



RAMKRISHNA FORGINGS LIMITED

Date: 20th July 2021

The Secretary, Listing Department BSE Ltd P J Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 532527	The Manager, Listing Department National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G Bandra-Kurla Complex, Bandra Mumbai - 400 051 Symbol: RKFORGE
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Sub - Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Rating Assigned

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. We wish to inform you that India Ratings & Research Private Limited has assigned credit rating on the bank facilities of the company.

The details of credit ratings are mentioned hereunder:

Instrument Type	Size of Issue (million)	Rating	Rating Action
Term loan	Rs. 7,225	IND A/Stable	Assigned
Fund-based working capital limits	Rs. 6,250	IND A/ Stable/IND A1	Assigned
Non-fund-based working capital limits	Rs. 3,500	IND A1	Assigned

Kindly take the above on your record.

Also, please find attached the Press Release issued by the Company on the same.

Thanking You.

Yours Truly,
For Ramkrishna Forgings Limited


Company Secretary



REGISTERED & CORPORATE OFFICE

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CIN NO. :L74210WB1981PLC034281



**India Ratings Assigns Ramkrishna Forgings' Bank Facilities at
'IND A' / 'IND A1'; Outlook Stable**

19th July 2021, Kolkata: Ramkrishna Forgings Limited has been assigned 'IND A'; Outlook Stable rating by India Ratings & Research for its Bank facilities. Details of ratings is as follows.

Instrument Type	Rating	Rating Action
Term loan	IND A/Stable	Assigned
Fund-based working capital limits	IND A/ Stable/IND A1	Assigned
Non-fund-based working capital limits	IND A1	Assigned

Rating Rationale

Improving Business Profile: Over FY18-FY21, RKFL has been working on de-risking its business model from domestic commercial vehicle (CV) segment, by diversifying across different segments, customers and geographies. The domestic CV operations contributed about 42% to RKFL's consolidated revenues in FY21 (FY20: 46%) while CV exports accounted for 41% (36%). While RKFL's consolidated revenue from domestic operations was largely flat in FY21, the 6% yoy growth in the overall revenues was mainly led by a 20% yoy increase in exports. Over FY20-FY21, the company has added customers in Europe, started exporting to South America and started supplying to the US for Class 5 trucks as well in addition to its existing supplies of Class 8 trucks. The management has identified Europe and South America as the two focus regions and expects the exports contribution to increase over the medium term.

In the domestic operations, the company is looking at diversifying into light CV segment, which is concentrated towards MHCVs. RKFL is also working on increasing its product offerings in the railways segment, which could support revenue growth FY23 onwards. Also, during FY20-FY21, the company launched products across business segments which has enhanced its product basket with existing clients and will also help add clients in the domestic and export markets.

Further Improvement in EBITDA Margins Expected FY22 Onwards: Ind-Ra expects the consolidated EBITDA margins to improve by 200-250bp yoy in FY22, driven by improving operating leverage, various cost cutting measures adopted by the company, and improving realisations in both domestic and export markets. The agency believes that RKFL could sustain around 20% EBITDA margins over the medium term, given the increasing revenue contribution of the higher margin export business and ramp-up of the margin-accretive press line.

RKFL's consolidated EBITDA margins expanded to 17.3% in FY21 (FY20: 17%), despite recording an EBITDA loss in 1QFY21 (INR48 million). The margin improved as a result of the improved operating efficiencies from 2QFY21, cost reduction measures as well as increasing contribution from exports. The company has also undertaken price hikes over 4QFY21-1QFY22, in both its domestic and export customers to pass on raw material price increases. The EBITDA margins remained strong at 17%-20% over FY17-FY21, mainly attributed to its new product/ value additions.

Large Capex to Boost Expansion: During FY20, RKFL announced its capex plan to incur about INR3,600 million over FY20-FY21 towards adding three new press lines to increase its total capacity to about 187,000 tonnes, once fully commissioned (FY20: 150,000 tonnes). Of this, around INR3,000 million was incurred over FY20-FY21 and the remaining would be incurred in FY22, largely debt-funded. While two of these facilities are operational, the third is likely to be operational by August 2021. Ind-Ra does not expect any major incremental debt in FY22, as the

size of capex is small. The agency also expects the company to benefit from this increased capacity as the facilities ramp-up with a likely improvement in the CV industry by 2HFY22.

The detailed rating rational is available at the below link:

<https://www.indiaratings.co.in/PressRelease?pressReleaseID=55592&title=India-Ratings-Assigns-Ramkrishna-Forgings%E2%80%99-Bank-Facilities-%E2%80%98IND-A%E2%80%99%3B-Outlook-Stable>

Commenting on the ratings Mr. Lalit Khetan, Executive Director & CFO, Ramkrishna Forgings Limited said:

“Assignment of IND A and IND A1 ratings with Stable outlook to our bank facilities by India Ratings is a testimony to our continual multi-pronged improvement in our business operations. The improvement in ratings as compared to our previous ratings will enable us to reduce our rate of interest on our banking facilities leading to lowering of our finance cost going forward.”

About Ramkrishna Forgings Limited

Ramkrishna Forgings was Incorporated in 1981 with the objective to manufacture forged products. The Annualized installed capacity after commissioning of Hollow Spindle Line and new 7000 Ton Press Line is 177,000 MT. With headquarters at Kolkata, the company has state-of-the-art manufacturing facilities at Jamshedpur and Howrah along with offices at Detroit in USA and Toluca in Mexico besides having warehousing facilities at Hagerstown, Louisville, Detroit in USA and Toluca and Monterrey in Mexico, Over the years, the company increased its forging and die making capacities and added machining and heat treatment facilities, including isothermal annealing, which enabled it to undertake manufacturing of components for OEMs and Tier 1 companies, The Company is certified in terms of TS 16949, OSHAS 18001 and ISO 14001 and is a manufacturer of supplier of open and closed die forgings of carbon and alloy steel, micro alloy steel and stainless steel forgings which can be supplied in As Forged + Heat Treated + Machined and Fully assembled condition as per the customer's requirement.

The Company is suppliers to various sectors like Automotive, Railways, Farm Equipment, Bearings, Oil & Gas, Power and Construction, Earth Moving & Mining, both in India & overseas markets. The Company is a critical safety item supplier for Screw Coupling, Bolster suspension, Side frame keys and Draw Gear Assembly for Railway Coaches and wagon. It is a preferred supplier to OEM's like TATA Motors, Ashok Leyland, VE Commercial and Daimler in India and to Volvo, Mack Trucks, Iveco, Ford in the overseas markets. It supplies globally to Tier 1 axle manufacturers like Dana, Sisamex, Meritor and American Axles.

Safe Harbour

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact:

Company:	Investor Relations Advisor:
 <p>Ramkrishna Forgings Ltd. CIN: L74210WB1981PLC034281 Mr. Lalit Kumar Khetan Executive Director & CFO E: lalit.khetan@ramkrishnaforgings.com www.ramkrishnaforgings.com</p>	 <p>Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285 Mr. Kunal Bhoite / Mr. Jigar Kavaia E: kunal.bhoite@sgapl.net / jigar.kavaia@sgapl.net T: #91 9833217607 / +91 9920602034 www.sgapl.net</p>