.30
FCNR	Exclusive Charge on bills of underlying customer for the hundies discounted by the Bank.	On demand	1,657.90	-
Unsecured Bill Discounting	Unsecured	On demand	696.08	3,809.28
Working Capital Demand / Short Term Loans	Unsecured	On demand	390.00	500.00
Total			95,113.52	88,149.21

* Suppliers line of credit is a part of term loan facilities extended by the banks.

18.3. Terms of repayment of total borrowings outstanding as of March 31, 2020 are provided below:

Borrowings	Range of Effective Interest Rate%	<=1 year	1-3 years	3-5 Years	> 5 Years	Total
Domestic Currency Term Loan **	8.75 - 11.25	5,767.63	16,277.49	15,477.15	10,858.62	48,380.89
Auto Loan	8.25 - 9.35	37.55	55.31	30.02	-	122.88
Foreign Currency Term Loan	1.25 - 6.53	5,193.89	3,203.87	2,402.90	-	10,800.66
Cash Credit	8.75-12.90	2,856.45	-	-	-	2,856.45
Working Capital Demand Loan/ Short term Loan	7.10- 10.85	15,459.72	-	-	-	15,459.72
Packing Credit INR in INR (net of Subvention)	4.60- 7.20	15,364.84	-	-	-	15,364.84
FCNR	2.75	1,657.90	-	-	-	1,657.90
Unsecured Loan - Bill Discounting	8.80	696.08	-	-	-	696.08
Unsecured Loan - Short Term Loan	8.35	390.00	-	-	-	390.00
		47,424.06	19,536.67	17,910.07	10,858.62	95,729.42

The above maturity is based on the total principal outstanding gross of the processing fees and charges of ₹ 615.90 lakhs (March 31, 2019: ₹ 786.92 lakhs).

19. Lease	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Lease Liabilities (Refer note 47)	352.61	-	39.75	-
	352.61	-	39.75	-

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(All amounts in INR Lakhs, unless otherwise stated)

20. Trade payables	As at	
	March 31, 2020	March 31, 2019
At amortised cost		
Total outstanding dues of micro and small enterprises (Refer note 36)	88.30	260.44
Total outstanding dues of creditors other than micro and small enterprises (Refer Note 20.2)	12,826.75	12,662.44
Acceptance given to Bank	7,777.86	13,548.86
	20,604.61	26,211.30
	20,692.91	26,471.74

20.1. Trade payables other than acceptance given to the bank are non- interest bearing. Trade payable are normally settled within 90 days credit terms.

20.2. Includes payable to a subsidiary ₹ 41.11 lakhs (March 31, 2019: ₹ Nil) . Also Refer note 39.

21. Other financial liabilities	Current	
	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Employee related dues	1,293.59	1,253.81
Interest accrued but not due on borrowings	553.17	529.91
Payable for capital goods	2,394.06	1,178.67
Current maturities of long-term borrowings (Refer note.18)	10,785.27	9,126.65
Unpaid dividends@	1.35	1.44
At FVTPL		
Foreign - exchange forward contracts	750.74	-
Interest rate swaps	13.20	-
	15,791.38	12,090.48

@ Appropriate transfers have been made by the Company to the Investor Education and Protection Fund during the year. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

21.1. Refer note 40 for determination of fair value

22. Provisions	Current	
	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (Refer note 43)	183.32	247.72
Provision for compensated absences	350.94	310.11
	534.26	557.83

23. Other liabilities	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance from customers	-	-	163.42	267.52
Statutory dues payable	-	-	209.27	285.53
	-	-	372.69	553.05
Government grants				
Opening balance #	1,968.83	3,826.22	1,045.43	237.95
Released to Statement of Profit and Loss	-	(922.61)	(1,045.43)	(237.95)
Addition during the year	94.99	110.65	-	-
Reclassified from non-current to current	(386.20)	(1,045.43)	386.20	1,045.43
Closing balance	1,677.62	1,968.83	386.20	1,045.43
	1,677.62	1,968.83	758.89	1,598.48

Includes Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as Government grant and being amortised on basis of fulfilment of export obligations and includes subsidies provided to the Company as per Jharkhand Industrial and Investment Promotion Policy, 2016.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

24. Revenue from operations	For the year ended	
	March 31, 2020	March 31, 2019
Sale of products	98,330.78	1,63,806.15
Sale of services		
- Job Work	4.85	1.25
- Die design and preparation charges	481.94	371.23
Other operating revenues		
- Sales of Scrap	6,905.59	11,949.44
- Export incentives	1,941.29	2,441.88
- Foreign exchange difference on operating assets and liabilities	2,200.97	938.22
- Subsidies / Government Grants	1,316.60	1,160.56
	1,11,182.02	1,80,668.73
India	67,299.72	1,27,728.83
Outside India	43,882.30	52,939.90
Total Revenue from operations	1,11,182.02	1,80,668.73

25. Other income	For the year ended	
	March 31, 2020	March 31, 2019
Interest Income recognised on Financial assets, recognised at amortised cost	123.74	123.96
Foreign exchange difference on non-operating assets and liabilities	-	108.88
Miscellaneous Income	477.86	66.01
	601.60	298.85

26. Cost of material consumed	For the year ended	
	March 31, 2020	March 31, 2019
Inventory at the beginning of the year (Refer note 14)	7,923.06	8,367.23
Add: Purchases	53,900.24	93,875.58
	61,823.30	1,02,242.81
Less: Inventory as at end of the year (Refer note 14)	6,212.78	7,923.06
Cost of Raw Materials consumed	55,610.52	94,319.75

27. Increase in Inventories of Finished Goods and Work in Progress	For the year ended	
	March 31, 2020	March 31, 2019
Inventory at the beginning of the year (Refer note 14)		
Work-in-progress	14,111.28	12,893.61
Forging scrap	313.88	1,265.93
Finished goods	1,186.41	415.03
	15,611.57	14,574.57
Inventory at the end of the year (Refer note 14)		
Work-in-progress	16,355.70	14,111.28
Forging scrap	423.93	313.88
Finished goods	3,432.05	1,186.41
	20,211.68	15,611.57
Impact of transitional adjustment due to adoption of Ind AS 115 under modified retrospective approach in the previous year	-	467.51
Inventory loss on trial run during the year	(337.49)	(1,100.24)
	(4,937.60)	(1,669.73)

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

28. Employee benefits expense	For the year ended	
	March 31, 2020	March 31, 2019
Salaries, wages and bonus	8,382.39	8,650.51
Contribution to provident & other funds	536.28	534.78
Gratuity expense (Refer note 43)	221.87	143.17
Employees stock option plan	5.12	24.52
Staff welfare expenses	278.41	329.13
	9,424.07	9,682.11

29. Finance costs	For the year ended	
	March 31, 2020	March 31, 2019
Interest expenses	5,766.99	5,756.15
Interest on Lease Liabilities (Refer note 47)	30.78	-
Other borrowing costs	1,717.40	2,165.55
	7,515.17	7,921.70

30. Other expenses	For the year ended	
	March 31, 2020	March 31, 2019
Carriage inward expenses	293.57	571.05
Consumption of stores and spares (Including packing materials)	5,795.15	8,734.52
Processing charges	4,383.58	6,252.83
Repairs and maintenance		
- Plant & machineries	490.23	490.68
- Factory shed & buildings	50.53	89.94
- Others	443.87	469.72
Rent (Refer note 33)	26.56	49.57
Rates & taxes	61.41	22.39
Insurance	490.90	437.65
Director sitting fees & commission	59.25	35.40
Bank charges & commission	73.33	77.93
Postage, telegraph & telephone	57.03	57.67
Legal & professional fees ^a	388.23	436.48
Travelling & conveyance expenses	469.84	638.79
Advertisement	21.72	24.58
Payment to auditors ^b	86.71	75.27
Brokerage & commission expenses	101.44	75.16
Vehicle running expenses	108.19	85.10
Carriage outward expenses	790.47	1,127.86
Export expenses	4,192.40	4,222.87
Balances written off (Net)	161.40	630.71
Foreign exchange difference on non-operating assets and liabilities	480.19	-
Loss on Sales / Discarded Assets (Net)	31.87	13.66
Allowance for bad and doubtful debts	106.29	-
Miscellaneous expenses ^c	1,830.75	1,519.14
	20,994.91	26,138.97

	For the year ended	
	March 31, 2020	March 31, 2019
a. Legal and professional expenses include payment to a firm of solicitors in which a Director is a partner	-	3.57



Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
b. Details of payment to Auditors:		
Audit Fees	37.00	37.00
Limited Review	42.50	22.00
For other Services (Certification fees)	1.35	13.50
Reimbursement of Expenses	5.86	2.77
	86.71	75.27

c. Includes Corporate social responsibility expenses of ₹ 256.35 lakhs (March 31, 2019 : ₹ 171.40 lakhs), Refer note 37. It also includes Donation paid to political party of ₹ 300.00 lakhs (March 31, 2019 : ₹ Nil).

31. Earnings per equity share (EPS)	For the year ended	
	March 31, 2020	March 31, 2019
Numerator for basic and diluted EPS		
Net profit after tax attributable to shareholders (in ₹ lakhs) (A)	961.44	11,931.08
Denominator for basic EPS		
- Weighted average number of equity shares for basic EPS (B)	3,26,06,849	3,25,94,886
Denominator for diluted EPS		
- Weighted average number of equity shares for diluted EPS * (C)	3,26,68,122	3,26,81,921
* After considering impact of ESOP (Refer note 32)		
Basic earnings per share of face value of ₹ 10/- each (in ₹) (A/B)	2.95	36.60
Diluted earnings per share of face value of ₹ 10/- each (in ₹) (A/C)	2.94	36.51

32. Ramkrishna Forgings Limited - Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015)

The Board of Directors at its meeting held on August 7, 2015, approved the Employee Stock Option Scheme 2015 ("ESOP Scheme 2015") for the grant upto 7,00,000 stock option to its permanent employees working in India and wholetime Directors of the Company, 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 September 12, 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the Ramkrishna Forgings Limited Employee Welfare Trust.. The Scheme was further amended in the 34th Annual General Meeting held on September 24, 2016 wherein the exercise price per share was reduced from ₹ 505.58 per share to ₹ 400/- per share.

The above granted options shall vest as under:

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

The above vesting will be dependent on achievement of certain performance criteria as laid down by the Nomination and Remuneration Committee.

Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended March 31, 2020 are as follows:

Particulars	March 31, 2020	March 31, 2019
Outstanding at beginning of the year	2,25,188	2,61,217
Granted during the year	-	-
Forfeited / Cancelled during the year	46,873	20,688
Exercised during the year	850	15,341
Outstanding at the end of the year	1,77,465	2,25,188

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2020	March 31, 2019
Range of exercise prices	400.00	400.00
Weighted Average Exercise Price	400.00	400.00

Fair Valuation:

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 key assumptions used in the valuation are as under:

Particulars	March 31, 2020	March 31, 2019
Exercise Price (₹)	400.00	400.00
Risk-Free Interest Rate	7.61%	7.61%
Life of Options Granted	6.11	6.11
Expected Volatility	53.74%	53.74%
Expected Dividend Yield	0.35%	0.35%
Weighted-Average Fair Value per Option (₹)	380.79	380.79

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

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

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

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

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

33. Leases

Operating Leases Commitments : Company as Lessee

The Company also has certain properties with lease terms of 12 months or less with low value. The Company has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Lease rentals recognised in the Statement of Profit and Loss during the year	26.56	49.57

34. Segment information

The Company is into manufacturing of forging components and the management reviews the performance of the Company as a single operating segment "Forging components" in accordance with Ind AS 108 "Operating Segments" notified pursuant to Companies (Accounting Standards) Rule, 2015. The Company has presented segment information in the consolidated financial statements. Accordingly, in accordance with paragraph 4 of Ind AS 108 no separate segment information has been furnished herewith.

35. Contingent Liabilities and Commitments:		As at	
		March 31, 2020	March 31, 2019
A. Contingent Liabilities / claims against the Company not acknowledged as debts			
(i) Electricity		45.24	45.24
(ii) Excise/Service tax demands - matters under dispute		1,393.00	1,431.15
(iii) Sales tax demands - matters under dispute		264.15	175.76
(iv) Goods and Service Tax - matters under dispute		45.12	45.12
(v) Income tax demands - matters under dispute		-	233.62
(vi) Bank Guarantees		5,567.63	567.63
(vii) Custom duty on Capital goods imported under EPCG Scheme, against which export obligation of ₹ 10,583.43 Lakhs (March 31, 2019 : ₹ 19,353.03 lakhs) is to be fulfilled		1,521.71	1,988.38
(viii) Guarantees given by the Company on behalf of subsidiary #		4,700.00	4,700.00

The Outstanding short term loan in the book of subsidiary M/s. Globe Forex and Travels Limited as on March 31, 2020 is ₹ 3,751.84 lakhs (March 31, 2019: ₹ 3,018.85 lakhs).

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
B. Capital and other commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance).	25,492.43	16,113.20
(ii) Lease commitments	4.00	4.00

36. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.	As at	
	March 31, 2020	March 31, 2019
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.		
Principal amount remaining unpaid to any supplier at the end of the accounting year.	88.30	260.44
Interest due on above	-	-
Total	88.30	260.44
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.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

37. Corporate social responsibility	As at	
	March 31, 2020	March 31, 2019
Details of CSR Expenditure		
Gross amount required to be spent by the Company during the year	237.49	159.83
Amount spent (in cash) during the year:		
i) Construction acquisition of any asset	-	-
ii) On purposes other than (i) above	256.35	171.40

38. The Company has been granted certificate of registration for its in-house research and development unit of its plant located at village Baliguma, P. O. Kolabera, P.S. Saraikela, Dist Saraikela Kharswan, Jamshedpur, Jharkhand, by the Ministry of Science and Technology, Government of India. The below mentioned expenditure are related to research and development facilities of the Company.

Expenditure on research and development

	For the year ended	
	March 31, 2020	March 31, 2019
i. Revenue Expenditure :		
Raw materials	17.20	18.78
Salary paid to employees	563.57	586.89
Power & Fuel (Electricity charges)	3.33	3.57
Miscellaneous expenses	32.26	36.46
Total	616.36	645.70
ii. Capital expenditure :	47.83	120.24
Total research and development expenditure	664.19	765.94

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

39. Related Party Disclosures:

Related parties where control exists :

(i) Subsidiaries	(i) Globe Forex & Travels Ltd. (ii) Ramkrishna Aeronautics Private Limited. (iii) Ramkrishna Forgings LLC (w.e.f. 03.12.2019)
(ii) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	(i) Riddhi Portfolio Pvt. Ltd. (ii) Eastern Credit Capital (P) Ltd. (iii) Ramkrishna Rail & Infrastructure Pvt. Ltd. (iv) Clifftop Infrabuild Pvt. Ltd. (v) Northeast Infra Properties Pvt. Ltd. (vi) Dove Airlines Private Ltd. (vii) Chaitanya Aviation Private Ltd. (viii) Mahabir Prasad Jalan (HUF) (ix) Naresh Jalan (HUF) (x) Pawan Kumar Kedia (HUF)
(iii) Key Management Personnel (KMP) Mahabir Prasad Jalan Naresh Jalan Chaitanya Jalan (Appointment w.e.f. 09.11.2019) Pawan Kumar Kedia Lalit Kumar Khetan Rajesh Mundhra Ram Tawakya Singh Padam Kumar Khaitan Amitabha Guha Yudhisthir Lal Madan Aditi Bagri Sandipan Chakravorty Partha Sarathi Bhattacharyya Ranaveer Sinha	Chairman cum Whole Time Director. Managing Director Additional Director Finance Director Chief Financial Officer Company Secretary Independent Director * Independent Director * Independent Director * Independent Director * Independent Director * Independent Director * Independent Director * Independent Director *
(iv) Relative of Key Management Personnel Rashmi Jalan Alok Kedia	Wife of Naresh Jalan Son of Pawan Kumar Kedia
(v) Trusts managed by the Company	Ramkrishna Forgings Employee Welfare Trust Ramkrishna Foundation
(vi) Firm where a director is a partner	Khaitan & Co., LLP Khaitan & Co.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
i.	Globe Forex & Travels Ltd.	Subsidiary of the Company	Loan Given	250.00	250.00	250.00	-
			Loan repayment	-	-	250.00	-
			Interest Received	1.20	1.20	10.48	-
			Commission Paid / Payable	37.51	-	38.55	-
			Investment in equity share	-	1,909.82	-	1,909.82
			Travelling Expenses	289.40	41.11	317.65	-
			Rent Received / Receivable	4.19	3.05	-	-
			Corporate guarantee given **	-	4,700.00	1,500.00	4,700.00
			* Represents loan given for business purpose				
ii.	Ramkrishna Aeronautics Pvt. Ltd.	Subsidiary of the Company	Investment in equity share	-	10.00	-	10.00
			Expenses receivable ***	305.95	305.95	-	-
			Bank guarantee given ²	5,000.00	5,000.00	-	-
iii.	Ramkrishna Forgings LLC	Subsidiary of the Company	Sales	170.56	170.56	-	-
			Trade receivable	-	170.56	-	-
iv.	Riddhi Portfolio Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Rent Paid	6.00	-	6.00	-
			Interest free Deposit given	-	1.50	-	1.50
			Dividend paid	111.81	-	73.23	-
v.	Dove Airlines Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Travelling Expenses	-	-	122.18	-
			Claims	360.00	360.00	-	-
vi.	Eastern Credit Capital Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	84.28	-	56.19	-
vii.	Khaitan & Co., LLP	Firm where a director is a partner	Legal fees	-	-	1.91	-
viii.	Khaitan & Co.	Firm where a director is a partner	Legal fees	-	-	1.66	-
ix.	Mahabir Prasad Jalan	Key Management Personnel #	Short-term employee benefits	257.84	0.19	228.46	24.57
			Lease Rent paid / payable	-	-	12.00	-
			Commission paid / payable	-	-	100.00	100.00
			Dividend paid	6.77	-	4.51	-

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2020		March 31, 2019	
x.	Mahabir Prasad Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	1.80	-	1.20	-
xi.	Naresh Jalan	Key Management Personnel #	Short-term employee benefits	142.69	0.22	125.60	14.62
			Post-employment benefits	11.70	-	10.18	0.85
			Other long-term benefits	14.04	-	12.21	1.02
			Lease Rent paid / payable	24.00	-	12.00	-
			Rent paid / payable	6.00	-	6.00	-
			Dividend paid	4.29	-	2.86	-
xii.	Naresh Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	4.03	-	2.69	-
xiii.	Pawan Kumar Kedia	Key Management Personnel #	Short-term employee benefits	35.54	2.60	44.67	4.18
			Post-employment benefits	2.03	0.17	2.03	0.17
			Other long-term benefits	2.43	0.20	2.43	0.20
			Dividend paid	0.24	-	0.14	-
xiv.	Pawan Kumar Kedia (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	0.08	-	0.05	-
xv.	Rajesh Mundhra	Key Management Personnel #	Short-term employee benefits	34.45	2.59	44.25	6.17
			Post-employment benefits	1.50	0.13	1.50	0.13
			Other long-term benefits	1.81	0.15	1.81	0.15
			Dividend paid	0.26	-	0.15	-
			Loan paid	10.00	10.00	-	-
xvi.	Lalit Kumar Khetan	Key Management Personnel #	Short-term employee benefits	74.64	5.80	69.35	5.77
			Other long-term benefits	3.84	0.32	3.82	0.32
xvii.	Ram Tawakya Singh	Key Management Personnel	Sitting Fees	8.35	-	5.80	-
xviii.	Padam Kumar Khaitan	Key Management Personnel	Sitting Fees	5.95	-	4.55	-
xix.	Amitabha Guha	Key Management Personnel	Sitting Fees	8.75	-	5.70	-
xx.	Yudhisthir Lal Madan	Key Management Personnel	Sitting Fees	10.05	-	6.70	-
xxi.	Ramkrishna Foundation	Trusts managed by the Company	CSR expenses	256.35	-	171.40	-
xxii.	Aditi Bagri	Key Management Personnel	Sitting Fees	7.80	-	4.50	-

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 2020		March 31, 2019	
xxiii.	Sandipan Chakravorty	Key Management Personnel	Sitting Fees	7.05	-	4.65	-
xxiv.	Partha Sarathi Bhattacharyya	Key Management Personnel	Sitting Fees	5.30	-	3.50	-
xxv.	Ranaveer Sinha	Key Management Personnel	Sitting Fees	6.00	-	-	-
xxvi.	Rashmi Jalan	Relative of Key Management Personnel	Dividend paid	6.28	-	4.19	-
xxvii.	Chaitanya Jalan	Key Management Personnel #	Short-term employee benefits **	21.35	0.02	11.09	0.86
			Other long-term benefits	1.15	-	0.58	0.05
			Dividend paid	0.13	-	0.09	-
xxvii.	Alok Kedia	Relative of Key Management Personnel	Salary paid	10.71	0.85	11.82	0.96
			Post-employment benefits	0.48	0.04	0.48	0.04
			Other long-term benefits	0.58	0.05	0.57	0.05
			Dividend paid \$	0.00	-	0.00	-
xxviii.	Ramkrishna Forgings Employee Welfare Trust	Trusts managed by the Company	Advance given (net) ¹	278.01	281.41	184.20	-

	Nature of transactions	Transaction Amount for the year ended	
		March 31, 2020	March 31, 2019
Total of remuneration to key management personnel	Sitting Fees	59.25	35.40
	Short-term employee benefits	545.16	501.25
	Post-employment benefits	15.71	14.19
	Other long-term benefits	23.85	21.42
	Commission paid / payable	-	100.00

Note :

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

* The Independent Directors have been considered as Key Management Personnel only for above reporting as per the requirements of Ind AS 24 - Related Party Disclosures.

** The Corporate Guarantee given pertains to outstanding short term loan in the book of subsidiary M/s. Globe Forex and Travels Limited as on March 31, 2020 is ₹ 3,751.84 lakhs (March 31, 2019: ₹ 3,018.85 lakhs).

\$ Dividend paid to Mr. Alok Kedia ₹ 30/- (March 31, 2019: ₹ 20/-)

*** Expenses receivable includes amount of ₹ 54.54 lakhs paid as legal fees to Khaitan and Co LLP., on behalf of the subsidiary.

¹ Refer Note A(i) in Statement of Changes in Equity Share Capital

² The bank guarantee given by the company to a third party on behalf of the subsidiary.

^{##} Includes salary of ₹ 13.91 lakhs paid for thr period April 1, 2019 to November 8, 2019.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

40. Financial instruments

A. Financial Assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	March 31, 2020 Carrying Amount / Fair Value	March 31, 2019 Carrying Amount / Fair Value
Financial Assets		
Financial assets carried at amortised cost		
Trade receivables (Refer note. 8)	30,631.09	46,603.87
Loans - Non-current (Refer note. 9)	1,350.11	1,250.31
Other Non-current financial assets (Refer note. 10)	71.32	51.81
Cash and Bank balances (Refer note. 15a and 15b)	233.12	247.53
Loans - Current (Refer note. 9)	731.73	60.82
Other Current financial assets (Refer note. 10)	3,204.95	1,796.58
Total financial assets carried at amortised cost	36,222.32	50,010.92
Financial assets at deemed cost		
Investment (Refer note. 7) *	1,919.82	1,919.82
Financial assets at FVTPL		
Derivative instrument (Refer note. 10)	25.60	892.62
Total financial assets carried at FVTPL	25.60	892.62
Financial assets at fair value through Other Comprehensive Income (OCI)		
Investments (Refer note. 7)	10.50	10.50
Total financial assets carried at fair value through Other Comprehensive Income (OCI)	10.50	10.50
Financial Liabilities		
Financial liabilities carried at amortised cost		
Short term borrowings (Refer note. 18)	36,424.99	33,206.86
Long term borrowings (Refer note. 18)	47,903.26	45,815.70
Lease liabilities (Refer note. 19)	392.36	-
Trade payables (Refer note. 20)	20,692.91	26,471.74
Other Current financial liabilities (Refer note. 21)	15,027.44	12,090.48
Total financial liabilities carried at amortised cost	1,20,440.96	1,17,584.79
Financial Liabilities at FVTPL		
Derivative instruments (Refer note. 21)	763.94	-
Total financial liabilities carried at FVTPL	763.94	-

* Investment at cost.

The management assessed that the fair value of cash and cash equivalents, trade receivables, derivative instruments, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

B. Fair value hierarchy:

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

The below table summarises the categories of financial assets and liabilities as at March 31, 2020 and March 31, 2019 measured at fair value:

Financial Asset	Level 1	Level 2	Level 3
At fair value through other comprehensive income as at March 31, 2020			
- Investments	-	-	10.50
At FVTPL as at March 31, 2020			
- Derivative financial instruments	-	25.60	-
At fair value through other comprehensive income as at March 31, 2019			
- Investments	-	-	10.50
At FVTPL as at March 31, 2019			
- Derivative financial instruments	-	892.62	-
Financial Liabilities	Level 1	Level 2	Level 3
At FVTPL as at March 31, 2020			
- Derivative financial instrument	-	763.94	-
At FVTPL as at March 31, 2019			
- Derivative financial instrument	-	-	-

Fair valuation method and assumptions:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values

- The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments
- The Company has determined the carrying value of the non-current investment as its fair value in the absence of any available observable inputs
- There has been no transfer between Level 1, Level 2 and Level 3 during the above periods.

41A Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprises borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Company. The Company's principal financial assets include trade and other receivables, loans and cash and cash equivalents that derive directly from its operations.

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk and market risk. The Company seeks to minimize potential adverse effects of these risks on its financial performance and capital. Financial risk activities are identified, measured and managed in accordance with the Company's policies and risk objectives which are summarized below and are reviewed by the senior management.

(A) Credit risk

Credit risk refers to risk of financial loss to the Company if customers or counterparties fail to meet their contractual obligations. The Company is exposed to credit risk from its operating activities (mainly trade receivables).

(i) Credit risk management

(a) Trade Receivables

Customer credit risk is managed by the respective departments subject to the company's established policies, procedures and controls relating to customer credit risk management. Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit rating, regulatory changes, industry outlook etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in refer note 8. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

(b) Deposits and financial assets (Other than trade receivables):

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy.

(B) Liquidity Risk

Liquidity risk implies that the Company may not be able to meet its obligations associated with its financial liabilities. The Company manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and meeting financial liabilities are available in a timely manner and in the currency required at optimal costs. The Management regularly monitors rolling forecasts of the Company's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements.

Additionally, the Company has committed fund and non-fund based credit lines from banks which may be drawn anytime based on Company's fund requirements. The Company endeavours to maintain a cautious liquidity strategy with positive cash balance and undrawn bank lines throughout the year.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Contractual maturity of financial liabilities	Upto 1 year	1 Year to 3 year	3 year to 5 year	More than 5 years	Total
March 31, 2020					
Long Term Borrowings (including current maturities of long term borrowings) **	10,999.07	19,536.67	17,910.06	10,858.62	59,304.43
Lease liabilities	39.75	92.30	64.85	195.45	392.35
Current Borrowings	36,424.99	-	-	-	36,424.99
Trade payable	20,692.91	-	-	-	20,692.91
Other financial liabilities (excluding current maturities of long term borrowings, Forward contract)	4,242.17	-	-	-	4,242.17
	72,398.89	19,628.97	17,974.91	11,054.07	1,21,056.84
March 31, 2019					
Long Term Borrowings (including current maturities of long term borrowings) **	9,365.51	18,121.69	16,552.83	11,689.24	55,729.27
Current Borrowings*	33,206.86	-	-	-	33,206.86
Trade payable	26,471.74	-	-	-	26,471.74
Other financial liabilities (excluding current maturities of long term borrowings)	2,963.83	-	-	-	2,963.83
	72,007.94	18,121.69	16,552.83	11,689.24	1,18,371.70

** The above maturity is based on the total principal outstanding gross of the processing charges of ₹ 615.90 lakhs (March 31, 2019: ₹ 786.92 lakhs)

(C) Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely foreign currency risk, interest rate risk and price risk (for commodities). The above risks may affect the Company's income and expense and profit. The Company's exposure to and management of these risks are explained below.

(i) Foreign currency risk

The Company operates in international markets and therefore is exposed to foreign currency risk arising from foreign currency transactions. The exposure relates primarily to the Company's operating activities (when the revenue or expense is denominated in foreign currency), borrowings in foreign currencies. Majority of the Company's foreign currency transactions are in USD while the rest are in EURO, JPY and GBP. The major imports are only in respect of capital goods. The risk is measured through forecast of highly probable foreign currency cash flows.

The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc, which are mainly in US Dollars, are mitigated through the natural hedge, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit/ equity of the Company.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Note 41A : Financial Risk Management Objectives and Policies: (Contd.)

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed INR in lakhs, are as follows:

	March 31, 2020				March 31, 2019		
	INR equivalent of				INR equivalent of		
	USD	EUR	JPY	GBP	USD	EUR	GBP
Financial Assets							
Trade receivables	20,190.39	2,033.52	-	139.40	22,931.39	3,507.29	693.16
Other Financial Assets	-	-	-	-	-	15.99	-
Other Assets	80.89	276.99	247.83	-	-	-	-
Foreign exchange forward contracts							
Sale foreign currency	(21,226.16)	(1,865.14)	-	-	(21,173.11)	(1,165.09)	-
Net exposure to foreign currency risk (assets)	(954.88)	445.37	247.83	139.40	1,758.28	2,358.19	693.16
Financial liabilities							
Foreign currency loan	7,734.69	10,926.70	113.82	470.04	8,332.99	9,290.49	-
Trade payables and Capital Goods	446.75	20.28	-	-	169.60	16.45	-
Net exposure to foreign currency risk (liabilities)	8,181.44	10,946.98	113.82	470.04	8,502.59	9,306.93	-
Net exposure to foreign currency risk (Assets- Liabilities)	(9,136.32)	(10,501.61)	134.01	(330.64)	(6,744.31)	(6,948.74)	693.16

(b) Foreign currency Rate Sensitivity

A fluctuation in the exchange rates of 1% with other conditions remaining unchanged would have the following effect on Company's profit or loss before taxes as at March 31, 2020 and March 31, 2019:

	Impact on profit before tax [Increase / (Decrease)]	
	FY 2019-20	FY 2018-19
USD sensitivity :		
INR/USD- Increase by 1%*	(91.36)	(67.44)
INR/USD- Decrease by 1%*	91.36	67.44
EUR sensitivity :		
INR/EUR- Increase by 1%	(105.02)	(69.49)
INR/EUR- Decrease by 1%	105.02	69.49
JPY sensitivity :		
INR/JPY- Increase by 1%	1.34	-
INR/JPY- Decrease by 1%	(1.34)	-
GBP sensitivity :		
INR/GBP- Increase by 1%	(3.31)	6.93
INR/GBP- Decrease by 1%	3.31	(6.93)

* Holding all other variable constant

Note 41A : Financial Risk Management Objectives and Policies: (Contd.)

(ii) Interest rate risk

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments. The borrowings of the Company are principally denominated in Indian Rupees, Euro and US dollars with a mix of fixed and floating rates of interest. The Company has a policy of selectively using interest rate swaps and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis. The majority of the borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at	
	March 31, 2020	March 31, 2019
Variable rate financial liabilities	91,404.10	80,702.52

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax [Increase / (Decrease)]	
	FY 2019-20	FY 2018-19
Interest Rates - Increase by 50 basis points (50 bps) *	(457.02)	(403.51)
Interest Rates - Decrease by 50 basis points (50 bps) *	457.02	403.51

* Holding all other variable constant

(iii) Commodity Price Risk

Commodity price risk results from changes in market prices for raw materials, mainly steel in the form of rounds and billets which forms the largest portion of Company's cost of sales.

The principal raw materials for the Company products are alloy and carbon steel which are purchased by the Company from the approved list of suppliers. Most of the input materials are procured from domestic vendors. Raw material procurement is subject to price negotiation. Further, a significant portion of the Company's volume is sold based on price adjustment mechanism which allows for recovery of the changed raw material cost from its customers.

42. Capital management

For the purposes of the Company's capital management, capital includes issued capital, free reserves and borrowed capital less reported cash and cash equivalents. The primary objective of the Company's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value. The Company's policy is to borrow primarily through banks to maintain sufficient liquidity. The Company also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Company. The Company monitors capital on the basis of cost of capital.

Particulars	As at	
	March 31, 2020	March 31, 2019
Borrowings (including interest accrued thereon)	95,666.69	88,679.12
Less: Cash and cash equivalents (Refer note 15a)	(226.46)	(193.69)
Net debt (A)	95,440.23	88,485.43
Equity Share Capital	3,260.77	3,260.68
Other equity (excluding ESOP and Capital Reserve)	80,207.96	79,860.65
Total equity (B)	83,468.73	83,121.33
Total capital (A+B)	1,78,908.96	1,71,606.76
Debt- Equity ratio (A / B)	1.14	1.06

No changes were made in the objectives policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

43. Employee Benefits

a) Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees ("Gratuity Scheme"). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

As per Ind AS 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Standard are given below:

Statement of Profit and Loss :

Net employee benefits expense (recognised in Employee Cost)

i. Expenses Recognised in the Statement of Profit & Loss	Gratuity (Funded)	
	For the year ended	
	March 31, 2020	March 31, 2019
Current Service Cost	123.17	111.01
Benefit paid directly by the Company	79.59	25.46
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	19.11	6.70
Components of defined benefit cost recognised in Statement of Profit & Loss	221.87	143.17
Actuarial (gains) / losses arising from:		
Change in demographic assumptions	(1.11)	-
Change in financial assumptions	132.96	27.33
Experience variance (i.e. Actual experience vs assumptions)	(82.40)	105.11
Return on plan assets, excluding amount recognised in net interest expense	(8.02)	(2.43)
Components of defined benefit costs recognised in other comprehensive income	41.43	130.01
Total Expense	263.30	273.18

ii. Bifurcation of Net Liability	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Present value of Defined Benefits Obligation	1,308.03	1,058.24
Fair value of plant assets	1,124.71	810.52
Net liability	183.32	247.72
Current liability	183.32	247.72
Non-Current liability	-	-
Net liability	183.32	247.72

iii. Changes in the present value of obligation:	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Present value of obligation as at the beginning	1,058.24	755.87
Current service cost	123.17	111.01
Interest expense or cost	81.66	58.92
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	(1.11)	-
Change in financial assumptions	132.96	27.33
Experience variance (i.e. Actual experience vs assumptions)	(82.40)	105.11
Benefits paid	(4.47)	-
Present value of obligation as at the end of the year	1,308.05	1,058.24

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

iv. Changes in the Fair Value of Plan Assets during the year:	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Fair Value of Plan Assets as at the beginning	810.52	669.94
Investment Income	62.54	52.22
Employer's Contribution	243.65	85.93
Return on plan assets, excluding amount recognised in net interest expense	8.02	2.43
Fair Value of Plan Assets as at the end of the year	1,124.71	810.52

v. Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Funds managed by Insurer	100%	100%

vi. Actuarial Assumptions	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Discount rate (per annum)	6.85%	7.70%
Salary growth rate (per annum)	6% for the first two years, 5% for the next three years and 4% thereafter	6% for the first two years, 5% for the next three years and 4% thereafter
Mortality Rate (as % of IALM 2006-08)	100%	100%
Normal retirement date	60 years	60 years
Withdrawal rate (per annum)	2%	2%

vii. Sensitivity Analysis	Impact of Gratuity (Funded) (Present value of obligation)			
	As at			
	March 31, 2020		March 31, 2019	
Assumption	1% increase	1% decrease	1% increase	1% decrease
Discount Rate	1,176.31	1,463.89	957.57	1,176.80
Salary Growth Rate	1,466.03	1,172.47	1,179.45	953.88
Attrition Rate	1,343.94	1,267.03	1,095.52	1,015.80
Mortality Rate	1,309.37	1,306.70	1,059.70	1,056.76

viii. During the year 2020-21, the Company expects to contribute ₹ 363.34 lakhs (March 31, 2020: ₹ 366.73 lakhs) to gratuity scheme.

ix. Maturity Profile of Defined Benefit Obligation:

	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
1 year	106.40	102.21
2 to 5 years	286.84	254.14
6 to 10 years	582.04	498.96
More than 10 years	2310.10	2049.90

b) Provident Fund:

Contribution towards provident fund are recomputed as expenses in the statement of profit and loss. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 485.34 Lakhs (March 31, 2019: ₹ 446.40 Lakhs)

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

44. Details of the Loan given, Investment made and Guarantee given covered under section 186(4) of the Companies Act, 2013

Details of loan given and Investment made are provided under the respective heads.

Name of the Company	Purpose	Nature	As at	
			March 31, 2020	March 31, 2019
Globe Forex & Travels Limited	Business purpose	Corporate Guarantee	4,700.00	4,700.00
Globe Forex & Travels Limited	Business purpose	Loan	250.00	-
Ramkrishna Aeronautics Pvt. Ltd.	Business purpose	Bank Guarantee	5,000.00	-

45. Distribution made and proposed to be made	For the year ended	
	March 31, 2020	March 31, 2019
Dividend on equity shares declared and paid		
For the year ended on March 31, 2019 : ₹ 1.50 per share (March 31, 2018 : ₹ 1.00 per share)	489.79	325.92
Dividend distribution tax (DDT) on final dividend	100.70	68.20
Proposed dividend on equity shares :		
For the year ended on March 31, 2020: ₹ Nil (March 31, 2019 : ₹ 1.50 per share)	-	489.79
Dividend distribution tax (DDT) on proposed dividend is ₹ Nil	-	100.70

Proposed dividends on equity shares are subject to approval at the annual general meeting and hence are not recognised as a liability (including DDT thereon).

The Board of Directors at its meeting held on June 26, 2020 has not recommended any dividend for the financial year 2019-20.

46 Buyback of Equity Shares

The Board of Directors of the Company at its meeting held on March 21, 2020, approved buy-back of Equity Shares of the Company of a maximum size not exceeding ₹ 4,000.00 lakhs at a price not exceeding ₹ 250/- per Equity Share from the members of the Company from the open market through the Stock Exchange Mechanism in accordance with the regulation, provisions contained in the Companies Act, 2013, rules made thereunder and the SEBI (Buy-Back of Securities) Regulations, 2018. The maximum number of shares that can be bought by the Company at the maximum buyback price would be 16,00,000 shares. The maximum buyback size represents 4.81% and 4.82% of the aggregate of the Company's total Paid-up equity share capital and free reserves based on the Standalone and Consolidated Audited Financial Statements of the Company as on March 31, 2019. The Company has initiated the process of buy back of shares as envisaged above and is set to complete the same within the prescribed time limit. No buyback of shares has happened till March 31, 2020 and accordingly no adjustments has been made in the books as at March 31, 2020.

47 Company as a lessee

The Company has applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 3.3.(i) of the Accounting Policies

	March 31, 2020	April 1, 2019
Impact on Balance Sheet (Increase / Decrease):		
Assets		
Leasehold prepayment (refer note 13)	-	(503.10)
Right-of-use assets	840.78	-
Liabilities		
Lease liabilities	392.36	382.32

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	March 31, 2020
Impact on Statement of Profit and Loss (Increase in Profit)	
Depreciation and amortisation	39.75
Other expenses	(20.74)
Finance cost	30.78
Net expenses for the period	49.79

	March 31, 2020
Impact on Statement of Cash Flows	
Net cash flows used in financing activities	20.74

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

The Company has obtained lands under leasehold agreements for terms ranging from 30 to 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased asset. Generally, the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	March 31, 2020
As at April 1, 2019	880.53
Depreciation expense	39.75
As at March 31, 2020	840.78

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	March 31, 2020
As at April 1, 2019	382.32
Accretion of interest	30.78
Payments	(20.74)
As at March 31, 2020	392.36
As at March 31, 2020	
Current	39.75
Non-current	352.61

The maturity analysis of lease liabilities are disclosed in refer Note 41.

The effective interest rate for lease liabilities is 8.25%, with original lease period ranging from 30 to 99 years

The following are the amounts recognised in Statement of Profit and Loss:

	March 31, 2020	April 1, 2019
Depreciation expense of right-of-use assets	39.75	-
Interest expense on lease liabilities	30.78	-
Expense relating to other leases (included in other expenses)	26.56	49.57
Total amount recognised in Statement of Profit and Loss	97.08	49.57

Notes to the Standalone Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

- 48 (a) The operations of the Company were impacted in the month of March 2020 due to temporary shutdown of all plants following nationwide lockdown announced by the Government of India because of COVID-19 outbreak. The management is monitoring the situation closely and has started operating its plants in a phased manner from third week of April 2020. The management has made an initial assessment, based on the current situation, of the likely impact of the lockdown on overall economic environment and forging industries, in particular, based on which it expects the demand to stabilise in due course, as driven by measures expected to be taken by the Government; and further, does not anticipate any challenge in the Company's ability to continue as a going concern or meeting its financial obligations. The Company has additionally, on a prudent basis, assessed its property, plant and equipment for impairment and reassessed the realisability of MAT credit of Rs 7,035.14 lakhs as on March 31, 2020. Based on projections, future outlook and carrying value of property, plant and equipment, there is no impairment charge that needs to be recognised and further, the management is confident that it will be able to utilise MAT credit against future tax liability.
- (b) The impact of COVID-19 may impact the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. Further, due to higher level of uncertainty, the pandemic may have impact on the Company's operations in future and consequently its financial performance, which are dependent on the improvement in the overall economic environment and the measures taken by the Company to mitigate the impact of the pandemic.
- 49 Figures for the previous year have been regrouped and reclassified to confirm to the classification of the current period, where necessary.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/
E300005
Sd/-
Per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Dated : June 26, 2020

For S. K. Naredi & Co.
Chartered Accountants
ICAI Firm Registration No.
003333C
Sd/-
Per Abhijit Bose
Partner
Membership No. 056109
Place : Kolkata
Dated : June 26, 2020

For and on behalf of the Board of Directors of

Ramkrishna Forgings Limited

Sd/-
Mahabir Prasad Jalan
Chairman

DIN: 00354690

Sd/-
Naresh Jalan
Managing Director

DIN: 00375462

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

Sd/-
Pawan Kumar Kedia
Finance Director
DIN: 00375557

Sd/-
Lalit Kumar Khetan
Chief Financial Officer
FCA: 056935

Independent Auditor's Report

To
The Members of
Ramkrishna Forgings Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Ramkrishna Forgings Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2020, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 46 to the Consolidated Ind AS financial statement, which describes the uncertainties and the impact of COVID-19 pandemic on the group's operations and results as assessed by management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2.3(d) of the Consolidated Ind AS financial statements)	
Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods. During the year ended March 31, 2020, the Holding Company has recognised revenue amounting to ₹ 54,891.99 lacs and ₹ 43,438.79 lacs from domestic and export sales respectively. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ Considered Holding Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. ▪ Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. ▪ Tested samples of individual sales transaction and traced to sales invoices, sales orders, (received from customers) and other related documents. Further, in respect of the samples tested, checked recognition of revenue in accordance with the incoterms / when the conditions for revenue recognitions are satisfied. ▪ Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents. ▪ Performed procedures to identify any unusual trends of revenue recognition. ▪ Assessed the relevant disclosures made within the consolidated Ind AS financial statements.
Impairment assessment of property, plant and equipment (as described in Note 46 of the Consolidated Ind AS financial statements)	

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>At March 31, 2020, the carrying value of property, plant and equipment (PPE) of Holding Company were ₹ 1,15,731.81 lacs. In view of the uncertainty on account of COVID-19 pandemic, impairment indicators were identified, that gave rise to a risk that PPE may be impaired. Consequently, impairment assessment was performed for PPE.</p> <p>The inputs to the impairment testing model which have the most significant impact on the recoverable value include projected Earnings before interest, tax and depreciation and amortization (EBITDA), revenue growth rate, discount rates and capital expenditure and sensitivity testing of these assumptions.</p> <p>The impairment testing involves significant judgement and estimates in assessing the recoverable value, therefore it has been considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the design and tested the operating effectiveness of internal controls related to impairment of PPE. Assessed the Holding Company's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic, applied in determining the recoverable amount, including valuation report used by the Holding Company for determining the fair value ('recoverable amount') of the PPE. Evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used. Involved our valuation experts and tested the data and assumptions used by the management and evaluated the adequacy of headroom available for recoverable value through sensitivity analysis. Discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. Assessed the disclosures made in the consolidated Ind AS financial statements for compliance with the relevant Ind AS requirements.
Recognition and recoverability of MAT credit (as described in note 11(a) and note 46 of the Consolidated Ind AS financial statements)	
<p>As at March 31, 2020, net deferred tax liability recognised were ₹ 5,944.50 lacs which comprises deferred tax asset of ₹ 8,020.34 lacs and deferred tax liability of ₹ 13,964.84 lacs. The deferred tax assets include MAT credit entitlement of ₹ 7,035.14 lacs.</p> <p>In view of the COVID-19 pandemic, the Holding Company has reassessed its future projections for recoverability of MAT as at March 31, 2020 while assessing the adequacy of taxable income of future years.</p> <p>The recognition and recovery of MAT credit is a key audit matter as the recoverability of such MAT credit within the allowed time frame involves significant estimate of financial projections, availability of sufficient taxable income in future periods and significant judgement in the interpretations of tax laws regulations and tax positions adopted by the Holding Company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Considered the Holding Company's accounting policies with respect to recognition and recoverability of Mat credits in accordance with Ind AS 12 "Income Taxes". Obtained an understanding of the process and testing the controls over preparation of the taxable profit forecast. Assessed the key assumptions used in the future projections by comparing it to the approved business plan. Involved our tax specialists who evaluated the reasonableness of the Holding Company's tax positions by comparing it with prior years and past precedents. Tested the arithmetical accuracy of the tax computations, future projections of taxable profits including its correlation with the annual business plan approved by the Board of Directors. Assessed the disclosures in respect of the deferred tax asset balances including those disclosures related to significant accounting judgements and estimates.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the

Independent Auditor's Report (Contd.)

Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these

Independent Auditor's Report (Contd.)

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of two (2) subsidiaries whose Ind AS financial statements include total assets of ₹ 7,166.48 lacs as at March 31, 2020, and total revenues of ₹ 10,687.06 lacs and net cash inflows of ₹ 20.93 lacs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.
- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of one (1) subsidiary, whose financial statements and other financial information reflect total assets of ₹ 184.39 lacs as at March 31, 2020, and total revenues of ₹ Nil and net cash outflows/(inflows) of ₹ Nil for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 35 to the consolidated Ind AS financial statements;

Independent Auditor's Report (Contd.)

- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, incorporated in India during the year ended March 31, 2020.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Sd/-

per Sanjay Kumar Agarwal

Partner

Membership No.: 060352

UDIN: 20060352AAAACK4976

Place: Kolkata

Date: June 26, 2020

For M/S. S.K. NAREDI & CO.

Chartered Accountants

ICAI Firm registration number: 003333C

Sd/-

per Abhijit Bose

Partner

Membership No.: 056109

UDIN: 20056109AAAABW1913

Place: Kolkata

Date: June 26, 2020



Consolidated Ind AS Balance Sheet

as at March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,15,973.04	1,10,741.78
(b) Capital work-in-progress	4(a)	21,903.00	12,958.51
(c) Goodwill		503.19	503.19
(d) Intangible assets	5	96.55	145.64
(e) Right-of-use assets	6	880.67	-
(f) Financial assets			
(i) Trade receivables	8	371.36	-
(ii) Investments	7	10.50	10.50
(iii) Loans	9	1,377.51	1,250.31
(iv) Other financial assets	10	71.32	51.81
(g) Non-current tax assets (net)	12(a)	249.58	-
(h) Deferred tax Assets (net)	11(b)	31.50	39.26
(i) Other non-current assets	13	2,231.52	4,021.33
		1,43,699.74	1,29,722.33
Current assets			
(a) Inventories	14	35,871.43	33,126.03
(b) Financial assets			
(i) Trade receivables	8	34,268.53	50,959.49
(ii) Cash and cash equivalents	15(a)	264.62	210.93
(iii) Bank balances other than (ii) above	15(b)	64.27	105.14
(iv) Loans	9	1,378.38	95.51
(v) Other financial assets	10	2,714.70	2,690.45
(c) Current tax assets (net)	12(b)	501.82	493.78
(d) Other current assets	13	4,115.86	2,645.51
		79,179.61	90,326.84
TOTAL ASSETS		2,22,879.35	2,20,049.17
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,260.77	3,260.68
(b) Other equity	17	84,339.29	83,985.01
TOTAL EQUITY		87,600.06	87,245.69
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	47,903.26	45,815.70
(ii) Lease liabilities	19	370.83	-
(b) Deferred tax liabilities (net)	11(a)	5,944.50	5,717.95
(c) Provisions	22	25.95	-
(d) Other non-current liabilities	23	1,677.62	1,968.82
		55,922.16	53,502.47
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	40,176.83	36,225.52
(ii) Lease liabilities	19	62.80	-
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		88.30	260.44
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		21,307.93	27,645.85
(iv) Other financial liabilities	21	15,915.12	12,089.18
(b) Other current liabilities	23	1,242.01	2,299.91
(c) Provisions	22	564.14	589.56
(d) Current tax liabilities (net)	12(c)	-	190.55
		79,357.13	79,301.01
TOTAL LIABILITIES		1,35,279.29	1,32,803.48
TOTAL EQUITY & LIABILITIES		2,22,879.35	2,20,049.17

Significant Accounting Policies

The accompanying notes form an integral part of these consolidated Ind AS financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : June 26, 2020

For S. K. Naredi & Co.

Chartered Accountants

ICAI Firm Registration No. 003333C

Sd/-

Per Abhijit Bose

Partner

Membership No. 056109

Place : Kolkata

Dated : June 26, 2020

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For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Consolidated Ind AS Statement of Profit and Loss

for the year ended 31st March, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	24	1,21,647.18	1,93,107.63
Other income	25	679.55	311.25
Total Income (i)		1,22,326.73	1,93,418.88
Expenses			
Cost of materials consumed	26	55,610.52	94,319.75
Cost of services		8,887.85	10,646.53
(Increase) / Decrease in inventories of finished goods, work in progress and scrap	27	(5,089.81)	(1,669.73)
Employee benefits expense	28	10,281.28	10,495.06
Power & Fuel		9,732.19	14,260.60
Finance costs	29	7,874.79	8,218.95
Depreciation and amortisation expense	6A	12,054.06	12,105.87
Other expenses	30	21,496.62	26,668.99
Total Expenses (ii)		1,20,847.50	1,75,046.02
Profit before Tax (i-ii)		1,479.23	18,372.86
Tax expense			
- Pertaining to Profit for the current period		271.28	3,921.53
- Tax adjustments for earlier years		8.71	10.33
- Deferred tax charge *		229.69	2,429.70
Total tax expense (iii)		509.68	6,361.56
Profit for the year (iv) = (i - ii - iii)		969.55	12,011.30
* Includes credit of Minimum Alternate Tax of ₹ 145.13 lakhs (March 31, 2019 : ₹ 290.13 lakhs)			
Other Comprehensive Income			
Other comprehensive income not to be reclassified to Profit or Loss in subsequent periods:			
i) Re-measurement (losses) on defined benefit plans		(50.13)	(133.84)
ii) Income tax effect on above		16.90	46.77
Other Comprehensive Income for the year (net of tax) (v)		(33.23)	(87.07)
Total Comprehensive Income for the year (iv + v)		936.32	11,924.23
Earnings per equity share -	31		
(Nominal value ₹10 per share (March 31, 2019: ₹ 10 per share))			
1) Basic		2.97	36.85
2) Diluted		2.97	36.75



Significant Accounting Policies

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The accompanying notes form an integral part of these consolidated Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/
E300005
Sd/-
Per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Dated : June 26, 2020

For S. K. Naredi & Co.
Chartered Accountants
ICAI Firm Registration No.
003333C
Sd/-
Per Abhijit Bose
Partner
Membership No. 056109
Place : Kolkata
Dated : June 26, 2020

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

Sd/-
Mahabir Prasad Jalan
Chairman
DIN: 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN: 00375557

Sd/-
Naresh Jalan
Managing Director
DIN: 00375462

Sd/-
Lalit Kumar Khetan
Chief Financial Officer
FCA: 056935

Statement of Consolidated Ind AS Cash Flow

for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAXES	1,479.23	18,372.86
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	12,054.06	12,105.87
Balances written off (Net)	270.99	701.81
Allowance for bad and doubtful debts	106.29	-
Loss on sale of fixed assets/discarded assets	39.86	13.69
Employees stock option expenses	5.12	24.52
Interest income	(163.70)	(116.86)
Foreign exchange gain (Unrealised)	(728.55)	(1,367.52)
Amortisation of government grants	(1,316.60)	(1,160.56)
Finance costs	7,874.79	8,218.95
Operating Profit before changes in operating assets and liabilities	19,621.49	36,792.76
Changes in operating assets and liabilities:		
Decrease / (Increase) in trade receivables	17,521.02	(1,270.96)
(Increase) in inventories	(2,745.40)	(2,719.73)
Decrease / (Increase) in loans	(784.71)	224.72
Decrease / (Increase) in other financial assets	(537.09)	3,312.33
(Increase) in other assets	(1,651.29)	(2,609.15)
Increase / (Decrease) in provisions	(49.60)	137.29
Increase/ (Decrease) in lease liabilities	64.88	-
Decrease / (Increase) in trade payables	(6,084.15)	(3,524.23)
Decrease / (Increase) in other financial liabilities	802.82	122.72
Decrease in other liabilities	(32.70)	646.50
Cash generated from operations	26,125.27	31,112.25
Direct tax paid (net of refunds)	(706.30)	(4,370.27)
NET CASH FROM OPERATING ACTIVITIES (A)	25,418.97	26,741.98
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances)	(22,759.37)	(25,469.01)
Proceeds from sale of property, plant & equipment	43.59	23.05
Redemption / (Investment) of bank deposits	21.27	(61.19)
Loan given to group company	(632.66)	-
Interest received	202.36	95.92
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(23,124.81)	(25,411.23)

Statement of Consolidated Ind AS Cash Flow

for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of equity share capital including securities premium under ESOP	3.40	61.36
Dividend paid on equity shares	(489.79)	(325.92)
Tax on equity dividend paid	(100.70)	(68.20)
Advance given to ESOP trust	(278.01)	(245.57)
Interest paid	(7,649.45)	(8,076.53)
Payment of principal portion of lease liabilities	(44.31)	-
Proceeds from long term borrowings	12,063.00	27,050.00
Repayment of long term borrowings	(9,695.92)	(19,352.48)
Short term borrowings (Net)	3,951.31	(239.03)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES (C)	(2,240.47)	(1,196.37)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	53.69	134.38
Opening Cash and cash equivalents at the beginning of the year (Refer note 15a)	210.93	76.55
Closing Cash and cash equivalents at the end of the year (Refer note 15a)	264.62	210.93
NET INCREASE IN CASH AND CASH EQUIVALENTS	53.69	134.38
Notes:		
	Year ended March 31, 2020	Year ended March 31, 2019
a) Cash and Cash Equivalents include:		
Cash and Cash Equivalents:		
i) Cash in hand	7.75	6.43
ii) Balances with banks		
- On Current Accounts	256.87	204.50
Cash and Cash Equivalents	264.62	210.93



Significant Accounting Policies

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The accompanying notes form an integral part of these consolidated Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/
E300005
Sd/-
Per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Dated : June 26, 2020

For S. K. Naredi & Co.
Chartered Accountants
ICAI Firm Registration No.
003333C
Sd/-
Per Abhijit Bose
Partner
Membership No. 056109
Place : Kolkata
Dated : June 26, 2020

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

Sd/-
Mahabir Prasad Jalan
Chairman
DIN: 00354690
Sd/-
Pawan Kumar Kedia
Finance Director
DIN: 00375557

Sd/-
Naresh Jalan
Managing Director
DIN: 00375462
Sd/-
Lalit Kumar Khetan
Chief Financial Officer
FCA: 056935

Consolidated Ind AS Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

A Equity Share Capital (Refer Note 16)			
Particulars	Balance as at March 31, 2019	Issued during the year ended March 31, 2020	Balance as at March 31, 2020
Equity Share of ₹ 10/- each issued, subscribed and fully paid	3,260.68	0.09	3,260.77
Equity Share in numbers	3,26,06,849	850	3,26,07,699

- i) The Parent Company, during the previous year ended March 31, 2019, had allotted 61,392 nos equity shares of face value ₹ 10/- each at a premium of ₹ 390/- aggregating to ₹ 245.57 lakhs to Ramkrishna Forgings Limited Employee Welfare Trust under Ramkrishna Forgings Limited - Employee Stock Option Plant 2015 (RKFL ESOP Scheme 2015).

Further, the Parent Company has given advances to M/s. Ramkrishna Forgings Limited Employee Welfare Trust ("the trust") which would be recovered from the trust on issue of the aforesaid shares to the employees in terms of the above scheme. The trust has refunded ₹ 3.40 lakhs (March 31, 2019: ₹ 61.36 lakhs) in respect of 850 numbers (March 31, 2019: 15,341 numbers of equity shares) of equity shares in the current year issued to the employees. The amount towards balance 45,201 numbers of equity shares receivable from Ramkrishna Forgings Limited Employee Welfare Trust has been adjusted to the extent of ₹ 4.52 lakhs in the equity shares capital and ₹ 176.28 lakhs in the securities premium account (Previous year 46,051 number of equity shares was adjusted to the extent of ₹ 4.61 lakhs in the equity shares capital and ₹ 179.60 lakhs in the securities premium account). The Balance amount of advance paid to Ramkrishna Forgings Trust after the above adjustment as at March 31, 2020 is ₹ 281.41 lakhs has been disclosed under other financial assets (refer note 10 and 37).

B Other Equity (Refer Note 17)						
	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	General reserve	Employee Stock Options Outstanding (ESOP)	Retained earnings	
Balance as at April 1, 2018	3,546.01	38,005.41	2,948.15	598.33	27,501.02	72,598.92
Profit for the year	-	-	-	-	12,011.30	12,011.30
Other comprehensive income (net of tax)	-	-	-	-	-	-
- Re-measurement (losses) on defined benefit plans	-	-	-	-	(87.07)	(87.07)
Total comprehensive income for the year	-	-	-	-	11,924.23	11,924.23
Transfer of retained earnings to general reserve	-	-	500.00	-	(500.00)	-
Impact of transitional adjustment due to adoption of Ind AS 115 under modified retrospective approach	-	-	-	-	(228.37)	(228.37)
ESOP cost amortized during the year	-	-	-	24.52	-	24.52
Securities premium on issue of equity share under ESOP scheme 2015	-	239.43	-	-	-	239.43
Portion of loan outstanding given to M/s. Ramkrishna Forgings Limited Employee Welfare Trust adjusted.	-	(179.60)	-	-	-	(179.60)
Equity dividend for the year 2017-18 (Refer note 42)	-	-	-	-	(325.92)	(325.92)
Tax on equity dividend (Refer note 42)	-	-	-	-	(68.20)	(68.20)
Balance as at March 31, 2019	3,546.01	38,065.24	3,448.15	622.85	38,302.76	83,985.01
Profit for the year	-	-	-	-	969.55	969.55
Other comprehensive income (net of tax)	-	-	-	-	-	-
- Re-measurement (losses) on defined benefit plans	-	-	-	-	(33.23)	(33.23)
Total comprehensive income for the year	-	-	-	-	936.33	936.33
Transfer of retained earnings to general reserve	-	-	500.00	-	(500.00)	-
ESOP cost amortized during the year	-	-	-	5.13	-	5.13
Securities premium on issue of equity share under ESOP scheme 2015	-	3.32	-	-	-	3.32
Equity dividend for the year 2018-19 (Refer note 42)	-	-	-	-	(489.79)	(489.79)
Tax on equity dividend (Refer note 42)	-	-	-	-	(100.70)	(100.70)
Balance as at March 31, 2020	3,546.01	38,068.55	3,948.15	627.98	38,148.59	84,339.29

Significant Accounting Policies

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The accompanying notes form an integral part of these consolidated Ind AS financial statements
As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : June 26, 2020

For S. K. Naredi & Co.

Chartered Accountants

ICAI Firm Registration No. 003333C

Sd/-

Per Abhijit Bose

Partner

Membership No. 056109

Place : Kolkata

Dated : June 26, 2020

For and on behalf of the Board of Directors of Ramkrishna Forgings Limited

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

1. Group Overview

Ramkrishna Forgings Limited ("the Parent Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE). The registered office of the Parent Company is located at 23, Circus Avenue, 9th floor, Kolkata - 700 017, West Bengal, India.

The Parent Company is primarily engaged in manufacturing and sale of forged components of automobiles, railway wagons & coach and engineering parts. The Parent Company presently has manufacturing facilities at Gamaria, Adityapur Industrial Area, Baliguma, Dugni at Saraikela, Jamshedpur in Jharkhand and at Liluah in West Bengal. The consolidated financial statements comprise financial statements of the Parent Company and its subsidiaries (Globe Forex & Travels Limited, Ramkrishna Aeronautics Private Limited and Ramkrishna Forgings LLC w.e.f 03.12.2019), collectively ("the Group").

These consolidated financial statements were approved and authorised for issue with the resolution of the Board of Directors on June 26, 2020.

2. Basis of Preparation of Financial Statements and Significant Accounting Policies

2.1. Basis of Preparation of financial statements and compliance with Indian Accounting Standards "Ind-AS"

These consolidated financial statements comply in all material respects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the 'Act'), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. These standards and policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis under historical cost convention and on accrual method of accounting, except for certain financial assets/ liabilities measured at fair value as described in accounting policies regarding financial instruments. The financial statements are presented in INR which is the Group's functional and presentation currency and all values are rounded to the nearest lakhs (INR ₹ 1,00,000), except when otherwise indicated.

2.2. Historical cost convention

These consolidated financial statements have been prepared on a historical cost basis, except the following, which are measured at fair values:-

- i) certain financial assets and liabilities (including derivative instruments);
- ii) Plan assets of defined benefit employee benefit plans

2.3. Summary of Significant Accounting Policies

a) Property, Plant and Equipment

Tangible Assets and Depreciation.

Tangible Assets are stated either at deemed cost as considered on the date of transition to Ind AS or at cost of acquisition / construction together with any incidental expenses related to acquisition and appropriate borrowing costs, less accumulated depreciation and accumulated impairment loss, if any. An impairment loss is recognised where applicable, when the carrying value of tangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred, if any.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation on property, plant and equipment is provided under the straight-line method over the useful lives of assets as prescribed in Part C of Schedule II to the Companies Act 2013 except for the following assets where the useful life considered is different than that prescribed in Schedule II on the basis of management's technical evaluation. The management believes that the useful lives as given below represents the period over which management expects to use these assets.

Type of asset	Useful lives estimated by the management (years)
Air Conditioning Machines	10
Plant and Machinery (Including Dies)	10 to 40

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Depreciation for assets purchased / sold during the year is proportionately charged. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

b) Intangible assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation, impairment loss, if any.

Computer Software for internal use, which is primarily acquired from third party vendors, is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation / system integration services, where applicable.

Gains or losses arising from derecognition of an Intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit or loss when the asset is derecognised.

Type of asset

Useful lives estimated by the management (years)

Intangible assets - Computer software

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c) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

d) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, goods and service tax. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor as it has pricing latitude and is also exposed to inventory and credit risks.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made and specific criteria have been met for each of the Group's activities as described below.

Sale of Products

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of DDP export sales where the Group provides warehousing services to its customers in their respective countries, revenue is recognised when the goods are lifted by the customer. In other cases of export sales, the Group believes that the control gets transferred to the customer on the date of bill of lading.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at April 1, 2018.

Sale of Services

The revenue is measured as the aggregate amount of gross revenue receivable from tours which is inclusive of airline travel services, hotel services, travel agency commission and other travel services supplied to customers in the ordinary course of business. The Group records revenue on a net basis after deducting trade discounts, volume rebates, value added tax and compensation vouchers granted to customers.

Export incentives

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

Dividend Income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Die design and preparation charges

Revenues from die design and preparation charges are recognized on approval of die designs by the Customers.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e., only the passage of time is required before payment of the consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) scheme, it is accounted for as Government grant and its amortised on the basis of fulfilment of underlying export obligations. Also Refer note 23.

Government grants such as for export benefit scheme and other grants, for which related costs are recognised as expense, are recognised in the Statement of Profit and Loss on matching principle.

The Group considers government grant as part of its operations and hence considered as other operating revenues.

f) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence, if any. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

(i) Raw materials, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average method.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(ii) Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average method.

(iii) Scrap: Scrap is valued at Net Realisable Value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate. For financial assets and financial liabilities at fair value through profit or loss, directly attributable transaction costs are immediately recognised in the Statement of Profit and Loss.

Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- i. The Group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates the right to received cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer note 36 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates the right to received cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Group excluding investments in subsidiary companies (Refer note 38 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

De-recognition:

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized i.e. removed from the Group's Balance Sheet when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On Derecognition of a financial asset [except as mentioned in (ii) above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39a details how the Group determines whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liabilities

Initial recognition and measurement:

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate. For financial liabilities at fair value through profit or loss, directly attributable transaction costs are immediately recognised in the Statement of Profit and Loss.

Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method (Refer note 38 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

h) Fair Value Measurement

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

i) Investment in Subsidiary Companies

Investment in subsidiaries are carried at cost or at deemed cost as considered on the date of transition to Ind- AS less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The details of such investments are given in Note 7.

j) Foreign Currency Transactions and Balances

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Measurement of foreign currency items at reporting date:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year end, monetary assets and liabilities denominated in foreign currencies are restated at the year end exchange rates. The exchange differences (other than relating to long-term foreign currency monetary items recognised up to March 31, 2017) arising from settlement of foreign currency transactions and from the year end restatement are recognised in profit and loss.

Exchange differences arising on reporting of long-term foreign currency monetary items recognised up to March 31, 2017 (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset).

k) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current Income tax:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred income tax is provided, using the Balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit/ loss nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax assets. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Presentation of current and deferred tax:

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

l) Provisions and Contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

m) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

Post-Employment Benefits:

I. Defined Contribution plans:

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

II. Defined Benefit plans:

- a. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method as per Ind AS 19 at the year end.
- b. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligations.
- c. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employees Benefits Expense in the statement of profit and loss.
- d. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity.
- e. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

Other employee benefit obligations

The liabilities for earned leave and sick leave are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as per Ind AS 19. The benefits are discounted using the market yields on Government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss. Entitlements to annual leave (earned leave) are recognized when they accrue to employees. They can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave.

o) Employee Stock Options Scheme/ Share based payments

The grant date fair value of equity settled share based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the vesting period, the entity revises its estimates of the number of options that are expected to vest based on the non market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Statement of Profit or Loss, with a corresponding adjustment to equity. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

q) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

r) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

s) Earnings Per Share

Basic earnings 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 earnings 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.

2.4 Principles of Consolidation

- a. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2020.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance.

2.5 Current v/s Non Current Classification

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current when it is:

- a. Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b. Held primarily for the purpose of trading,
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a. It is expected to be settled in the normal operating cycle,
- b. It is held primarily for the purpose of trading,
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer settlement of the liability beyond at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

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as at and for the year ended March 31, 2020

3.1 Key Accounting Estimates & Judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes

Deferred tax assets are recognised for unused tax losses / MAT carry forward to the extent is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies including amount expected to be paid / recovered for uncertain tax positions (Refer note 11).

b. Property, Plant and Equipment and Useful Life of PPE and Intangible Assets

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

c. Defined Benefit Plans

Post-employment benefits represents obligation that will be settled in future and require assumptions to project benefit obligations. Post-employment benefits accounting is intended to reflect the recognition of future benefits cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations, funding requirements and benefit costs incurred. Refer note 41.

d. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

e. Provisions and Contingencies

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Group often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Group consults with legal counsel and certain other experts on matters related to litigations. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

3.2 Standard issue but not effected

There are no standards issued but not yet effective up to the date of issuance of the Group's financial statements.

3.3 Changes in accounting policies and disclosures

i. Leases

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in refer note 44

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on April 1, 2019. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind-AS 116 on the financial statements of the Group has been described under refer note 44.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in note 19 and note 44

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

ii. Other Amendments in Ind AS

The Group had no material impact on the consolidated financial statements on account of Amendments from April 1, 2019 in Ind AS 12 Uncertainty over Income Tax Treatment, Ind AS 109: Prepayment Features with Negative Compensation, Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 28: Long-term interests in associates and joint ventures, Ind AS 103 Business Combinations, Ind AS 111 Joint Arrangements, Ind AS 12 Income Taxes, Ind AS 23 Borrowing Costs.

Notes to the Consolidated Ind AS Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

4. Property, plant and equipment	Freehold Land (Including cost of Development)	Factory Shed and Building	Office Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment's	Computer	Air Conditioning Machines	Total
Cost										
As at April 1, 2018	1,746.82	8,653.82	4,734.50	1,03,287.43	2,337.65	555.46	119.05	481.44	553.03	1,22,469.20
Additions #	-	637.34	562.59	13,999.41	226.63	155.69	23.14	364.29	16.65	15,985.74
Disposals/deductions	22.39	-	-	90.25	0.50	30.85	-	-	2.52	146.51
As at March 31, 2019	1,724.43	9,291.16	5,297.09	1,17,196.59	2,563.78	680.30	142.19	845.73	567.16	1,38,308.43
Additions #	-	324.23	6,766.73	8,297.98	919.37	170.02	592.18	42.42	128.47	17,241.40
Disposals/deductions	-	-	-	71.11	19.08	132.71	72.87	36.32	8.57	340.66
As at March 31, 2020	1,724.43	9,615.39	12,063.82	1,25,423.46	3,464.07	717.61	661.50	851.83	687.06	1,55,209.17
Depreciation										
As at April 1, 2018	-	597.49	328.80	13,597.14	568.81	126.89	57.11	256.35	130.24	15,662.84
Charge for the year	-	310.19	172.33	10,949.13	291.50	81.78	20.48	99.71	66.07	11,991.19
Disposals/deductions	-	-	-	61.06	-	24.02	-	-	2.29	87.37
As at March 31, 2019	-	907.68	501.13	24,485.21	860.31	184.65	77.59	356.06	194.02	27,566.65
Charge for the year	-	327.57	190.66	10,790.64	302.92	88.47	35.29	127.33	63.82	11,926.69
Disposals/deductions	-	-	-	41.83	18.13	91.08	63.77	34.26	8.14	257.21
As at March 31, 2020	-	1,235.25	691.79	35,234.02	1,145.10	182.04	49.11	449.13	249.70	39,236.13
Net Block										
As at March 31, 2019	1,724.43	8,383.48	4,795.96	92,711.38	1,703.47	495.65	64.60	489.67	373.14	1,10,741.78
As at March 31, 2020	1,724.43	8,380.14	11,372.03	90,189.44	2,318.97	535.57	612.39	402.70	437.36	1,15,973.04

An amount of ₹ 94.99 lakhs (March 31, 2019 : ₹ 110.65 lakhs) included in plant and machinery is towards Export Promotion Capital Goods scheme.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

4. (a) Capital work-in-progress	Capital work-in-progress	Total
Cost		
As at April 1, 2018	4,355.70	4,355.70
Additions	14,222.57	14,222.57
Disposals/ deductions	5,619.76	5,619.76
As at March 31, 2019	12,958.51	12,958.51
Additions	21,731.21	21,731.21
Disposals/ deductions	12,786.72	12,786.72
As at March 31, 2020	21,903.00	21,903.00

i) Details of expenditure on New / Expansion projects pending allocation and included in Capital work in progress	For the year ended	
	March 31, 2020	March 31, 2019
Salaries, Wages & Allowances	381.48	279.87
Power and Fuel	14.07	-
Carriage Inward Expenses	7.66	-
Insurance Charges	14.70	-
Interest / Bank Charges	1,354.00	244.43
Rate & Taxes	19.08	-
Miscellaneous Expenses	177.86	20.51
Travelling Expenses	26.10	9.29
Professional Fees / Consultancy	121.45	28.47
Total	2,116.40	582.57
Add: Balance brought forward from previous year	1,193.64	1,128.58
	3,310.04	1,711.15
Less: Transfer / Allocated to Property, Plant and equipment during the year	579.97	517.51
Balance pending allocation included in CWIP	2,730.07	1,193.64

ii) For lien / charge against property, plant and equipment, Refer note 18.2.

5. Intangible Assets	Computer Software	Online Portal Website Development	Total
Cost			
As at April 1, 2018	487.69	5.81	493.50
Additions	7.69	-	7.69
As at March 31, 2019	495.38	5.81	501.19
Additions	8.77	8.69	17.46
As at March 31, 2020	504.15	14.50	518.65
Depreciation			
As at April 1, 2018	238.60	2.27	240.87
Additions	111.85	2.83	114.68
As at March 31, 2019	350.45	5.10	355.55
Additions	63.55	3.00	66.55
As at March 31, 2020	414.00	8.10	422.10
Net Block			
As at March 31, 2019	144.93	0.71	145.64
As at March 31, 2020	90.15	6.40	96.55

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

6. Right-of-use Assets	Office Premises	Lease Hold Land	Total
Cost			
As at April 1, 2019	60.96	880.53	941.49
Additions	-	-	-
As at March 31, 2020	60.96	880.53	941.49
Depreciation			
Additions	21.07	39.75	60.82
For the year ended March 31, 2020	21.07	39.75	60.82
Net Block			
As at March 31, 2020	39.89	840.78	880.67

Refer Note 44 for the related disclosures

6. (A) Depreciation and amortization expenses	For the year ended	
	March 31, 2020	March 31, 2019
Depreciation of Property, plant and equipment	11,926.69	11,991.19
Amortization of Intangible assets	66.55	114.68
Right-of-use assets (Refer note 44)	60.82	-
Total	12,054.06	12,105.87

7. Investments (Non-current)	Face Value per share (₹)	Number of shares		Amount	
Investments (other body corporate)		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
At fair value through other comprehensive income					
Unquoted equity instruments (fully paid)					
- Adityapur Auto Cluster	1,000	1,050	1,050	10.50	10.50
Total				10.50	10.50
Aggregate value of unquoted investments				10.50	10.50

Additional Information:

a) Refer note 38 for information about fair value measurements.

8. Trade receivables of amortised cost	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured				
Considered good	-	-	33,930.54	50,988.01
Trade Receivables which have significant increase in credit risk	431.62	-	431.63	-
Less: Impairment allowance (Allowance for bad and doubtful debts)	(60.26)	-	(93.64)	(28.52)
	371.36	-	34,268.53	50,959.49

8.1: Trade receivables are non-interest bearing and are generally received within 180 days.

8.2: The carrying amount of trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in Refer note 39A.

8.3: No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person nor any trade receivable are due from firms or companies in which any director is a partner, a director or a member.

8.4: For lien / charge against trade receivables, Refer note 18.2.

8.5: Trade Receivables includes ₹ 32.76 lakhs receivable from Jet Airways on account of Profit Linked Incentives Income. As Jet Airways is bankrupt and gone into insolvency Group have filed a claim as operational creditor in NCLT for the said amount of ₹ 32.76 lakhs. Group expect to receive the amount and as such the amount is considered as receivable in the financial statements.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

9. Loans of amortised cost (At amortised cost)	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good				
Security deposits	1,246.57	1,196.11	625.90	34.89
Loans to Related Parties	-	-	632.66	-
Loan to Employees	130.94	54.20	119.82	60.62
	1,377.51	1,250.31	1,378.38	95.51

9.1. Includes loans and advances due from officers of the Company March 31, 2020: ₹ 10.00 lakhs. (March 31, 2019: ₹ Nil) also refer note 37.

10. Other Financial Assets (Unsecured, considered good)	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
At amortised cost				
Accrued Interest	-	-	96.81	136.35
Government grant receivable	-	-	771.16	500.00
Fixed deposits with bank (Maturity of more than twelve months)	19.51	-	-	-
Export incentives receivable	-	-	1,131.78	1,144.14
Others @	51.81	51.81	689.35	17.34
At FVTPL				
Foreign - exchange forward contracts	-	-	25.60	875.18
Interest rate swaps	-	-	-	17.44
	71.32	51.81	2,714.70	2,690.45

10.1. Refer note 38 for determination of fair value

@ Includes receivable from related parties transaction refer note 37

11.a. Deferred tax Liabilities (net)	Non-current	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities		
Depreciation and amortization expenses	13,964.84	13,009.06
On Others	-	305.82
Gross Deferred Tax Liabilities	13,964.84	13,314.88
Deferred Tax Assets		
On Retirement benefits expenses	365.10	390.59
MAT entitlement receivable [Refer note (a) below]	7,035.14	6,890.01
On others	620.10	316.33
Gross Deferred tax assets	8,020.34	7,596.93
Deferred Tax Liabilities (Net)	5,944.50	5,717.95

a) In view of profitability projections (considering additional contribution from new plants) the Group is confident that there would be sufficient taxable income in future periods to utilize MAT credit entitlements.

b) Pursuant to The Taxation Laws (Amendment) Ordinance, 2019, corporate assesses have been given the option under section 115BAA of the Income Tax Act, 1961 to apply lower income rate with effect from April 1, 2019, subject to certain conditions specified therein. The Group has assessed the impact of the Ordinance and believes that it will continue to remain in the existing tax structure for the foreseeable future based on its forecasted profits. Accordingly, no effect in this regard has been considered in measurement of tax expenses for the purpose of this financial results. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expenses when there is reasonable certainty to avail the lower rate of tax.

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11.b. Deferred tax Assets (net)	Non-current	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
On Retirement benefits expenses	16.60	3.29
MAT entitlement receivable [Refer note (a) below]	29.50	51.03
Gross Deferred Tax Assets	46.10	54.32
Deferred Tax Liabilities		
Depreciation and amortization expenses	14.60	15.06
Gross Deferred Tax Liabilities	14.60	15.06
Deferred Tax Liabilities (Net)	31.50	39.26

a) In view of profitability projections the Group is confident that there would be sufficient taxable income in future periods to utilize MAT credit entitlements utilised deferred tax assets.

	Year ended	
	March 31, 2020	March 31, 2019
11 (a) (i) Reconciliation of deferred tax liabilities (net):		
Opening balance as of April 1, 2019	5,717.95	3,444.15
Less: Amount pertaining to Ind AS 115 adjusted in Retained Earning	-	(89.15)
Tax income/(expense) during the period recognised in profit or loss	241.04	2,408.38
Tax income/(expense) during the period recognised in OCI	(14.49)	(45.43)
Closing balance as at March 31, 2020	5,944.50	5,717.95

	Year ended	
	March 31, 2020	March 31, 2019
11 (b) (i) Reconciliation of deferred tax assets (net):		
Opening balance as of April 1, 2019	39.26	59.25
Less: Amount pertaining to Ind AS 115 adjusted in retained earning	-	-
Tax income/(expense) during the period recognised in profit or loss	11.35	(21.32)
Tax income/(expense) during the period recognised in OCI	2.42	1.34
Utilization of MAT credit	(21.53)	-
Closing balance as at March 31, 2020	31.50	39.26

	Year ended	
	March 31, 2020	March 31, 2019
11.c. Tax expenses		
a) Income-tax expense recognised in the statement of Profit and Loss		
Current tax		
Current tax on profits for the year	237.79	3,921.53
Adjustments for current tax for earlier years	1.23	10.33
Total current tax expense (a)	239.02	3,931.86
Deferred Tax		
Origination and reversal of temporary differences	241.04	2,429.70
Total deferred tax expense (b)	241.04	2,429.70
Income-tax expense reported in the Statement of Profit and Loss	480.06	6,361.56
Deferred tax - Remeasurement of post employment defined benefit obligation	14.48	46.77
Total deferred tax (expense) / benefit recognised in Other Comprehensive Income	14.48	46.77
Income-tax expense recognised in other comprehensive income	14.48	46.77
Reconciliation of statutory rate of tax and the effective rate of tax		
Profit before income tax	1,479.23	18,372.86
Enacted Income tax rate in India applicable to the Group	34.944%	34.944%
Tax on Profit before tax at the enacted Income tax rate in India	516.90	6,420.21
Adjustments:		

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	Year ended	
	March 31, 2020	March 31, 2019
Tax effect of amounts which are not deductible / (not taxable) in calculating taxable income:		
Items not deductible	104.49	75.84
Incentives / additional benefits allowable under Income-tax Act	(133.93)	(175.84)
Income tax (write back) / charge in respect of earlier years	8.71	10.33
Effect of lower tax rate in subsidiary	6.74	1.99
Other items	6.77	29.02
Total Income tax expense	509.68	6,361.57

12. Tax assets and liabilities	As at	
	March 31, 2020	March 31, 2019
a) Non-current tax asset		
Non-current tax asset (net of provision for Income tax of ₹ 237.79 lakhs) (March 31, 2019 : ₹ Nil)	249.58	-
b) Current tax assets		
Income Tax Refundable	501.82	493.78
c) Current tax liabilities		
Provision for income tax (net of advance Income tax ₹ Nil) (March 31, 2019 : ₹ 3,711.77 lakhs)	-	190.55

13. Other Assets (Unsecured, considered good)	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
a) Capital advances	1,743.61	3,154.08	-	-
b) Advance other than capital advances				
- Advance to suppliers / service provider *	-	-	1,619.06	1,691.36
- Advance to employees	-	-	11.05	0.54
c) Others				
- Prepaid expenses	36.51	30.63	572.35	466.86
- Balance with Government authorities	451.40	344.50	1,913.40	475.77
- Leasehold prepayment #	-	492.12	-	10.98
	2,231.52	4,021.33	4,115.86	2,645.51

The amount has been considered as right of use assets on account of adoption of Ind AS 116, Refer Note 44

* Includes certain old aged advances to Airlines March 31, 2020: ₹ 253.23 lakhs (March 31, 2019: ₹ 338.67 lakhs) which the Group expects to realize shortly.

14 Inventories (Valued at lower of cost and net realisable value)	As at	
	March 31, 2020	March 31, 2019
Raw Materials #	6,212.78	7,923.06
Work in Progress	16,355.70	14,111.28
Finished Goods #	3,584.24	1,186.41
Stores & spares (including packing materials) #	9,417.44	9,655.68
Forgings Scrap	423.93	313.88
Less: Provision for Slow Moving Inventory	(122.66)	(64.28)
Total	35,871.43	33,126.03

Includes goods-in-transit a) Finished Goods ₹ 557.53 lakhs (March 31, 2019: ₹ 495.91 lakhs); b) Raw Materials ₹ Nil (March 2019: ₹ 39.22 lakhs); c) Stores and Spares ₹ 21.88 lakhs (March 31, 2019: ₹ 102.28 lakhs)

For lien / charge against inventories, Refer note 18.2.

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15	Cash and Cash Equivalents:	As at	
		March 31, 2020	March 31, 2019
	a) Cash and Cash Equivalents		
	i) Cash in hand	7.75	6.43
	ii) Balances with banks		
	- On Current Accounts	256.87	204.50
	Cash and Cash Equivalents	264.62	210.93
	b) Other Bank Balances:		
	- Earmarked balances (On unclaimed dividend accounts)	1.35	1.44
	- Fixed deposits with original maturity of more than 3 months but less than 12 months	62.92	103.70
	Other Bank Balances	64.27	105.14
	Cash and Bank balances (a + b)	328.89	316.07

Changes in liabilities arising from financing activities

Particulars	April 1, 2019	Cash Flows	Others*	March 31, 2020
Current borrowings	36,225.52	3,951.31	-	40,176.83
Non current borrowings (Including current maturities of long term debts (Refer note 21))	54,942.35	2,367.08	1,379.10	58,688.53
Total liabilities from financing activities	91,167.87	6,318.39	1,379.10	98,865.36

Particulars	April 1, 2018	Cash Flows	Others*	March 31, 2019
Current borrowings	36,699.00	(239.03)	(234.45)	36,225.52
Non current borrowings (Including current maturities of long term debts (Refer note 21))	47,805.09	7,697.52	(560.26)	54,942.35
Total liabilities from financing activities	84,504.09	7,458.49	(794.71)	91,167.87

* Represents the impact of foreign exchange reinstatement on foreign currency borrowing and changes in fair value of borrowing measured at amortised cost using the effective interest rate method as at March 31, 2020 and March 31, 2019.

16. Equity share capital	Number of shares			
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Authorised capital				
Equity shares of ₹ 10/- each	3,32,50,000	3,32,50,000	3,325.00	3,325.00
			3,325.00	3,325.00
Issued, subscribed and paid-up				
Equity shares of ₹ 10/- each	3,26,07,699	3,26,06,849	3,260.77	3,260.68
			3,260.77	3,260.68

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Equity Shares with voting rights	Number of shares			
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	3,26,06,849	3,25,91,508	3,260.68	3,259.15
Issued during the year (Refer note c)	-	61,392	-	6.14
Less: Amount recoverable from M/s. Ramkrishna Forgings Limited Employee Welfare Trust towards 46,051 equity shares @ ₹ 10/- each.	-	(46,051)	-	(4.61)
Add: Further issue of equity shares under ESOP scheme 2015	850	-	0.09	-
At the end of the year	3,26,07,699	3,26,06,849	3,260.77	3,260.68

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b) Terms / Rights attached to Equity Shares

The Parent Company has only one class of equity shares having a 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.

Proposed dividend is recognised in the year in which it is approved by the shareholders.

- c) The Parent Company, during the previous year ended March 31, 2019, had allotted 61,392 nos equity shares of face value ₹ 10/- each at a premium of ₹ 390/- aggregating to ₹ 245.57 lakhs to Ramkrishna Forgings Limited Employee Welfare Trust under Ramkrishna Forgings Limited - Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015).

Further, the Parent Company has given advances to M/s. Ramkrishna Forgings Limited Employee Welfare Trust ("the trust") which would be recovered from the trust on issue of the aforesaid shares to the employees in terms of the above scheme. The trust has refunded ₹ 3.40 lakhs (March 31, 2019: ₹ 61.36 lakhs) in respect of 850 numbers (March 31, 2019: 15,341 numbers of equity shares) of equity shares in the current year issued to the employees. The amount towards balance 45,201 numbers of equity shares receivable from Ramkrishna Forgings Limited Employee Welfare Trust has been adjusted to the extent of ₹ 4.52 lakhs in the equity shares capital and ₹ 176.28 lakhs in the securities premium account (Previous year 46,051 number of equity shares was adjusted to the extent of ₹ 4.61 lakhs in the equity shares capital and ₹ 179.60 lakhs in the securities premium account). The balance amount of advance paid to Ramkrishna Forgings Trust after the above adjustment as at March 31, 2020 is ₹ 281.41 lakhs has been disclosed under other financial assets (refer note 10 and 37).

- d) The Parent Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries / associates. Details of shareholders holding more than 5% shares in the Company is given as below:

Equity shares of ₹ 10 each fully paid up	% holding		No of shares	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Riddhi Portfolio Private Limited.	22.92%	22.83%	74,82,724	74,54,241
Eastern Credit Capital Private Limited.	17.21%	17.21%	56,18,500	56,18,500
Aditya Birla Sun Life Trustee Private Limited A/c	5.57%	5.23%	18,19,971	17,07,276

- e) The Parent 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 any shares (also refer note 43)

- f) There are no calls unpaid by Directors / Officers of the Parent.

- g) The Parent has not converted any securities into equity shares / preference shares during the above financial years.

- h) The Parent has not forfeited any shares during the above financial years.

17. Other equity	As at	
	March 31, 2020	March 31, 2019
Capital Reserves (Refer note a)	3,546.01	3,546.01
Securities Premium Account (Refer note b)	38,068.56	38,065.24
General Reserve (Refer note c)	3,948.15	3,448.15
Employee's Stock Options Outstanding Account (Refer note d)	627.98	622.85
Retained Earnings (Refer note e)	38,148.59	38,302.76
Total	84,339.29	83,985.01

a) Capital Reserve

This reserve had been created on Account of capital subsidy received in the form of sales tax refund under Jharkhand Industrial Policy, 2001 and on account of forfeiture of share warrants money.

	Year ended	
	March 31, 2020	March 31, 2019
Opening balance	3,546.01	3,546.01
Add: Changes during the year	-	-
Closing Balance	3,546.01	3,546.01

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b) Securities Premium Reserve

Securities Premium Account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

	Year ended	
	March 31, 2020	March 31, 2019
Opening balance	38,065.24	38,005.41
Add: Received on allotment of equity shares	-	239.43
Less: Amount recoverable from M/s. Ramkrishna Forgings Limited Employee Welfare Trust (refer note A (i) in Statement of Changes in Equity)	-	(179.60)
Securities premium on issue of equity share under Ramkrihsna Forgings Limited ESOP scheme 2015	3.32	-
Closing Balance	38,068.56	38,065.24

c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Group may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

	Year ended	
	March 31, 2020	March 31, 2019
Opening balance	3,448.15	2,948.15
Add: Amount transferred from Retained earnings	500.00	500.00
Closing Balance	3,948.15	3,448.15

d) Employee's Stock Options Outstanding Reserve (ESOP)

Employee's Stock Options Outstanding is a stock option guaranteed to specified employees of the Parent Company. It offers option's holder the right but not an obligation to purchase shares of the Company on fulfilment of conditions mentioned in ESOP scheme at the price decided at the time of grant of options.

	Year ended	
	March 31, 2020	March 31, 2019
Opening balance	622.85	598.33
Add: Charge for the year	5.13	24.52
Closing Balance	627.98	622.85

e) Retained earnings

	Year ended	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	38,302.76	27,501.02
Less: Impact of transitional adjustment due to adoption of Ind AS 115 under modified retrospective approach	-	(228.37)
Add: Profit for the year	969.55	12,011.30
Add: Other Comprehensive Income for the year (net of tax)	(33.23)	(87.07)
	39,239.08	39,196.88
Less: Transfer to General Reserve	(500.00)	(500.00)
Less: Dividend	(489.79)	(325.92)
Less: Dividend distribution tax	(100.70)	(68.20)
	38,148.59	38,302.76

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18. Borrowings	Non-current	
	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured :		
Term Loans From banks		
- Domestic currency loans	43,945.85	37,702.23
- Foreign currency loans	14,619.79	17,082.13
- Auto car loan	122.89	157.99
Total	58,688.53	54,942.35
Less: Current maturities of long term debts (Refer note 21)	10,785.27	9,126.65
Total	47,903.26	45,815.70
	Current	
	As at March 31, 2020	As at March 31, 2019
Secured		
Repayable on demand :		
From banks		
- Cash Credit	4,168.29	3,641.60
- Working Capital Demand / Short Term Loans / FCNR	19,557.60	3,200.00
- Packing Credit	15,364.86	25,074.64
Unsecured		
Repayable on demand :		
From banks		
- Working Capital Demand / Short Term Loans	390.00	500.00
- Bill discounting	696.08	3,809.28
Total	40,176.83	36,225.52

- 18.1** The Group's bank loan agreements contain compliance with certain financial ratios which are not met as of March 31, 2020 in view of depressed demand further compounded by outbreak of COVID-19 pandemic. The Group has written to its concerned lenders for condonation of the non compliance with certain ratios.

The Group is confident of obtaining waiver letter from the concerned banks and accordingly no adjustment has been made in the financial statements as regards to levying of any penal interest and classification of such loans and they continue to get classified as current / non current as per the original terms of the respective loan agreements.

- 18.2** The Group has taken borrowings in domestic and foreign currencies towards funding of its capital expenditure, working capital requirements and general corporate purpose. The borrowings comprise funding arrangements with various banks . The Group's total borrowings and a summary of security provided by the Group are as follows -

Particulars	As at March 31, 2020	As at March 31, 2019
Secured long term borrowings	58,688.53	54,942.35
Secured short term borrowings	39,090.75	31,916.24
Unsecured short term borrowings	1,086.08	4,309.28
Total borrowings	98,865.36	91,167.87

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Facility Category	Security Details	Payment frequency	As at March 31, 2020	As at March 31, 2019
Rupee Term Loans	Primary 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 Parent Company excluding those assets for which there is an exclusive charge of other lenders and subject to charges of the Parent Company's bankers created / to be created in their favour for working capital loans. Secondary Security: It is further secured by the second charge on the current assets of the Parent Company, both present and future, excluding receivables discounted by any other bank and exclusively charged to discounting lender.	Repayable in balance 191 quarterly instalments	34,339.86	27,873.23
Suppliers Line of Credit *			4,047.04	1,739.54
Foreign Currency Term Loans		Repayable in balance 2 half yearly instalments	2,644.84	4,834.68
		Repayable in balance 4 quarterly instalments.	941.70	2,574.33
Rupee Term Loan	Secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Parent Company excluding those assets for which there is an exclusive charge of other lenders.	Repayable in balance 24 quarterly instalments	1,041.65	873.92
Rupee Term Loan	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 Parent Company excluding those assets for which there is an exclusive charge of other lenders and subject to charges of the Parent Company's lenders created / to be created in their favour for working capital loans. It is also secured by exclusive charge on the office building at 72, Shakespeare Sarani, Kolkata-700017. Collateral Security: It is further secured by the second charge on the current assets of the Parent Company, both present and future and exclusively charged to discounting lender.	Repayable in balance 14 quarterly instalments	4,564.34	4,955.07
Rupee Term Loan	Exclusive charge on the office property acquired out of the rupee term loan facility.	Repayable in balance 34 quarterly instalments starting from May,2020	4,000.00	4,000.00
Foreign Currency Term Loan	Term Loan is secured by the exclusive first charge on the 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line imported from SMS Meer,Gmbh.	Repayable in balance 9 half yearly instalments	6,986.21	7,933.59
Auto Loans	Secured by the exclusive first charge on the asset financed by the banks.	Repayable in balance 122 monthly instalments	122.89	157.99

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Facility Category	Security Details	Payment frequency	As at March 31, 2020	As at March 31, 2019
Cash Credit	Working capital loans from banks are secured by first pari-passu charge on current assets of the Group, both present and future ,excluding receivables discounted by any other bank and exclusively charged to discounting lender, 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 Group.	On demand	4,168.29	2,841.61
Working Capital Demand Loan / Short term Loan		On demand	17,899.72	4,000.00
Packing Credit Loan in Foreign Currency		On demand	-	541.34
Packing Credit Loan in INR.	Collateral Security : Second pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Group excluding assets which are exclusively charged to other lenders.	On demand	15,364.84	24,533.30
FCNR		On demand	1,657.90	-
Unsecured Bill Discounting	Unsecured	On demand	696.08	3,809.28
Working Capital Demand / Short Term Loans	Unsecured	On demand	390.00	500.00
Total			98,865.36	91,167.87

* Suppliers line of credit is a part of term loan facilities extended by the banks.

18.3. Terms of repayment of total borrowings outstanding as of March 31, 2020 are provided below:

Borrowings	Range of Effective Interest Rate (%)	<=1 year	1-3 years	3-5 Years	> 5 Years	Total
Domestic Currency Term Loan	8.75 - 11.25	5,767.63	16,277.49	15,477.14	10,858.62	48,380.88
Auto Loan	8.25 - 9.35	37.55	55.31	30.02	-	122.88
Foreign Currency Term Loan	1.25 - 6.53	5,193.89	3,203.87	2,402.90	-	10,800.66
Cash Credit	8.75-12.90	4,168.29	-	-	-	4,168.29
Working Capital Demand Loan/ Short term Loan	7.10- 10.85	17,899.73	-	-	-	17,899.73
Packing Credit INR in INR (net of subvention)	4.60- 7.20	15,364.84	-	-	-	15,364.84
FCNR	2.75	1,657.90	-	-	-	1,657.90
Unsecured Loan - Bill Discounting	8.80	696.08	-	-	-	696.08
Unsecured Loan - Short Term Loan	8.35	390.00	-	-	-	390.00
		51,175.91	19,536.67	17,910.06	10,858.62	99,481.26

The above maturity is based on the total principal outstanding gross of the processing fees and charges of ₹ 615.90 lakhs (March 31, 2019: ₹ 786.92 lakhs)

19. Lease	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Lease Liabilities (Refer note 44)	370.83	-	62.80	-
	370.83	-	62.80	-



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20. Trade payables	As at	
	March 31, 2020	March 31, 2019
At amortised cost		
Total outstanding due of micro and small enterprises (Refer note 36)	88.30	260.44
	88.30	260.44
Total outstanding dues of creditors other than micro and small enterprises	13,530.07	14,096.99
Acceptance given to Bank	7,777.86	13,548.86
	21,307.93	27,645.85
	21,396.23	27,906.29

20.1. Trade payables other than acceptance given to the bank are non-interest bearing. Trade payable are normally settled within 90 days credit terms.

21. Other financial liabilities	Current	
	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Employee related dues	1,401.43	1,354.48
Interest accrued but not due on borrowings	553.17	529.91
Payable for capital goods	2,394.06	1,052.67
Current maturities of long-term borrowings (Refer note 18)	10,785.27	9,126.65
Unpaid dividends [@]	1.35	1.44
Other financial liabilities	15.90	24.03
At FVTPL		
Foreign - exchange forward contracts	750.74	-
Interest rate swaps	13.20	-
	15,915.12	12,089.18

@ Appropriate transfers have been made by the Parent Company to the Investor Education and Protection Fund during the year. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

21.1. Refer note 38 for determination of fair value

22. Provisions	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for gratuity (Refer note 41)	25.95	-	183.32	254.73
Provision for compensated absences	-	-	380.82	334.83
	25.95	-	564.14	589.56

23. Other liabilities	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance from customers	-	-	636.69	580.31
Statutory dues payable	-	-	219.12	674.17
	-	-	855.81	1,254.48
Government grants				
Opening balance #	1,968.82	3,826.21	1,045.43	237.95
Released to Statement of Profit and Loss	-	(922.61)	(1,045.43)	(237.95)
Accrued during the year	94.99	110.65	-	-
Reclassified from non-current to current	(386.19)	(1,045.43)	386.20	1,045.43
Closing balance	1,677.62	1,968.82	386.20	1,045.43
	1,677.62	1,968.82	1,242.01	2,299.91

Includes Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as Government grant and being amortised on basis of fulfilment of export obligations and includes subsidies provided to the Parent Company as per Jharkhand Industrial and Investment Promotion Policy, 2016.

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(All amounts in INR Lakhs, unless otherwise stated)

24. Revenue from operations	For the year ended	
	March 31, 2020	March 31, 2019
Sale of products	98,146.39	1,63,806.15
Sale of services		
- Job Work	4.85	1.25
- Tours and other services	9,854.84	11,426.83
- Commision & Incentives	794.71	1,012.07
- Die design and preparation charges	481.94	371.23
Other operating revenues		
- Sales of Scrap	6,905.59	11,949.44
- Export incentives	1,941.29	2,441.88
- Foreign exchange difference on operating assets and liabilities	2,200.97	938.22
- Subsidies / Government Grants	1,316.60	1,160.56
	1,21,647.18	1,93,107.63
India	77,949.26	1,40,167.73
Outside India	43,697.92	52,939.90
Total Revenue from operations	1,21,647.18	1,93,107.63

25. Other income	For the year ended	
	March 31, 2020	March 31, 2019
Interest Income on		
- Financial assets, recognised at amortised cost	140.07	116.86
- Income tax refund	23.63	-
Other non-operating income		
- Foreign exchange difference on non-operating assets and liabilities	-	108.88
- Miscellaneous Income	515.85	85.51
	679.55	311.25

26. Cost of material consumed	For the year ended	
	March 31, 2020	March 31, 2019
Inventory at the beginning of the year (Refer note 14)	7,923.06	8,367.23
Add: Purchases	53,900.24	93,875.58
	61,823.30	1,02,242.81
Less: Inventory as at end of the year (Refer note 14)	6,212.78	7,923.06
Cost of Raw Materials consumed	55,610.52	94,319.75

27. (Increase) in Inventories of Finished Goods and Work in Progress	For the year ended	
	March 31, 2020	March 31, 2019
Inventory at the beginning of the year (Refer note 14)		
Work-in-progress	14,111.28	12,893.61
Forging scrap	1,186.41	1,265.93
Finished goods	313.88	415.03
	15,611.57	14,574.57
Inventory at the end of the year (Refer note 14)		
Work-in-progress	16,355.70	14,111.28
Forging scrap	3,584.26	1,186.41
Finished goods	423.93	313.88
	20,363.89	15,611.57

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

27. (Increase) in Inventories of Finished Goods and Work in Progress Contd.	For the year ended	
	March 31, 2020	March 31, 2019
Impact of transitional adjustment due to adoption of Ind AS 115 under modified retrospective approach in the previous year	-	467.51
Inventory loss on trial run during the year.	(337.49)	(1,100.24)
	(5,089.81)	(1,669.73)

28. Employee benefits expense	For the year ended	
	March 31, 2020	March 31, 2019
Salaries, wages and bonus	9,157.51	9,393.71
Contribution to provident & other funds	584.03	576.87
Gratuity expense (Refer note 41)	232.11	152.51
Employees stock option plan	5.12	24.52
Staff welfare expenses	302.51	347.45
	10,281.28	10,495.06

29. Finance costs	For the year ended	
	March 31, 2020	March 31, 2019
Interest expenses	6,110.45	6,036.52
Interest on lease liabilities (Refer note 44)	34.67	-
Other borrowing costs	1,729.67	2,182.43
	7,874.79	8,218.95

30. Other expenses	For the year ended	
	March 31, 2020	March 31, 2019
Carriage inward expenses	293.57	571.05
Consumption of stores and spares (Including packing materials)	5,795.15	8,734.52
Processing charges	4,383.58	6,252.83
Repairs and maintenance		
- Plant & machineries	490.23	490.68
- Factory shed & buildings	50.53	89.94
- Others	483.97	514.32
Rent (Refer note 33)	55.85	98.83
Rates & taxes	67.24	69.12
Insurance	510.02	450.39
Director sitting fees & commission	59.25	35.40
Bank charges & commission	105.48	181.19
Postage, telegraph & telephone	79.71	86.05
Legal & professional fees ^a	441.26	483.98
Travelling & conveyance expenses	467.72	679.71
Advertisement	25.85	30.88
Payment to auditors ^b	97.31	82.81
Brokerage & commission expenses	117.16	116.32
Vehicle running expenses	109.73	86.45
Carriage outward expenses	790.47	1,127.86
Export expenses	4,192.40	4,222.87
Balances written off (Net)	270.97	701.81
Foreign exchange difference on non-operating assets and liabilities	480.19	-
Loss on sales / discarded assets (Net)	39.86	13.69
Allowance for bad and doubtful debts	125.38	-
Miscellaneous expenses ^c	1,963.74	1,548.29
	21,496.62	26,668.99

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(All amounts in INR Lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
a. Legal and professional expenses include payment to a firm of solicitors in which a Director is a partner	-	3.57

	For the year ended	
	March 31, 2020	March 31, 2019
b. Details of payment to Auditors:		
Statutory Auditors:		
Audit fees	43.50	43.40
Tax audit fees (Other than statutory auditors)	1.00	1.00
Limited review	45.50	22.00
For other services (Certification fees)	1.45	13.64
Reimbursement of expenses	5.86	2.77
	97.31	82.81

c. Includes Corporate social responsibility expenses of ₹ 256.35 lakhs (March 31, 2019 : ₹ 171.40 lakhs), Refer note 36(i) and 37. It also includes donation paid to political party of ₹ 300.00 lakhs (March 31, 2019 : ₹ Nil)

31. Earnings per equity share (EPS)		For the year ended	
		March 31, 2020	March 31, 2019
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders (in ₹)	(A)	969.55	12,011.30
Denominator for basic EPS			
- Weighted average number of equity shares for basic EPS	(B)	3,26,06,849	3,25,94,886
Denominator for diluted EPS			
- Weighted average number of equity shares for diluted EPS *	(C)	3,26,68,122	3,26,81,921
* After considering impact of ESOP			
Basic earnings per share of face value of ₹ 10/- each (in ₹)	(A/B)	2.97	36.85
Diluted earnings per share of face value of ₹ 10/- each (in ₹)	(A/C)	2.97	36.75

32. Ramkrishna Forgings Limited - Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015)

The Board of Directors at its meeting held on August 7, 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 Group, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Group. The same was approved by the members in the 33rd Annual General Meeting of the Group held on September 12, 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the Ramkrishna Forgings Limited Employee Welfare Trust. The Scheme was further amended in the 34th Annual General Meeting held on September 24, 2016 wherein the exercise price per share was reduced from ₹ 505.58 per share to ₹ 400/- per share.

The above granted options shall vest as under:

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



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(All amounts in INR Lakhs, unless otherwise stated)

Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended March 31, 2020 are as follows:

Particulars	March 31, 2020	March 31, 2019
Outstanding at beginning of the year	2,25,188	2,61,217
Granted during the year	-	-
Forfeited / Cancelled during the year	46,873	20,688
Exercised during the year	850	15,341
Outstanding at the end of the year	1,77,465	2,25,188

Particulars	March 31, 2020	March 31, 2019
Range of exercise prices	400.00	400.00
Weighted Average Exercise Price	400.00	400.00

Fair Valuation:

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	March 31, 2020	March 31, 2019
Exercise Price (₹)	400.00	400.00
Risk-Free Interest Rate	7.61%	7.61%
Life of Options Granted	6.11	6.11
Expected Volatility	53.74%	53.74%
Expected Dividend Yield	0.35%	0.35%
Weighted-Average Fair Value per Option (₹)	380.79	380.79

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

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

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

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

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

33. Leases

Operating Leases:

The Group also has certain properties with lease terms of 12 months or less with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Lease rentals recognised in the Statement of Profit and Loss during the year	55.85	98.83

34. Segment information

Operating Segment:

The Group comprises two operating segments namely "Forging components" and "Others" which represents the Group's businesses. The Forgings segment produces and sells forged automobile components and others primarily includes services for tour and travels.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1 Segment Revenue		
Revenue from External Customers		
(i) Forging components	1,10,997.64	1,80,668.73
(ii) Others	10,687.06	12,477.44
Total	1,21,684.70	1,93,146.17
Less : Inter Segment Revenue	(37.52)	(38.54)
Revenue from operations	1,21,647.18	1,93,107.63

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
There are two external customers in the Forging components segment who accounts for more than 10% of the Holding Company's revenue individually.		
2 Segment Results		
Profit before interest and tax		
(i) Forging components	8,956.68	26,165.52
(ii) Others	397.34	426.29
Total Segment Profit	9,354.02	26,591.81
Less: Finance costs	(7,874.79)	(8,218.95)
Profit before tax	1,479.23	18,372.86
3 Segment Assets		
(i) Forging components	2,15,057.47	2,12,989.88
(ii) Others	7,821.88	7,059.29
Total Assets	2,22,879.35	2,20,049.17
4 Segment Liabilities		
(i) Forging components	1,30,120.16	1,27,619.52
(ii) Others	5,159.13	5,183.96
Total Liabilities	1,35,279.29	1,32,803.48
5 Geographical Revenue is allocated based on the location of customers. Information regarding geographical revenue are as follows:		

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India	77,949.27	1,40,167.73
Outside India	43,697.92	52,939.90
Total	1,21,647.18	1,93,107.63



6. Geographical non-current assets (other than financial assets and deferred tax assets) are allocated based on the location of the assets. Information regarding geographical non-current assets is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India	1,41,587.97	1,28,370.44
Outside India	-	-
Total	1,41,587.97	1,28,370.44

35. Contingent Liabilities and Commitments:		As at	
		March 31, 2020	March 31, 2019
A. Contingent Liabilities / Claims against the Group not acknowledged as debts			
(i) Electricity		45.24	45.24
(ii) Excise/Service tax demands - matters under dispute		1,393.00	1,431.15
(iii) Sales tax demands - matters under dispute		264.15	175.76
(iv) Goods and Service Tax - matters under dispute		45.12	45.12
(v) Income tax demands - matters under dispute		-	233.62
(vi) Bank Guarantees		5,567.63	567.63
(vii) Custom duty on Capital goods imported under EPCG Scheme, against which export obligation of ₹ 10,583.43 Lakhs (March 31, 2019 : ₹ 19,353.03 lakhs) is to be fulfilled		1,521.71	1,988.38
B. Capital and other commitments			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance).		25,492.43	16,113.20

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Lease commitments	37.33	13.67
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36. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.	As at	
	March 31, 2020	March 31, 2019
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.		
Principal amount remaining unpaid to any supplier at the end of the accounting year.	88.30	260.44
Interest due on above		-
Total	88.30	260.44
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.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

36.1 Corporate Social Responsibility	As at	
	March 31, 2020	March 31, 2019
Details of CSR Expenditure		
Gross amount required to be spent by the Parent Company during the year	237.49	159.83
Amount spent (in cash) during the year:		
i) Construction acquisition of any asset	-	-
ii) On purposes other than (i) above	256.35	171.40

37. Related Party Disclosures:

Related parties where control exists :

- | | |
|--|---|
| (i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence | <ul style="list-style-type: none"> (i) Riddhi Portfolio Pvt. Ltd. (ii) Eastern Credit Capital (P) Ltd. (iii) Ramkrishna Rail & Infrastructure Pvt. Ltd. (iv) Clifftop Infrabuild Pvt. Ltd. (v) Northeast Infra Properties Pvt. Ltd. (vi) Dove Airlines Private Ltd. (vii) Chaitanya Aviation Private Ltd. (viii) Mahabir Prasad Jalan (HUF) (ix) Naresh Jalan (HUF) (x) Pawan Kumar Kedia (HUF) |
|--|---|

(ii) Key Management Personnel (KMP)

Mahabir Prasad Jalan	Chairman cum Whole Time Director.
Naresh Jalan	Managing Director
Pawan Kumar Kedia	Finance Director
Chaitanya Jalan (Appointment w.e.f. 09.11.2019)	Additional Director
Lalit Kumar Khetan	Chief Financial Officer
Rajesh Mundhra	Company Secretary

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Ram Tawakya Singh

Independent Director *

Padam Kumar Khaitan

Independent Director *

Amitabha Guha

Independent Director *

Yudhisthir Lal Madan

Independent Director *

Aditi Bagri

Independent Director *

Sandipan Chakravorty

Independent Director *

Partha Sarathi Bhattacharyya

Independent Director *

Ranaveer Sinha

Independent Director *

(iii) **Relatives of Key Management Personnel**

Rashmi Jalan

Wife of Naresh Jalan

Alok Kedia

Son of Pawan Kumar Kedia

(iv) **Firm where a Director is a partner**

Khaitan & Co., LLP

Khaitan & Co.

(v) **Trusts managed by the Group**

Ramkrishna Forgings Employee Welfare Trust

Ramkrishna Foundation

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Sl. No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 20120		March 31, 2019	
i.	Riddhi Portfolio Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Rent Paid	6.00	-	6.00	-
			Interest free Deposit given	-	1.50	-	1.50
			Loans Given	1,125.00	620.00	-	-
			Loan Repayment	505.00	-	-	-
			Interest Received / Receivable	14.06	12.66	-	-
			Dividend paid	111.81	-	73.23	-
ii.	Dove Airlines Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Travelling Expenses	-	-	122.18	-
			Claims	360.00	360.00	-	-
iii.	Eastern Credit Capital Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	84.28	-	56.19	-
iv.	Khaitan & Co., LLP	Firm where a director is a partner	Legal fees	-	-	1.91	-
v.	Khaitan & Co.	Firm where a director is a partner	Legal fees	-	-	1.66	-
vi.	Mahabir Prasad Jalan	Key Management Personnel #	Short-term employee benefits	257.84	0.19	228.46	24.57
			Lease Rent paid / payable	-	-	12.00	-
			Commission paid / payable	-	-	100.00	100.00
			Dividend paid	6.77	-	4.51	-
vii.	Mahabir Prasad Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	1.80	-	1.20	-

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as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Sl. No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 20120		March 31, 2019	
viii.	Naresh Jalan	Key Management Personnel #	Short-term employee benefits	142.69	0.22	125.60	14.62
			Post-employment benefits	11.70	-	10.18	0.85
			Other long-term benefits	14.04	-	12.21	1.02
			Lease Rent paid / payable	24.00	-	12.00	-
			Commission paid / payable	-	-	-	-
			Rent paid / payable	6.00	-	6.00	-
			Dividend paid	4.29	-	2.86	-
ix.	Naresh Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	4.03	-	2.69	-
x.	Pawan Kumar Kedia	Key Management Personnel #	Short-term employee benefits	35.54	2.60	44.67	4.18
			Post-employment benefits	2.03	0.17	2.03	0.17
			Other long-term benefits	2.43	0.20	2.43	0.20
			Dividend paid	0.24	-	0.14	-
xi.	Pawan Kumar Kedia (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	0.08	-	0.05	-
xii.	Rajesh Mundhra	Key Management Personnel #	Short-term employee benefits	34.45	2.59	44.25	6.17
			Post-employment benefits	1.50	0.13	1.50	0.13
			Other long-term benefits	1.81	0.15	1.81	0.15
			Dividend paid	0.26	-	0.15	-
			Loan paid	10.00	10.00	-	-
xiii.	Lalit Kumar Khetan	Key Management Personnel #	Short-term employee benefits	74.64	5.80	69.35	5.77
			Other long-term benefits	3.84	0.32	3.82	0.32
xiv.	Ram Tawakya Singh	Key Management Personnel	Sitting Fees	8.35	-	5.80	-
xv.	Padam Kumar Khaitan	Key Management Personnel	Sitting Fees	5.95	-	4.55	-
xvi.	Amitabha Guha	Key Management Personnel	Sitting Fees	8.75	-	5.70	-
xvii.	Yudhisthir Lal Madan	Key Management Personnel	Sitting Fees	10.05	-	6.70	-
xviii.	Ramkrishna Foundation	Trusts managed by the Group	CSR expenses	256.35	-	171.40	-
xix.	Aditi Bagri	Key Management Personnel	Sitting Fees	7.80	-	4.50	-
xx.	Sandipan Chakravorty	Key Management Personnel	Sitting Fees	7.05	-	4.65	-
xxi.	Partha Sarathi Bhattacharyya	Key Management Personnel	Sitting Fees	5.30	-	3.50	-
xxii.	Ranaveer Sinha	Key Management Personnel	Sitting Fees	6.00	-	-	-

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as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Sl. No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at
				March 31, 20120		March 31, 2019	
xxiii.	Rashmi Jalan	Relative of Key Management Personnel	Dividend paid	6.28	-	4.19	-
xxiv.	Chaitanya Jalan	Key Management Personnel #	Short-term employee benefits ##	21.35	0.02	11.09	0.86
			Other long-term benefits	1.15	-	0.58	0.05
			Dividend paid	0.13	-	0.09	-
xxv.	Alok Kedia	Relative of Key Management Personnel	Salary paid	10.71	0.85	11.82	0.96
			Post-employment benefits	0.48	0.04	0.48	0.04
			Other long-term benefits	0.58	0.05	0.57	0.05
			Dividend paid \$	0.00	-	0.00	-
xxvi.	Ramkrishna Forgings Employee Welfare Trust	Trusts managed by the Group	Advance given (net)##	278.01	281.41	184.20	-

Total of remuneration to key management personnel	Nature of transactions	Transaction Amount for the year ended	
		March 31, 2020	March 31, 2019
	Sitting Fees	59.25	35.40
	Short-term employee benefits	545.16	501.24
	Post-employment benefits	15.71	14.19
	Other long-term benefits	23.85	21.42
	Commission paid / payable	-	100.00

Note :

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

* The Independent Directors have been considered as Key Management Personnel only for above reporting as per the requirements of Ind AS 24 - Related Party Disclosures.

\$ Dividend paid to Mr. Alok Kedia ₹ 30/- (March 31, 2019: ₹ 20/-)

*** Expenses receivable includes amount of ₹ 54.54 lakhs paid as legal fees to Khaitan and Co LLP, on behalf of the subsidiary.

Refer Note A(i) in Statement of Changes in Equity Share Capital

Includings salary of ₹ 13.91 lakhs paid for the period April 1, 2019 to November 8, 2019

38. Financial instruments**A. Financial Assets and liabilities:**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	March 31, 2020	March 31, 2019
	Carrying Amount / Fair Value	Carrying Amount / Fair Value
Financial Assets		
Financial assets carried at amortised cost		
Trade receivables (Refer note. 8)	34,639.89	50,959.49
Loans - Non-current (Refer note. 9)	1,377.51	1,250.31
Other Non-current financial assets (Refer note. 10)	71.32	51.81
Cash and Bank balances (Refer note. 15a and 15b)	328.89	316.07

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(All amounts in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2020 Carrying Amount / Fair Value	March 31, 2019 Carrying Amount / Fair Value
Loans - Current (Refer note. 9)	1,378.38	95.51
Other Current financial assets (Refer note. 10)	2,689.10	1,797.83
Total financial assets carried at amortised cost	40,485.09	54,471.02
Financial assets at FVTPL		
Derivative instrument (Refer note. 10)	25.60	892.62
Total financial assets carried at FVTPL	25.60	892.62
Financial assets at fair value through Other Comprehensive Income (OCI)		
Investments (Refer note. 7)	10.50	10.50
Total financial assets carried at fair value through Other Comprehensive Income (OCI)	10.50	10.50
Financial Liabilities		
Financial liabilities carried at amortised cost		
Short term borrowings (Refer note. 18)	40,176.83	36,225.52
Long term borrowings (Refer note. 18)	47,903.26	45,815.70
Lease liabilities (Refer note. 19)	433.62	-
Trade payables (Refer note. 20)	21,396.23	27,906.29
Other Current financial liabilities (Refer note. 21)	15,151.18	12,089.18
Total financial liabilities carried at amortised cost	1,25,061.12	1,22,036.69
Financial Liabilities at FVTPL		
Derivative instrument (Refer note. 21)	763.94	-
Total financial liabilities carried at FVTPL	763.94	-

The management assessed that the fair value of cash and cash equivalents, trade receivables, derivative instruments, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

38B. Fair value hierarchy:

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Note 38B : Fair value hierarchy:

The below table summarises the categories of financial assets and liabilities as at March 31, 2020 and March 31, 2019 measured at fair value:

Financial Asset	Level 1	Level 2	Level 3
At fair value through other comprehensive income as at March 31, 2020			
- Investments	-	-	10.50
At FVTPL as at March 31, 2020			
- Derivative financial instruments	-	25.60	-
At fair value through other comprehensive income as at March 31, 2019			
- Investments	-	-	10.50
At FVTPL as at March 31, 2019			
- Derivative financial instruments	-	892.62	-
At FVTPL as at March 31, 2020			
- Derivative financial instrument	-	763.94	-
At FVTPL as at March 31, 2019			
- Derivative financial instrument	-	-	-

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Fair valuation method and assumptions:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values.

- i) The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.
- ii) The Group has determined the carrying value of the non-current investment as its fair value in the absence of any available observable inputs.
- iii) There has been no transfer between Level 1, Level 2 and Level 3 during the above periods.

39 Financial Risk Management Objectives and Policies:

The Group's principal financial liabilities comprises borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Group. The Group's principal financial assets include trade and other receivables, loans and cash and cash equivalents that derive directly from its operations.

The Group's business activities are exposed to a variety of risks including liquidity risk, credit risk and market risk. The Group seeks to minimize potential adverse effects of these risks on its financial performance and capital. Financial risk activities are identified, measured and managed in accordance with the Group's policies and risk objectives which are summarized below and are reviewed by the senior management.

(A) Credit risk

Credit risk refers to risk of financial loss to the Group if customers or counterparties fail to meet their contractual obligations. The Group is exposed to credit risk from its operating activities (mainly trade receivables).

(i) Credit risk management

(a) Trade Receivables

Customer credit risk is managed by the respective departments subject to the Group's established policies, procedures and controls relating to customer credit risk management. Customer credit risk is managed by the Group through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit rating, regulatory changes, industry outlook etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or reversal thereof.

(b) Deposits and financial assets (Other than trade receivables):

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy.

(B) Liquidity Risk

Liquidity risk implies that the Group may not be able to meet its obligations associated with its financial liabilities. The Group manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and meeting financial liabilities are available in a timely manner and in the currency required at optimal costs. The Management regularly monitors rolling forecasts of the Group's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements.

Additionally, the Group has committed fund and non-fund based credit lines from banks which may be drawn anytime based on Group's fund requirements. The Group endeavours to maintain a cautious liquidity strategy with positive cash balance and undrawn bank lines throughout the year.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Contractual maturity of financial liabilities	Upto 1 year	1 Year to 3 year	3 year to 5 year	More than 5 years	Total
March 31, 2020					
Long Term Borrowings (including current maturities of long term borrowings) **	10,999.07	19,536.68	17,910.06	10,858.63	59,304.44
Current Borrowings	40,176.84	-	-	-	40,176.84

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

Contractual maturity of financial liabilities	Upto 1 year	1 Year to 3 year	3 year to 5 year	More than 5 years	Total
Lease liabilities	62.80	110.52	64.85	195.45	433.62
Trade payables	21,396.23	-	-	-	21,396.23
Other financial liabilities (excluding current maturities of long term borrowings and Forward contract)	4,365.91	-	-	-	4,365.91
	77,000.85	19,647.20	17,974.91	11,054.08	1,25,677.04
March 31, 2019					
Long Term Borrowings (including current maturities of long term borrowings) **	9,365.51	18,121.69	16,552.83	11,689.24	55,729.26
Current Borrowings*	36,225.53				36,225.53
Trade payables	27,906.29	-	-	-	27,906.29
Other financial liabilities (excluding current maturities of long term borrowings)	2,962.53	-	-	-	2,962.53
	76,459.86	18,121.69	16,552.83	11,689.24	1,22,823.61

** The above maturity is based on the total principal outstanding gross of the processing charges of ₹ 615.90 lakhs (March 31, 2019: ₹ 786.92 lakhs)

(C) Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely foreign currency risk, interest rate risk and price risk (for commodities). The above risks may affect the Group's income and expense and profit. The Group's exposure to and management of these risks are explained below:

(i) Foreign currency risk

The Group operates in international markets and therefore is exposed to foreign currency risk arising from foreign currency transactions. The exposure relates primarily to the Group's operating activities (when the revenue or expense is denominated in foreign currency), borrowings in foreign currencies. Majority of the Group's foreign currency transactions are in USD while the rest are in EURO, JPY and GBP. The major imports are only in respect of capital goods. The risk is measured through forecast of highly probable foreign currency cash flows.

The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc, which are mainly in US Dollars, are mitigated through the natural hedge, as Group's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit/ equity of the Group.

(a) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed INR in lakhs, are as follows:

	March 31, 2020				March 31, 2019		
	INR equivalent of				INR equivalent of		
	USD	EUR	JPY	GBP	USD	EUR	GBP
Financial assets							
Trade receivables	20,190.39	2,033.52	-	139.40	22,931.39	3,507.29	693.16
Other financial assets	-	-	-	-	-	15.99	-
Other assets	80.89	276.99	247.83	-	-	-	-
Foreign exchange forward contracts							
Sale foreign currency	(21,226.16)	(1,865.14)	-	-	(21,173.11)	(1,165.09)	-
Net exposure to foreign currency risk (assets)	(954.88)	445.37	247.83	139.40	1,758.28	2,358.19	693.16
Financial liabilities							
Foreign currency loan	7,734.69	10,926.70	113.82	470.04	8,332.99	9,290.49	-
Trade payables and Capital Goods	446.75	20.28	-		169.60	16.45	-
Net exposure to foreign currency risk (liabilities)	8,181.44	10,946.98	113.82	470.04	8,502.59	9,306.94	-
Net exposure to foreign currency risk (Assets- Liabilities)	(9,136.32)	(10,501.61)	134.01	(330.64)	(6,744.31)	(6,948.75)	693.16

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

(b) Foreign currency Rate Sensitivity

A fluctuation in the exchange rates of 1% with other conditions remaining unchanged would have the following effect on Group's profit or loss before taxes as at March 31, 2020 and March 31, 2019:

	Impact on profit before tax [Increase / (Decrease)]	
	FY 2019-20	FY 2018-19
USD sensitivity		
INR/USD- Increase by 1%*	(91.36)	(67.44)
INR/USD- Decrease by 1%*	91.36	67.44
EUR sensitivity		
INR/EUR- Increase by 1%	(105.02)	(69.49)
INR/EUR- Decrease by 1%	105.02	69.49
JPY sensitivity		
INR/JPY- Increase by 1%	1.34	-
INR/JPY- Decrease by 1%	(1.34)	-
GBP sensitivity		
INR/GBP- Increase by 1%	(3.31)	6.93
INR/GBP- Decrease by 1%	3.31	(6.93)

* Holding all other variable constant

(ii) Interest rate risk

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments. The borrowings of the Group are principally denominated in Indian Rupees, Euro and US dollars with a mix of fixed and floating rates of interest. The Group has a policy of selectively using interest rate swaps and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis. The majority of the borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at	
	March 31, 2020	March 31, 2019
Variable rate financial liabilities	95,155.94	83,721.17

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax [Increase / (Decrease)]	
	FY 2019-20	FY 2018-19
Interest Rates - Increase by 50 basis points (50 bps) *	(475.78)	(418.61)
Interest Rates - Decrease by 50 basis points (50 bps) *	475.78	418.61

* Holding all other variable constant

(iii) Commodity Price Risk

Commodity price risk results from changes in market prices for raw materials, mainly steel in the form of rounds and billets which forms the largest portion of Group's cost of sales.

The principal raw materials for the Group products are alloy and carbon steel which are purchased by the Group from the approved list of suppliers. Most of the input materials are procured from domestic vendors. Raw material procurement is subject to price negotiation. Further, a significant portion of the Group's volume is sold based on price adjustment mechanism which allows for recovery of the changed raw material cost from its customers.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

40 Capital management

For the purposes of the Group's capital management, capital includes issued capital, free reserves and borrowed capital less reported cash and cash equivalents. The primary objective of the Group's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value. The Group's policy is to borrow primarily through banks to maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Group. The Group monitors capital on the basis of cost of capital.

Particulars	As at	
	March 31, 2020	March 31, 2019
Borrowings (including interest accrued thereon)	99,418.53	91,697.78
Less: Cash and cash equivalents (Note no. 15)	(264.62)	(210.93)
Net debt (A)	99,153.91	91,486.85
Equity Share Capital	3,260.77	3,260.68
Other equity (excluding ESOP and Capital Reserve)	80,165.31	79,816.15
Total equity (B)	83,426.08	83,076.83
Total capital (A+B)	1,82,579.99	1,74,563.68
Debt- Equity ratio (A / B)	1.19	1.10

No changes were made in the objectives policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

41. Employee Benefits

a) Gratuity plan

Funded scheme

The Group has a defined benefit gratuity plan for its employees ("Gratuity Scheme"). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance Group.

As per Ind AS "Employee Benefits" (Ind AS-19), the disclosures of Employee Benefits as defined in the Standard are given below:

Statement of Profit and Loss :

Net employee benefits expense (recognised in employee cost)

i. Expenses Recognised in the Statement of Profit & Loss	Gratuity (Funded)	
	For the year ended	
	March 31, 2020	March 31, 2019
Current Service Cost	132.87	119.70
Benefit paid directly by the Company	79.59	25.46
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	19.66	7.35
Components of defined benefit cost recognised in Statement of Profit & Loss	232.12	152.51
Actuarial (gains) / losses arising from:		
Change in demographic assumptions	(1.16)	-
Change in financial assumptions	140.48	27.67
Experience variance (i.e. Actual experience vs assumptions)	(84.86)	108.69
Return on plan assets, excluding amount recognised in net interest expense	(4.33)	(2.52)
Components of defined benefit costs recognised in other comprehensive income	50.13	133.84
Total Expense	282.25	286.35

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

ii. Bifurcation of Net Liability	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Present value of Defined Benefits Obligation	1,333.99	1,065.25
Fair value of plan assets	1,124.72	810.52
Net liability	209.27	254.73
Current liability	209.27	254.73
Non-Current liability	-	-
Net liability	209.27	254.73

iii. Changes in the present value of obligation:	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Present value of obligation as at the beginning	1,113.99	802.87
Current service cost	132.87	119.70
Interest expense or cost	85.99	62.58
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	(1.16)	-
Change in financial assumptions	140.48	27.67
Experience variance (i.e. Actual experience vs assumptions)	(84.86)	108.69
Benefits paid	(7.58)	(7.52)

iv. Changes in the Fair Value of Plan Assets during the year:	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Fair Value of Plan Assets as at the beginning	859.25	708.52
Investment Income	66.33	55.23
Employer's Contribution	243.65	92.98
Benefit paid	(3.11)	-
Return on plan assets, excluding amount recognised in net interest expense	4.33	2.52
Fair Value of Plan Assets as at the end of the year	1,170.45	859.25

v. Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Funds managed by Insurer	100%	100%

vi. Actuarial Assumptions	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
Discount rate (per annum)	6.85%	7.80%
Salary growth rate (per annum)	6% for the first two years, 5% for the next three years and 4% thereafter	6% for the first two years, 5% for the next three years and 4% thereafter
Mortality Rate (as % of IALM 2006-08)	100%	100%
Normal retirement age	60 years	60 years
Withdrawal rate (per annum)	2%	2%



Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

vii. Sensitivity Analysis	Gratuity (Funded)			
	As at			
	March 31, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Assumptions				
Discount Rate	1,239.71	1,545.46	1,007.09	1,239.97
Salary Growth Rate	1,547.69	1,235.67	1,242.75	1,003.21
Attrition Rate	1,417.01	1,337.08	1,152.99	1,069.57
Mortality Rate	1,381.10	1,378.32	1,115.52	1,112.44

viii. During the year 2020-2021, the Group expects to contribute ₹ 363.34 lakhs (March 31, 2020: ₹ 383.43 lakhs) to gratuity scheme.

ix. Maturity Profile of Defined Benefit Obligation:

Particulars	Gratuity (Funded)	
	As at	
	March 31, 2020	March 31, 2019
1 year	112.03	104.98
2 to 5 years	296.83	265.48
6 to 10 years	605.41	520.11
More than 10 years	2473.20	2192.94

b) Provident Fund:

In accordance with the law, all employees of the Group are entitled to receive benefits under the provident fund. The Group has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Group has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 527.29 Lakhs (March 31, 2019: ₹ 483.40 Lakhs)

42. Distribution made and proposed to be made

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Dividend on equity shares declared and paid		
For the year ended on March 31, 2019: ₹ 1.50 per share (March 31, 2018 : ₹ 1.00 per share)	489.79	325.92
Dividend distribution tax (DDT) on final dividend	100.70	68.20
Proposed dividend on equity shares :		
For the year ended on March 31, 2020: ₹ Nil (March 31, 2019 : ₹ 1.50 per share)	-	489.79
Dividend distribution tax (DDT) on proposed dividend is ₹ Nil	-	100.70

Proposed dividends on equity shares are subject to approval at the annual general meeting and hence are not recognised as a liability (including DDT thereon).

The Board of Directors of the Parent Company at its meeting held on June 26, 2020 has not recommended any dividend for the financial year 2019-20.

43. Buyback of Equity Shares

The Board of Directors of the Parent Company at its meeting held on March 21, 2020, approved buy-back of Equity Shares of the Parent Company of a maximum size not exceeding ₹ 4,000.00 lakhs at a price not exceeding ₹ 250/- per Equity Share from the members of the Parent Company from the open market through the Stock Exchange Mechanism in accordance with the regulation, provisions contained in the Companies Act, 2013, rules made thereunder and the SEBI (Buy-Back of Securities) Regulations, 2018

The maximum number of shares that can be bought by the Parent Company at the maximum buyback price would be 16,00,000 shares

The maximum buyback size represents 4.81% and 4.82% of the aggregate of the Parent Company's total paid-up equity share capital and free reserves based on the Standalone and Consolidated Audited Financial Statements of the Company as on March 31, 2019. The Parent Company has initiated the process of buy back of shares as envisaged above and is set to complete the same within the prescribed time limit.

No buyback of shares has happened till March 31, 2020 and accordingly no adjustments has been made in the books as at March 31, 2020.

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

44 Group as a lessee

The Group has applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 3.3.(i) of the Accounting Policies.

	March 31, 2020	March 31, 2019
Impact on Balance Sheet (Increase / Decrease):		
Assets		
Leasehold prepayment (refer note 13)	-	(503.10)
Right-of-use assets	880.67	941.49
Liabilities		
Lease liabilities	433.62	443.26

	March 31, 2020
Impact on Statement of Profit and Loss (Increase in Profit)	
Depreciation and amortisation	60.82
Other expenses	(44.31)
Finance cost	34.67
Net expenses for the period	51.18

	March 31, 2020
Impact on Statement of Cash Flows	
Net cash flows used in financing activities	44.31

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

The Group has obtained lands under leasehold / office space agreements for terms ranging from 3 years to 99 years. The Group's obligations under its leases are secured by the lessor's title to the leased asset. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	March 31, 2020
As at April 1, 2019	880.53
Depreciation expense	39.75
As at March 31, 2020	840.78

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	March 31, 2020
As at April 1, 2019	443.26
Accretion of interest	34.67
Payments	(44.31)
As at March 31, 2020	433.62

	March 31, 2020
As at March 31, 2020	
Current	62.80
Non-current	370.83

The maturity analysis of lease liabilities are disclosed in Note 39.

The effective interest rate for lease liabilities is 8.25%, with original lease period ranging from 3 years to 99 years.



Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

The following are the amounts recognised in Statement of Profit and Loss:

	March 31, 2020	March 31, 2019
Depreciation expense of right-of-use assets	60.82	-
Interest expense on lease liabilities	34.67	-
Expense relating to other leases (included in other expenses)	55.85	98.83
Total amount recognised in Statement of Profit and Loss	151.33	98.83

45. The Parent Company has been granted certificate of registration for its in-house research and development unit of its plant located at village Baliguma, P. O. Kolabera, P.S. Saraikele, Dist Saraikele Kharswan, Jamshedpur, Jharkhand, by the Ministry of Science and Technology, Government of India. The below mentioned expenditure are related to research and development facilities of the Parent Company.

Expenditure of research and development	For the year ended	
	March 31, 2020	March 31, 2019
i. Revenue Expenditure		
Raw materials	17.20	18.78
Salary paid to employees	563.57	586.89
Power & Fuel (electricity charges)	3.33	3.57
Miscellaneous expenses	32.26	36.46
Total	616.36	645.70
ii. Capital expenditure	47.83	120.23
Total research and development expenditure	664.19	765.93

46. (a) The operations of the Group were impacted in the month of March 2020 due to temporary shutdown of all plants / offices following nationwide lockdown announced by the Government of India because of COVID-19 outbreak. The management is monitoring the situation closely and has started operating its plants / offices in a phased manner from third week of April 2020. The management has made an initial assessment, based on the current situation, of the likely impact of the lockdown on overall economic environment and forging / travel industry, in particular, based on which it expects the demand to stabilise in due course, as driven by measures expected to be taken by the Government; and further, does not anticipate any challenge in the Group's ability to continue as a going concern or meeting its financial obligations. The Group has additionally, on a prudent basis, assessed its property, plant and equipment for impairment and reassessed the realisability of MAT credit of ₹ 7,064.64 lakhs as on March 31, 2020. Based on projections, future outlook and carrying value of property, plant and equipment, there is no impairment charge that needs to be recognised and further, the management is confident that it will be able to utilise MAT credit against future tax liability.
- (b) The impact of COVID-19 may affect the underlying assumptions and estimates used to prepare the Group's financial statements, which may differ from that considered as at the date of approval of these financial statements. Further, due to higher level of uncertainty, the pandemic may have impact on the Group's operations in future and consequently its financial performance, which are dependent on the improvement in the overall economic environment and the measures taken by the Group to mitigate the impact of the pandemic.

47. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

a) Information as at and for the year ended March 31, 2020

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Ramkrishna Forgings Limited	100.05	87,642.72	99.16	961.45	81.11	(26.95)	99.81	934.50
Subsidiary								
Globe Forex & Travels Limited	1.60	1,401.80	4.34	42.03	18.89	(6.28)	3.82	35.75
Ramkrishna Aeronautics Private Limited	0.01	4.54	(0.18)	(1.75)	-	-	(0.19)	(1.75)
Ramkrishna Forgings LLC, USA	-	-	-	-	-	-	-	-
Total	101.65	89,049.06	103.32	1,001.73	100.00	(33.23)	103.44	968.50
Consolidation Adjustment	(1.65)	(1,449.00)	(3.32)	(32.18)	-	-	(3.44)	(32.18)
Ramkrishna Forgings Limited Consolidated Ind AS Financial Statements	100.00	87,600.06	100.00	969.55	100.00	(33.23)	100.00	936.32

Notes to the Consolidated Ind AS Financial Statements

as at and for the year ended March 31, 2020

(All amounts in INR Lakhs, unless otherwise stated)

b) Information as at and for the year ended March 31, 2019

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Ramkrishna Forgings Limited	100.05	87,290.18	99.33	11,931.08	97.13	(84.58)	99.35	11,846.50
Subsidiary								
Globe Forex & Travels Limited	1.57	1,366.05	0.67	80.57	2.87	(2.49)	0.65	78.08
Ramkrishna Aeronautics Private Limited	0.01	6.08	(0.00)	(0.35)	-	-	(0.00)	(0.35)
Total	101.63	88,662.31	100.00	12,011.30	100.00	(87.07)	100.00	11,924.23
Consolidation Adjustment	(1.63)	(1,416.62)	-	-	-	-	-	-
Ramkrishna Forgings Limited Consolidated Ind AS Financial Statements	100.00	87,245.69	100.00	12,011.30	100.00	(87.07)	100.00	11,924.23

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

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/
E300005
Sd/-
Per Sanjay Kumar Agarwal
Partner
Membership No. 060352
Place : Kolkata
Dated : June 26, 2020

For S K Naredi & Co.
Chartered Accountants
ICAI Firm Registration No.
003333C
Sd/-
Per Abhijit Bose
Partner
Membership No. 056109
Place : Kolkata
Dated : June 26, 2020

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

For and on behalf of the Board of Directors of
Ramkrishna Forgings Limited

Sd/-
Mahabir Prasad Jalan
Chairman
DIN: 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN: 00375557

Sd/-
Naresh Jalan
Managing Director
DIN: 00375462
Sd/-
Lalit Kumar Khetan
Chief Financial Officer
FCA: 056935



[illegible]



Ramkrishna Forgings Limited

CIN : L74210WB1981PLC034281

23, Circus Avenue, Kolkata - 700 017

Telephone: 033-4082 0900/7122 0900, Fax: 033-4082 0998

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