

BUILDING FUTURE CAPABILITIES



Ramkrishna Forgings Limited

ANNUAL REPORT 2014-15

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Ramkrishna Forgings Limited
ANNUAL REPORT 2014-15



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Corporate Information

CIN

L74210WB1981PLC034281

DIRECTORS

Mr. Mahabir Prasad Jalan
Chairman

Mr. Naresh Jalan
Managing Director

Mr. Pawan Kumar Kedia
Wholetime Director

Mr. Padam Kumar Khaitan
Independent Director

Mr. Satish Kumar Mehta
Independent Director

Mr. Ram Tawakya Singh
Independent Director

Mr. Yudhisthir Lal Madan
Independent Director

Mr. Ravi Lekhrajani
Nominee Director
(Resigned w.e.f 15.01.2015)

Mr. Amitabha Guha
Additional Independent Director
(Appointed on 14.08.14)

Ms. Aditi Bagri
Additional Independent Director
(Appointed on 01.11.14)

CHIEF FINANCIAL OFFICER (CFO)

Mr. Alok Kumar Sharda

COMPANY SECRETARY

Mr. Rajesh Mundhra

REGISTERED AND CORPORATE OFFICE

"Ramkrishna Chambers"
72, Shakespeare Sarani
Kolkata -700 017
Telephone : 033-39840900
Fax : 033-39840998
Email id : neha.gupta@ramkrishnaforgings.com

WORKS

- i) Plot No. M-6, Phase-VI, Gamaria, Jamshedpur-832 108
- ii) 7/40, Duffer Street, Liluah, Howrah-711 204
- iii) Plot No. M-15, 16 & NS-26, Phase VII, Adityapur Industrial Area, Jamshedpur-832109
- iv) Baliguma, Kolabira, Saraikela, Kharsawan – 833220

STATUTORY AUDITORS

M/s Singhi & Co
1B, Old Post Office Street,
Kolkata- 700 001

INTERNAL AUDITORS

M/s. Deloitte Haskins & Sells
Bengal Intelligent Park, Building Alpha,
1st Floor, Block-EP & GP, Sector-V
Salt Lake Electronics Complex,
Kolkata - 700091

COST AUDITORS

M/s U. Sharma & Associates
Cost & Management Accountants
Hotel Mayur Building, 1st floor,
Diagonal Road, Bistupur,
Jamshedpur-831001

SECRETARIAL AUDITORS

M/s MKB and Associates,
Company Secretary in Practice
Shantiniketan, 5th Floor, Room No.511,
8 Camac Street, Kolkata-700017

PRINCIPAL BANKERS

State Bank of India
IDBI Bank Limited
Export Import Bank of India
DBS Bank Limited
DCB Bank Limited
ICICI Bank Limited
Standard Chartered Bank
RBL Bank
Karur Vysya Bank
Federal Bank Limited
International Finance Corporation
Landesbank Baden, Wurttemberg

REGISTRAR AND

SHARE TRANSFER AGENTS

M/s Karvy Computershare (P) Ltd
Karvy Selenium Tower B,
Plot 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad - 500 032
Ph : 040 - 6716 1565
E mail : einward.ris@karvy.com
Website : www.karvycomputershare.com

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Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 33rd Annual Report of your Company along with the Audited Accounts for the financial year ended 31st March, 2015.

Financial Highlights 2014-2015

(₹ in Lacs)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Sales and Operating Income (Net)	74,075.95	42,952.78
Other Income	573.32	238.69
Profit before Interest, Depreciation & Tax (incl Exceptional Item)	13,993.38	5,996.47
Finance Cost	3,029.55	2,226.38
Depreciation	3,121.65	2,491.79
Profit Before Tax (before Exceptional Items)	7,095.96	1,278.30
Exceptional Items	746.22	-
Profit Before Tax	7,842.18	1,278.30
Provision for taxation :		
- Current Tax	1,642.00	526.00
- MAT Credit Entitlement	(1,642.00)	-
- Deferred Tax	353.99	(93.08)
- Tax adjustments for earlier years (Net)	14.61	0.12
Profit After Tax	7,473.58	845.26
Add: Surplus Brought Forward	9,685.51	9,195.60
Surplus available	17,159.09	10,040.86
Appropriations :		
Dividend and Tax on Dividend paid for 2014-15		
- Transfer to General Reserve	750.00	50.00
- Dividend	549.40	260.99
- Tax on Distributed profits	109.85	44.36
Balance carried to Balance Sheet	15,749.84	9,685.51

Directors' Report (Contd.)

State of Company's Affairs and Future Outlook

Financial Performance

- Net Sales increased by 72.46% from ₹ 42952.78 Lacs in 2013-14 to ₹ 74075.95 Lacs in 2014-15.
- Export Sales increased by 241.85% from 10274.72 Lacs in 2013-14 to ₹ 35123.71 Lacs in 2014-15.
- EBITDA (excluding exceptional items and other income) increased by 107.16% from ₹ 5,757.77 Lacs in 2013-14 to ₹ 11,927.61 Lacs in 2014-15.
- PAT increased by 784.18% from ₹ 845.26 Lacs in 2013-14 to ₹ 7473.58 Lacs in 2014-15.

The sales in domestic CV industry has shown some signs of recovery in FY 2015. It closed the fiscal at 614961 units, reflecting a 2.83% de-growth over the previous year – a significant improvement over the 20.23% de-growth in 2013-14.

Within the CV space, the Medium & Heavy Commercial Vehicle (M&HCV) Truck segment has in fact posted a positive growth. While the M & HCV segment has been witnessing strong demand (up 16.02% YoY) on back of replacement demand (following two years of deferment) and capacity addition by organized fleet operators to some extent.

The LCV Truck segment experienced sluggish trends (down 11.57% YoY) as significant capacity addition over the past few years and constrained financing environment amidst rising delinquencies continued to challenge the segment.

The bus segment, which contributes nearly more than 10% to industry sales, also started witnessing an improvement from Q3 FY15 onwards after various State Road Transport Undertakings (SRTUs) started placing orders for new buses as part of the JNNURM II programme.

The production of medium & heavy commercial Vehicles (M&HCVs) segment registered a growth at 21.21% during the year 2014-15 and Light Commercial Vehicles registered a de- growth of 10.25%.

In USA the Vehicle registrations increased for a record sixth year running in 2014, with registrations of passenger cars and light commercial vehicles reaching 16.4m units. This was the highest total since 2006 and a 5.7% increase from the previous year. The US accounts for around one-fifth of global automotive sales. New medium and heavy commercial vehicle registrations have recovered strongly from the lows recorded following the global financial crisis, although the pace of growth slowed to single digits in 2012-14, partly owing to the higher baseline.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Operational Highlights

Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 33267 tons during the year under review as compared to 23466 tons last year registering an increase of about 41.75%. The Company has installed a new 6 inch upsetter during the last quarter of 2014-15 which has enhanced the forgings capacity by around 8000 tons. The Company has the state-of-art of CNC Machining and Gear Cutting Facilities in which it has achieved accuracies of DIN 3962 (Class 8 to 9) in Hobbing Stage, DIN 3962 (Class 7) in Shaving Stage, DIN 3962 (Class 9) in Hard Stage. The Company has made 167 new product development in the CNC machining, 13 new development in Gear cutting and 10 items in the VMC/HMC section, which has helped to enhance the product basket with existing clients and add new clients in the domestic market and more pre-dominantly in the export sector.

Ring Rolling Line

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

The Company has produced 22645 tons during the year as compared to 17794 tons last year thus registering an increase of about 27.25%. It has achieved a capacity utilisation of around 94% during the year as compared to around 74% last year on account of good export demand and demand from the domestic commercial vehicle segment.

Directors' Report (Contd.)

The Company has developed 90 new products during the year and out of that 76 new parts are towards export. The Company has been able to enhance its export portfolio by adding new clients and enhancing its product range which helped it to augment the export market of the Company.

Press Facility

The Company has commissioned 3150 ton Pressline and 4500 ton Pressline on 21st July, 2014 which translates into 17500 MT of the Installed Capacity.

During the year the Company has achieved a production of 5596 tons and achieved a capacity utilisation of around 46 %.

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

Future Outlook

M&HCV (Truck) segment : This segment is likely to register a growth of 12-14% in FY 2016 driven by continuing trend towards replacement of ageing fleet and expectations of pick-up in demand from infrastructure and industrial sectors in view of reforms being initiated by the Government. Over the medium term, the demand for new CVs will also be driven by gradual acceptance of advance trucking platforms, progression to BS-V emission norms (possibly by 2017 onwards) and introduction of technologies such as Anti-Lock Braking System (ABS), which may lead to some advance purchases by fleet operators.

As the global economy recovers, commercial vehicle registrations should gather strength. It is expected to rise by 2.1% in 2015 and accelerate into 2016 and beyond, taking the annual average growth to 4.7% over 2015-19. This growth will be driven by rising business confidence, bolstered by the unexpected decision to keep interest rates low in most developed markets. Low global oil prices could also encourage a rise in freight traffic against other shipping methods.

Transfer to Reserves

Your Company proposes to transfer ₹ 750.00 Lacs to General Reserve out of the amount available for appropriation and an amount of ₹ 15749.84 Lacs is proposed to be carried over to balance sheet.

Dividend

In view of good performance of your Company, your Directors are pleased to recommend a dividend of ₹ 2 per share for the year 2014-15. The total payout on dividend (including dividend tax), if the dividend is approved by the members at the Annual General Meeting, will be ₹ 659.25 Lacs during the year under review.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid to shareholders whose names appear on the register of shareholders at the close of business on 4th September, 2015 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

Share Capital

During the year the Board of Directors have at its Meeting held on 14th July, 2014 issued and allotted 12,00,000 warrants with an option to subscribe upto 12,00,000 Equity Shares of ₹ 10 each to M/s Riddhi Portfolio (P) Limited, Promoter group, on a preferential basis at a price of ₹ 150 per share.

Further, out of the Warrants issued on 19.01.2013, the Board has allotted 13,70,500 equity shares on 18.07.2014 by conversion of warrants to M/s. Eastern Credit Capital Pvt Ltd, promoter group at a price of ₹ 130 per share on a preferential basis.

On account of this allotment to M/s. Eastern Credit Capital Pvt Ltd, promoter group, the Issued, Subscribed and Paid up Share capital has been increased to ₹ 27,46,99,400 consisting of 2,74,69,940 Equity Shares of ₹ 10.

Project

The Company had embarked upon a project to manufacture front axle beams, crankshafts, stub axles and connecting rods (Products) on press lines. The Project consists of 12500 Ton pressline imported from SMS, GmbH, 6300 Ton pressline, 4500 Ton press line and 3150 ton pressline. It also includes installation of state of the art Machining Centers and Heat Treatment facilities for supply of the machined Products. The Project will enhance the forging capacity of the Company by 80000 Tons.

Directors' Report (Contd.)

The Company has already commenced commercial production of 3150 Ton pressline and 4500 Ton pressline on 21st July, 2014. The Company has also commenced hot trails of 12500 ton pressline from 10th May, 2015

Pollution Control Measures

Your Company has installed adequate pollution control equipment in all its units as per the legal requirement and has the requisite approvals from the concerned authorities.

Credit Rating

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

Details of Directors and Key Managerial Personnel

(A) Appointment of Independent Directors

Mr. Amitabha Guha and Ms. Aditi Bagri have joined the Company as Additional Independent Directors on 14.08.2014 and 1.11.2014 respectively for a period of 5 years. Their appointment will be placed for approval by the members at the forthcoming Annual General Meeting. As per the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company is required to have atleast one Woman Director on its Board. The Company complies with the aforesaid requirement with the appointment of Ms. Aditi Bagri.

(B) Statement on declaration given by Independent Directors under sub-section (6) 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 Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

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

(C) Familiarization Programme undertaken for Independent Directors

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://ramkrishnaforgings.com/familiarisatio%20n-program-of-independent-directors.pdf>.

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

Mr. Ravi Lekhrjani, Nominee Director, resigned from the Directorship of the Company with effect from 15th January, 2015 as per the stipulations of Shareholders Agreement. Your Directors places on record the valuable contributions of Mr. Ravi Lekhrjani towards the progress of the Company during his association with the Company.

(E) Re-appointment of Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 Mr. Naresh Jalan and Mr. Satish Kumar Mehta, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. Their appointment will be placed for approval by the members at the Annual General Meeting .

(F) Key Managerial Personnel

The Board of Directors at its meeting held on 19th May, 2014, recognised and noted the Key managerial personnel pursuant to Section 203(1) of the Companies Act, 2013. No changes in the Key Managerial Personnel position took place during the year under review.

Remuneration Policy

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

Directors' Report (Contd.)

Performance Evaluation

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

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 2015, 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 2014-2015 and of the profit or loss 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 2014-2015 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; and
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Subsidiaries

The Company has one Subsidiary i.e. Globe Forex & Travels Limited. It is a wholly owned subsidiary of the Company and is in Travelling, MICE & Leisure business. A brief operational performance is as below :

(₹ in Lacs)

Particulars	2014-15	2013-14
Revenue from operations	1,144.48	781.56
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	355.78	194.35
Less :		
Interest	226.61	163.03
Depreciation & Amortization	42.15	15.65
Provision for Taxation	19.65	15.22
Net Profit	67.37	0.45

In accordance with the Accounting Standard AS-21 on consolidated financial Statements the audited consolidated financial statements are provided in the Annual Report. In addition the financial data of the subsidiary has been furnished under note 38 of the Consolidated Financial Statements and forms part of this Annual Report.

The Annual accounts of the subsidiary and other related detailed information will be kept at the Registered Office of the Company and also at the Registered Office of the subsidiary company and will be available to the investors seeking information at any time during the working hours of the Company except Saturday. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available at our website at www.ramkrishnaforgings.com.

Directors' Report (Contd.)

A Policy has been formulated for determining the Material Subsidiaries of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges. The said Policy has been posted on the Company's website at the weblink <http://ramkrishnaforgings.com/material-subsiadiary-company-policy.pdf>.

However the 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 2014-2015.

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

Auditors

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

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit Report is given as **Annexure B** forming part of this Report.

With regard to the qualification in the Secretarial Audit Report, the Management would like to state that the Chairman of the Audit Committee could not attend the Annual General Meeting held on 17th of June, 2014 as he was out of India. Similarly, the Chairman of the Nomination and Remuneration Committee could not attend the Annual General Meeting of the Company because of his ill health.

Cost Auditors

As per Section 148 and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee had appointed M/s. U. Sharma and Associates, Cost Accountants, as Cost Auditors to carry out the audit of the Cost Records of the Company for the Financial Years 2014-15 and 2015-2016. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. The remuneration payable to M/s. U. Sharma & Associates, Cost Accountants, will be placed for approval by the members at the Annual General Meeting.

Risk Management Policy

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

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. The Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information. Pursuant to the provisions of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules 2014 M/s. Deloitte, Haskins & Sells are appointed as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting.

Directors' Report (Contd.)

Corporate Social Responsibility Policy

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

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

Your Company has launched two Programs under its CSR activity i.e Ramkrishna Jan Kalyan Yojana (RJKY) & Ramkrishna Shiksha Yojana (RSY).

Under the RJKY program, the Company among other things also intends to set up and run a Medical Centre in the Seraikela Kharsawan district in the State of Jharkhand which is supposed to have a full time doctors, Nurses, Medicine Shop and basic medical facilities and under the RSY Program, the Company intends to build and run a school so that the children of that region can be provided quality education at reasonable cost. Significant time was consumed in identification of the location and purchase of land for the medical centre and to finalise the modalities for setting up of the school. Thus the company could not spend any amount in CSR.

However the Company has during 2015-16 has already purchased land for the medical centre and have already spent ₹ 18.60 Lacs towards CSR expense.

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

The details of the CSR Activities are given as **Annexure C** forming part of this Report.

Related Party Transactions

The Company has formulated a Policy on dealing with Related Party Transactions. The Policy is disclosed on the website of the Company at the weblink: <http://ramkrishnaforgings.com/policy-for-transactions-with-related-parties.pdf>. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year were in the ordinary course of business and on an arms length basis. There are no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related Party transaction in Form AOC-2 is enclosed and marked as **Annexure D**.

All related party transactions are placed before the Audit Committee for its approval. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under **Note No. 34** of the Standalone Financial Statements.

Stock Exchange

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

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

The Annual Listing Fees for the year 2015-16 are paid to both the stock exchanges where the shares of your Company are listed.

Management's Discussion And Analysis Report

Management's Discussion and Analysis Report for the year under review under Clause 49 of the Listing Agreement with the Stock Exchange in India is presented in the separate section and forms part of the Annual Report.

Corporate Governance

Adoption of Best ethical business practices in the Company within the regulatory framework is the essence of good Corporate Governance. On one hand good Corporate Governance calls for accountability of the persons who are at the helm of affairs of the Company and on the other hand it also brings benefits to all stakeholders of the Company such as investors, customers, employees and the society at large. Your Company continues to believe in such business practices and gives thrust on providing reliable financial information, maintenance of transparency in all its business transactions and ensuring strict compliance of all applicable laws.

Directors' Report (Contd.)

The report of Corporate Governance as stipulated under clause 49 of the Listing Agreement 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 the aforesaid clause 49, is attached with the corporate governance report.

Disclosures

a) Meetings of Board of Directors

During the financial year ended 31st March, 2015, 7 (Seven) Board Meetings were held during the financial year under review on 19.05.2014, 30.06.2014, 14.07.2014, 18.07.2014, 14.08.2014, 01.11.2014 and 31.01.2015. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

b) Meetings of Independent Directors

According to Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors was held on 31st January, 2015. In the meeting, the Directors reviewed the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

c) Particulars of Loan & Investment

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement. The details of loans, guarantees and Investments have been provided in Note no. 13(i), 14 and 44 to the Standalone Financial Statements.

d) Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act is given in **Annexure – E** to this Report.

e) Extract of the Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in Form MGT-9 is given in **Annexure – F** to this Report.

f) Particulars of Employees and related disclosures

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

g) Whistle Blower Mechanism

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

h) Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has transferred Rs. 32,341 to the Investor Education and Protection Fund being the unpaid and unclaimed Dividend amount for the financial year 2006-2007. Amount of dividend lying unclaimed and unpaid for the last 7 years as on 31st March, 2015 have been disclosed in the Corporate Governance Report.

Directors' Report (Contd.)

Committees :

The Company has also formulated the under-mentioned Committees.

a) Audit Committee :

The Audit Committee of the Company consists of 3 Independent Directors - Mr. Yudhisthir Lal Madan, Mr. Amitabha Guha and Ms. Aditi Bagri. The Company Secretary acts as the Secretary of the Committee. The terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

b) Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 consisting of Mr. Padam Kumar Khaitan, Mr. Yudhisthir Lal Madan and Mr. Satish Kumar Mehta. The Company Secretary acts as the Company Secretary of the Committee. The Terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

c) Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Company was formed as mandated by Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders of the Company. The Committee consists of Mr. Satish Kumar Mehta and Mr. Yudhisthir Lal Madan as its members. The Company Secretary acts as the Secretary of the Committee. The Terms of reference of the Stakeholder Relationship Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

General

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

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 : 7th August, 2015

On behalf of the Board

Mahabir Prasad Jalan
Chairman

Annexure to the Directors' Report

ANNEXURE A

(Remuneration Policy of Ramkrishna Forgings Limited for the member of Board and Executive Management)

1. Preamble

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "**Executives**"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.2 The policy would be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

2. Aims & Objectives

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows :
 - 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level;
 - 2.1.2 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations;
 - 2.1.3 The remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle;
 - 2.1.4 The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

- 3.1 **Support for Strategic Objectives** : Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 **Transparency** : The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 **Internal equity** : The Company shall remunerate the board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 **External equity** : The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 3.5 **Flexibility** : Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 **Performance Driven Remuneration** : The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 **Affordability and Sustainability** : The Company shall ensure that remuneration is affordable on a sustainable basis.

4. Nomination and Remuneration Committee

- 4.1 The Remuneration and Compensation Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be Independent Directors.

Annexure to the Directors' Report (Contd.)

4.2 The Committee shall be responsible for

- 4.2.1 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;
- 4.2.2 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;
- 4.2.3 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;
- 4.2.4 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;

4.3 The Committee shall :

- 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
- 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
- 4.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:

- 4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
- 4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and
- 4.4.3 review the terms of executive Directors' service contracts from time to time.

5. Procedure for selection and appointment of the Board Members

5.1 Board membership criteria

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

Annexure to the Directors' Report (Contd.)

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

6 Procedure for selection and appointment of Executives other than Board Members

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market;
- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- 6.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7 Compensation Structure

(a) Remuneration to Non-Executive Directors :

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid presently to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors is ₹ 20,000/- per meeting and ₹ 10,000/- per meeting respectively. However, sitting fees for attending Nomination and Remuneration Committee meetings is ₹ 5,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission.

The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

(b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board.

As a policy, the Executive Directors are neither paid sitting fee nor any commission.

Annexure to the Directors' Report (Contd.)

8 Role of Independent Directors

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval;
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and Employees and have a prime role in appointing and where necessary recommend removal of executive directors and Employees;
- 8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

9 Approval and publication

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval;
- 9.2 This policy shall be hosted on the Company's website;
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10 Supplementary provisions

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors;
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption;
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

Annexure to the Directors' Report (Contd.)

ANNEXURE - B

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s 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.

Based on the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 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.

I 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, 2015, 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 Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ('SEBI Act'), 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, 1992.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 - e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- vi) The following laws that are specifically applicable to the Company as identified by the Management:
 - a) Indian Explosives Act, 1884.
 - b) The Gas Cylinders Rule, 2004.
 - c) Standards of Weights & Measures (Enforcement) Act 1985.
 - d) Petroleum Act 1934 and Rules there under.

Annexure to the Directors' Report (Contd.)

- e) Indian Electricity Act & Rules.
- f) Hazardous Wastes (Management & Handling) Rules 1989.
- g) Jharkhand Municipal Corporation Act.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during the Audit period.)**
- b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *except provisions of Section 178(7) of the Companies Act, 2013 and Clause 49(III) (4) of the Listing Agreement as the chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee or any other member of the committee authorized by him were not present in the Annual General Meeting of the Company held on 17th June 2014.*

I 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.

I 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.

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

- i) Increase in borrowing limits under Section 180(1) (c) of the Companies Act, 2013.
- ii) Sell, lease or dispose off, whole or substantially the whole of the undertaking of the Company under Section 180(1) (a) of the Companies Act, 2013.

I further report that during the Audit period:

- i) 12,00,000 warrants were issued and allotted on preferential basis to M/s Riddhi Portfolio Private Limited., a promoter group company, with an option to subscribe upto 12,00,000 Equity Shares of Rs.10 each, as per SEBI (Issue of Capital and Debenture Requirements) Regulations, 2009, Section 42 and Section 62 of the Companies Act, 2013 read with applicable Rules made thereunder.
- ii) 13,70,500 equity shares were allotted to M/s Eastern Credit Capital Pvt. Ltd. pursuant to conversion of 13,70,500 warrants issued in terms of Chapter VII of SEBI (ICDR) Regulations, 2009 and Section 81(1A) of the Companies Act, 1956.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
Proprietor

Date : 21.07.2015
Place : Kolkata

ACS no. 11470
COP no. 7596

Annexure to the Directors' Report (Contd.)

ANNEXURE - C

Annual Report on Corporate Social Responsibility (CSR) Activities

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

1. Introduction

As per the Companies Act, 2013, all companies having net worth of Rs. 500 crores or more or turnover of Rs.1,000 crores or more or a net profit of Rs. 5 crores or more during any Financial Year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more Directors, at least one of whom shall be an Independent Director. Aligning with the guidelines of the Section 135 of the Companies Act, 2013 and the Rules framed there under, we have constituted a Committee, which is responsible for formulating and monitoring the CSR Policy of the Company.

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

Corporate Social Responsibility (CSR) embodies the various initiatives and programs of ("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 2014-15.

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

The Committee has adopted a Policy with the objective of :

- Recommendation of the Project/Programme to be undertaken within the long term vision and strategy of the Company in respect of CSR activities, amount of expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders, etc,
- Formulation of a monitoring mechanism for ensuring implementation of the Projects/ Programmes undertaken or the end use of the amount spent by it towards CSR activities.

Constitution of the CSR Committee :

The Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more directors, out of which at least one shall be an Independent Director.

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

Monitoring

CSR Committee will institute a transparent monitoring mechanism for implementation of CSR Projects or programmes undertaken by the Company or through other institutes.

Dissemination and Information

The CSR Committee will report to the Board of Ramkrishna Forgings Limited from time to time the status of the CSR projects/activities undertaken by it along with the report on the impact created by such projects/activities.

Annexure to the Directors' Report (Contd.)

- b. Average Net Profit of the Company for the last three Financial Year : 2241.07 Lacs.
- c. Prescribed CSR Expenditure (two percent of the amount as in Item b above) : 44.82 Lacs.
- d. Details of CSR spent during the financial year :
- Total Amount to be spent for the financial year : ₹ 44.82 Lacs.
 - Amount unspent, if any : ₹ 44.82 Lacs.
 - 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	Amount spent on the Projects or Programs (1) Direct Exp. (2) Over head	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
			NA				

- e. 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.

The Company has launched two Programs under its CSR activity:

- Ramkrishna Jan Kalyan Yojana (RJKY).
- Ramkrishna Shiksha Yojana (RSY)

Under the RJKY program, the Company intends to set up and run a Medical Centre in the Seraikela Kharsawan district in the State of Jharkhand (Area) which is supposed to have a full time doctors, Nurses, Medicine Shop and basic medical facilities. The Company aims to provide basic medical facilities for the inhabitants of that area at a very nominal and reasonable cost. This is expected to provide immense help to them as proper medical facilities can become accessible to them at a very nominal cost. The Company has acquired land in the month of July, 2015 for this purpose at a cost of ₹ 10 Lacs and the construction has already started for the medical center. The same is expected to be completed and become fully operational by 3rd quarter of 2015-16.

The Company aims to mitigate the water problem and make water available to the inhabitants of that Area from accessible areas. The Company has installed 12 deep tubewells in the area in the 1st quarter of 2015-16 and has incurred a cost of ₹ 8.60 Lacs.

Under the RSY Program, the Company intends to build and run a school so that the children of that region can be provided quality education at reasonable cost. The Company will be subsidising the cost of the operation of the school and will also incur the expenses in that regard.

Significant time was consumed in identification of the location and purchase of land for the medical center. The Modalities for setting up of the school are in the process of being finalised. Hence no money was spent in the year 2014-15 on CSR activities. However the Company will incur the aggregate amount it is required to spend for CSR activities in 2014-15 and 2015-16 in the financial year 2015-16.

The Company has already spent ₹ 18.60 Lacs in the year 2015-16 towards its CSR commitment towards this project.

- f. The CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Dated : 7th August, 2015
Place : Kolkata

R. T. Singh
(Chairman of the Committee)

Mr. Naresh Jalan
(Managing Director)

18	Directors' Report	Annexure to Directors' Report	Management Discussion and Analysis	Corporate Governance Report
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Annexure to the Directors' Report (Contd.)

Annexure – D

AOC-2

Particulars of contracts/arrangements made with related parties [Pursuant to Clause (h) of sub -Section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014.

This Form pertains to the disclosure of particulars contracts / arrangements entered into by the Company with related parties referred to in Sub- section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis :

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis :

The details of material contracts or arrangement or transactions at arm's length basis existing as on 31st March, 2015 and continuing are as follows:

Name of the related party	Nature of relationship	Nature of contract	Date of Board Approval	Duration of contracts	Salient terms	Amount Paid (₹ in Lacs)
Mr. Naresh Jalan	Managing Director	Rent	05.11.2011	5.11.2011- Ongoing	Monthly rent at Arm's Length	6.00
M/s. Globe Forex and Travels Limited.	Subsidiary	Commission	14.11.2013	5 Years	Commission paid on purchase of Air tickets and availment of other allied services	14.45
Mr. Naresh Jalan	Managing Director	Lease Rent	04.08.2012	5 years	Monthly Lease Rent at Arms Length	24.00

No new material contracts/arrangements/transactions were entered during the year.

Place : Kolkata
Date : 7th August , 2015

On behalf of the Board

Mahabir Prasad Jalan
Chairman

Annexure to the Directors' Report (Contd.)

ANNEXURE - E - CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken.

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

- (1) Replaced the water cooled connecting cable with Busbar in IBH 1600 KW.
- (2) Modified the heat treatment cycle in the Heaters.
- (3) Improved the Power Factor .
- (4) Installation of Flameless Electrically Heated Furnace.
- (5) In the Iso- Annealing furnace heaters switching of all the temperature zones are aligned with different grades of materials.
- (6) Modification in the Bofco 4 Ton furnace to conserve electricity.

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

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

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

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

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

Particulars with respect to Conservation of Energy

Energy Consumption and Consumption per Unit of Production

Particulars	2014-15	2013-14
1. Electricity		
A) Purchased		
Units (KWH)	6,65,34,135	4,68,34,438
Total Amount (₹)	31,95,84,532	23,00,90,781
Rate / Unit (₹)	4.80	4.91
B) Own Generation		
Units (KWH)	2,28,273	2,07,780
Ltrs consumed	60,047	89,241
Cost/Unit (₹)	15.54	26.12
C) Total (A+B)		
Units (KWH)	6,67,62,408	4,70,42,218
Total Amount	32,31,31,659	23,55,17,526
Rate/Unit	4.84	5.01
2. Coal (Hard Coke Used in Smithy)		
Quantity (in Kgs)	0	21,916
Total cost (₹)	0	5,93,957
Avg Cost (₹)	0	27.10

Annexure to the Directors' Report (Contd.)

Particulars	2014-15	2013-14
3. Furnace Oil		
Quantity (in Ltrs)	25,52,010	20,81,306
Total cost (₹)	8,83,11,411	8,64,23,854
Avg. Rate per Ltr (₹)	34.60	41.52
4. Others :		
i) Propane Gas		
Quantity (in Kgs)	23,80,119	14,57,286
Total cost (₹)	13,63,67,135	9,48,70,815
Avg. Rate per kgs (₹)	57.29	65.10
ii) Diesel		
Quantity (in Ltrs)	1,67,333	1,02,094
Total cost (₹)	98,84,794	62,08,315
Avg. Rate per Ltr (₹)	59.07	60.81
Consumption per unit of Production		
Product : Steel forging in Tons		
Electricity (KWH)	1085.43	1140.14
Coal (Hard Coke Used in Smithy) (Kgs)	0.00	0.53
Furnace Oil (Ltrs)	76.71	88.69
Propane Gas (Kgs)	42.57	35.32
Diesel (Ltrs)	2.72	2.47

B. TECHNOLOGY ABSORPTION

The particulars with respect to technology absorption is given below:

a) Research and Development(R & D) :

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

The R & D effort in our industry is an ongoing process. Continuous efforts are taken in various areas of the manufacturing activity.

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

The Company has been able to reduce the cost of production of certain components through their process engineering.

3. Future Plan Action

The Company will focus on more areas of reduction of cost and process optimization.

4. Expenditure on R & D

The Company has not incurred any expenditure on the Research and Development.

b) Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

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

2. Benefits derived as a result of above efforts

Reduction in Raw Material Consumption.

3. Technology imported during the last 5 years : Nil

Annexure to the Directors' Report (Contd.)

C. FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to exports :

The Company has derived ₹ 35123.71 Lacs from exports which forms 47.42% of the net turnover.

Initiatives taken to increase exports :

The Company has identified exports to be a thrust area and has entered into a long term contract with one of the export customer. It has also qualified in field audits of OEM's based in Europe which will help it to increase its export business. Vigorous efforts are also being made to develop new customers and to expand the product portfolio with the existing customer. The Company has also opened overseas office and appointed representative to develop new markets and to strengthen the existing market.

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

(₹ in Lacs)

Particulars	2014-15	2013-14
Earned :		
Exports (FOB)	33997.89	9924.74
Die Design & Preparation Charges	2510.92	1411.41
Spent :		
Capital Equipment's	12437.69	17268.99
Components & Spare Parts	355.46	131.09
Foreign Bank Charges	12.75	2.80
Professional & Consultancy Charges	49.72	11.78
Interest paid on FC loan	1532.71	278.11
Interest paid on Buyers Credit	8.77	10.98
Technical Service & Supervision Charges	565.81	2.53
Travelling	42.24	18.58
Commission Paid	6.21	16.40
Advertisement Expenses	1.01	-
Salary	129.26	131.54
Carriage Outward Expenses	4.98	-
Storage Charges	56.13	1.68
Management Fees/Waiver Fees	-	94.80
Legal Fees	-	7.84
Commitment Fees	23.84	83.69
Postage / Telegram / Telephone	0.05	2.80
Printing & Stationery	-	0.88
Customs Duty	-	1.30
Claim against Export Sales	-	3.85
Office Rent	9.20	-
Recruitment Expenses	10.11	-
Processing Charges	9.14	-
Office Equipment	1.28	-

For and on behalf of the Board

Place : Kolkata

Dated : 7th August, 2015

Mahabir Prasad Jalan

Chairman

Annexure to the Directors' Report (Contd.)

Annexure – F

Form MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS :

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

Annexure to the Directors' Report (Contd.)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters :									
(1) Indian									
a) Individual/ HUF	1544250	0	1544250	5.92	1544250	0	1544250	5.62	-0.3*
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	9283913	990000	10273913	39.36	11645915	0	11645915	42.40	3.04
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1) :	10828163	990000	11818163	45.28	13190165	NIL	13190165	48.02	2.74
(2) Foreign									
a) NRIs Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2) :	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	10828163	990000	11818163	45.28	13190165	NIL	13190165	48.02	2.74

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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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding :									
(1) Institutions									
a) Mutual Funds	1438917	NIL	1438917	5.51	3845189	NIL	3845189	14.00	8.49
b) Banks / FI	NIL	NIL	NIL	0.00	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	0.00	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital	NIL	NIL	NIL	0.00	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	880011	NIL	880011	3.20	3.20
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
FOREIGN BODIES CORPORATE (includes Wayzatta II Indian Ocean Ltd)	5937500	NIL	5937500	22.75	693062	NIL	693062	2.52	-20.5
INSTITUTION OTHERS (includes International Finance Corporation)	2148400	NIL	2148400	8.23	1590477	NIL	1590477	5.79	-2.44
Sub-total (B)(1) :	9524817	NIL	9524817	36.49	7008739	NIL	7008739	25.51	-10.98
(2) Non-Institutions :									
a) Bodies Corporate									
i) Indian	1743257	NIL	1743257	6.68	2524328	NIL	2524328	9.19	2.51
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	851862	5137	856999	3.28	2106518	5136	2111654	7.69	4.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2129390	NIL	2129390	8.16	2300168	NIL	2300168	8.37	0.21
c) Others (specify)									
(i) NRI/ OCB	2353	NIL	2353	0.01	260590	NIL	260590	0.95	0.94
(ii) Trust	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(iii) Clearing Member	24461	NIL	24461	0.09	74296	NIL	74296	0.27	0.18
Sub-total (B)(2) :	4751323	5137	4756460	18.20	7265900	5136	7271036	26.47	8.27
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14276140	5137	14281277	54.70	14274639	5136	14279775	51.98	2.72
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	25104303	995137	26099440	100	27464804	5136	27469940	100	

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

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	
1	RIDDHI PORTFOLIO PRIVATE LTD	6025913	23.09	0	6027415	21.94	0	-1.15**
2	EASTERN CREDIT CAPITAL PRIVATE LIMITED	4248000	16.28	0	5618500	20.45	0	4.17**
3	MAHABIR PRASAD JALAN	451000	1.73	0	451000	1.64	0	-0.09**
4	RASHMI JALAN	418750	1.60	0	418750	1.52	0	-0.08**
5	NARESH JALAN	285750	1.09	0	285750	1.04	0	-0.05**
6	NARESH JALAN (HUF)	268750	1.03	0	268750	0.98	0	-0.05**
7	MAHABIR PRASAD JALAN (HUF)	120000	0.46	0	120000	0.44	0	-0.02**
		11818163	45.28*	0.00	13190165	48.02*	0.00	2.74

Note

* - The percentage for the year 31.3.2014 has been calculated on 26099440 shares and the percentage for the year 31.3.2015 on 27469940 shares, i.e. on their respective paid up share capitals.

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

iii) Change in Promoters' Shareholding

Riddhi Portfolio Private Limited

Date		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
	At the beginning of the year	6025913	23.09		
23.10.14	Open Market Purchase	1502	0	6027415	21.94
	At the end of the year	6027415	21.94	6027415	21.94

Eastern Credit Capital Private Limited

Date		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
	At the beginning of the year	4248000	16.28		
8.7.14	Allotment of Eq shares vide conversion of warrants issued on preferential basis	1370500	4.99	5618500	20.45
	At the end of the year	5618500	20.45	5618500	20.45

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Annexure to the Directors' Report (Contd.)

Mahabir Prasad Jalan

Date		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
	At the beginning of the year	451000	1.73		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	451000	1.64	451000	1.64

Rashmi Jalan

Date		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
	At the beginning of the year	418750	1.60		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	418750	1.52	418750	1.52

Naresh Jalan

Date		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
	At the beginning of the year	285750	1.09		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	285750	1.04	285750	1.04

Naresh Jalan (HUF)

Date		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
	At the beginning of the year	268750	1.03		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	268750	0.98	268750	0.98

Annexure to the Directors' Report (Contd.)

MAHABIR PRASAD JALAN (HUF)

Date		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
	At the beginning of the year	120000	0.46		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	120000	0.44	120000	0.44

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

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1.	Wayzata II Indian Ocean Limited	5937500	23.34	31/03/2014			5937500	23.34
				05/09/2014	-1532788	Sale	4404712	16.03
				12/09/2014	-622917	Sale	3781795	13.77
				19/09/2014	-184013	Sale	3597782	13.10
				30/09/2014	-7110	Sale	3590672	13.07
				07/11/2014	-184136	Sale	3406536	12.40
				14/11/2014	-159751	Sale	3246785	11.82
				21/11/2014	-169961	Sale	3076824	11.20
				28/11/2014	-59113	Sale	3017711	10.99
				05/12/2014	-317722	Sale	2699989	9.83
				12/12/2014	-164347	Sale	2535642	9.23
				19/12/2014	-32363	Sale	2503279	9.11
				31/12/2014	-36216	Sale	2467063	8.98
				02/01/2015	-297588	Sale	2169475	7.90
				09/01/2015	-257311	Sale	1912164	6.96
				16/01/2015	-788339	Sale	1123825	4.09
				23/01/2015	-152897	Sale	970928	3.53
				06/02/2015	-14674	Sale	956254	3.48
				13/02/2015	-20312	Sale	935942	3.41
				20/02/2015	-47426	Sale	888516	3.23
				27/02/2015	-27985	Sale	860531	3.13
				06/03/2015	-49062	Sale	811469	2.95
				13/03/2015	-31054	Sale	780415	2.84
				20/03/2015	-20834	Sale	759581	2.77

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Annexure to the Directors' Report (Contd.)

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				27/03/2015	-12277	Sale	747304	2.72
				31/03/2015	-54242	Sale	693062	2.52
				31/03/2015			693062	2.52
2.	International Finance Corporation	2148400	8.45	31/03/2014			2148400	8.45
				06/02/2015	-60091	Sale	2088309	7.60
				13/02/2015	-86719	Sale	2001590	7.29
				20/02/2015	-61113	Sale	1940477	7.06
				27/02/2015	-350000	Sale	1590477	5.79
				31/03/2015			1590477	5.79
3.	Reliance Capital Trustee Co. Ltd. - a/c Reliance Tax Saver (ELSS) Fund	1438917	5.66	31/03/2014			1438917	5.66
				31/03/2015			1438917	5.24
4.	SBI Magnum Balanced Fund	0	0.00	31/03/2014			0	0.00
				04/07/2014	658239	Purchase	658239	2.40
				02/01/2015	178847	Purchase	837086	3.05
				31/03/2015			837086	3.05
5.	Dilip Kumar Patodia	797804	3.14	31/03/2014			797804	3.14
				30/06/2014	-797804	Sale	0	0.00
				31/03/2015			0	0.00
6.	Lata Bhanshali	755552	2.97	31/03/2014			755552	2.97
				11/04/2014	340514	Purchase	1096066	4.31
				16/05/2014	114809	Purchase	1210875	4.76
				17/10/2014	-251900	Sale	958975	3.49
				31/03/2015			958975	3.49
7.	UTI-Mid Cap Fund	0	0.00	31/03/2014			0	0.00
				16/01/2015	383211	Purchase	383211	1.40
				31/03/2015			383211	1.40
8.	Chartered Finance and Leasing Limited	501533	1.97	31/03/2014			501533	1.97
				31/03/2015			501533	1.83
9.	Kalyani Technoforge Limited	346976	1.36	31/03/2014			346976	1.36
				31/03/2015			346976	1.26

Annexure to the Directors' Report (Contd.)

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
10.	Kotak Mahindra (UK) Ltd a/c India Midcap (Mauritius Ltd.) Fund	0	0.00	31/03/2014			0	0.00
				05/09/2014	129000	Purchase	129000	0.47
				12/09/2014	50000	Purchase	179000	0.65
				19/09/2014	394	Purchase	179394	0.65
				17/10/2014	1000	Purchase	180394	0.66
				24/10/2014	15000	Purchase	195394	0.68
				05/12/2014	50000	Purchase	245394	0.89
				06/02/2015	2505	Purchase	247899	0.90
				13/02/2015	14538	Purchase	262437	0.96
				20/02/2015	20000	Purchase	282437	1.03
				06/03/2015	23111	Purchase	305548	1.11
				20/03/2015	16106	Purchase	321654	1.17
				27/03/2015	11709	Purchase	333363	1.21
				31/03/2015	1800	Purchase	335163	1.22
				31/03/2015			335163	1.22
11.	Vallabh Roopchand Bhanshali	0	0.00	31/03/2014			0	0.00
				17/10/2014	251900	Purchase	251900	0.92
				31/03/2015			251900	0.92
12.	AKG Finvest Ltd	241589	0.95	31/03/2014			241589	0.95
				04/04/2014	-128644	Sale	112945	0.44
				11/04/2014	-112945	Sale	0	0.00
				31/03/2015			0	0.00
13.	Dwarkadhish Trading Private Limited	164195	0.65	31/03/2014			164195	0.65
				31/03/2015			164195	0.60
14.	Midcity Dealers Private Limited	106300	0.42	31/03/2014			106300	0.42
				04/04/2014	-106300	Sale	0	0.00
				31/03/2015			0	0.00

Annexure to the Directors' Report (Contd.)

v) Shareholding of Directors and Key Managerial Personnel :

Mahabir Prasad Jalan – Chairman Cum Wholetime Director

Date		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
	At the beginning of the year	451000	1.73		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	451000	1.64	451000	1.64

Naresh Jalan – Managing Director

Date		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
	At the beginning of the year	285750	1.09		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	285750	1.04	285750	1.04

Pawan Kumar Kedia – Wholetime Director

Date		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
	At the beginning of the year	13629	0.05		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	13629	0.05	13629	0.05

Yudhisthir Lal Madan – Independent Director

Date		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
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Ram Tawakya Singh – Independent Director

Date		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
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Annexure to the Directors' Report (Contd.)

Padam Kumar Khaitan - Independent Director

Date		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
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Amitabha Guha – Additional Independent Director

Date		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
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Aditi Bagri – Additional Independent Director

Date		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
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Satish Kumar Mehta – Non Executive Director

Date		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
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Alok Kumar Sharda – Chief Financial Officer

Date		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
	At the beginning of the year	61525	0.22	N.A.	N.A.
15.4.15	Sale	250	0	61275	0.22
16.4.14	Sale	500	0	60775	0.22
21.4.14	Sale	500	0	60275	0.22

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Annexure to the Directors' Report (Contd.)

Date		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
21.5.14	Sale	750	0	59525	0.22
22.5.14	Sale	500	0	59025	0.21
23.5.14	Sale	1650	0.01	57375	0.21
26.5.14	Sale	500	0	56875	0.21
27.5.14	Sale	81	0	56794	0.21
30.5.14	Sale	100	0	56694	0.21
11.6.14	Sale	900	0	55794	0.20
10.6.14	Sale	1000	0	54794	0.20
02.7.14	Sale	594	0	54200	0.20
03.7.14	Sale	250	0	53950	0.20
31.7.14	Sale	3250	0.01	50700	0.20
01.9.14	Sale	1700	0.01	49000	0.20
	At the end of the year	49000	0.20	49000	0.20

Rajesh Mundhra – Company Secretary and GM - Finance

Date		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
	At the beginning of the year	16389	0.06	N.A.	N.A.
03.9.14	Sale	600	N.A.	15789	0.06
14.1.15	Sale	500	N.A.	15289	0.06
	At the end of the year	15289	0.06	15289	0.06

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year 01.04.2014				
i) Principal Amount	49,849.09	563.34	-	50,412.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	49,849.09	563.34	-	50,412.43
Change in Indebtedness during the financial year				
• Addition	27,041.98	1,062.50		28,104.48
• Exchange Difference	(1,652.09)			(1,652.09)
• Reduction	4,276.37	563.34		4,839.71
Net Change	21,113.52	499.16		21,612.68
Indebtedness at the end of the financial year 31.03.2015				
i) Principal Amount	70,962.61	1,062.50		72,025.11
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	70,962.61	1,062.50	-	72,025.11

Annexure to the Directors' Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors :

Mahabir Prasad Jalan – Chairman cum Whole Time Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Mahabir Prasad Jalan				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			100.20		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			86.43		186.63
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			Nil		Nil
2.	Stock Option			Nil		Nil
3.	Sweat Equity			Nil		Nil
4.	Commission			-		-
	- as % of profit			1.14%		80.00
	- others, specify...			-		-
5.	Others, please specify			Nil		Nil
	Total (A)			-		266.63
	Ceiling as per the Act			-		701.66

Naresh Jalan – Managing Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Naresh Jalan				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			84.84		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			67.62		152.46
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			Nil		Nil
2.	Stock Option			Nil		Nil
3.	Sweat Equity			Nil		Nil
4.	Commission					
	- as % of profit			1.00%		70.00
	- others, specify...					
5.	Others, please specify			Nil		Nil
	Total (A)			-		222.46
	Ceiling as per the Act			-		701.66

Annexure to the Directors' Report (Contd.)

Pawan Kumar Kedia – Whole Time Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Pawan Kumar Kedia				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				13.56	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				10.84	23.90
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	Nil
2.	Stock Option				Nil	Nil
3.	Sweat Equity				Nil	Nil
4.	Commission				Nil	Nil
	- as % of profit					
	- others, specify...					
5.	Others, please specify				Nil	Nil
	Total (A)				-	23.90
	Ceiling as per the Act				-	701.66

B. Remuneration of other Directors

Yudhisthir Lal Madan – Independent Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Yudhisthir Lal Madan				Total Amount
	• Fee for attending board / committee meetings					2.55
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	2.55

Ram Tawakya Singh – Independent Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Ram Tawakya Singh				Total Amount
	• Fee for attending board / committee meetings					1.65
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	1.65

Annexure to the Directors' Report (Contd.)**Padam Kumar Khaitan – Independent Director**

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Padam Kumar Khaitan				Total Amount
	• Fee for attending board / committee meetings					2.20
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	2.20

Amitabha Guha – Additional Independent Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Amitabha Guha				Total Amount
	• Fee for attending board / committee meetings					1.50
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	1.50

Aditi Bagri – Additional Independent Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Aditi Bagri				Total Amount
	• Fee for attending board / committee meetings					1.00
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	1.00

Satish Kumar Mehta – Non-Executive Director

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Satish Kumar Mehta				Total Amount
	• Fee for attending board / committee meetings					2.05
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	2.05

Ravi Lekhrjani – Nominee Director (Resigned w.e.f 15.01.2015)

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of Director – Ravi Lekhrjani				Total Amount
	• Fee for attending board / committee meetings					0.60
	• Commission				Nil	Nil
	• Others, please specify				Nil	Nil
	Total (A)				-	0.60

Annexure to the Directors' Report (Contd.)

C. Remuneration of Key Management Personnel

Alok Kumar Sharda – Chief Financial Officer

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of KMP – Alok Kumar Sharda				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				47.19	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				1.79	48.98
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil	Nil
	- as % of profit					
	- others, specify...					
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)					48.98

Rajesh Mundhra – Company Secretary

(₹ in Lacs)

Sl. No.	Particular of Remuneration	Name of KMP – Rajesh Mundhra				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				19.85	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				0.67	20.52
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				Nil	
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil	Nil
	- as % of profit					
	- others, specify...					
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)					20.52

Annexure to the Directors' Report (Contd.)**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

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

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 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15 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	Designation	Remuneration of Director/KMP for Financial Year 2014-15 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the Performance of the Company
1	Mr. Mahabir Prasad Jalan	Chairman	266.63	42.92%	122.27	Profit Before Tax increased by 513.62% and Profit After Tax increased by 784.38% in Financial Year 2014-15
2	Mr. Naresh Jalan	Managing Director	222.46	48.65%	102.01	
3	Mr. Pawan Kumar Kedia	Wholetime Director	23.90	30.82%	10.96	
4	Mr. Padam Kumar Khaitan	Independent Director	2.20	144.44%	1.01	
5	Mr. Satish Kumar Mehta	Non-Executive Director	2.05	46.43%	0.94	
6	Ms. Aditi Bagri	Additional Independent Director	1.00	*	0.46	
7	Mr. Yudhisthir Lal Madan	Independent Director	2.55	240.00%	1.17	
8	Mr. Ram Tawakya Singh	Independent Director	1.65	106.25%	0.76	
9	Mr. Amitabha Guha	Additional Independent Director	1.50	*	0.69	
10	Mr. Ravi Lekhranjani	Nominee Director	0.60	*	0.28	
11	Mr. Rajesh Mundhra	Company Secretary	20.52	30.53%	9.41	Profit Before Tax increased by 513.62% and Profit After Tax increased by 784.38% in Financial Year 2014-15
12	Mr. Alok Kumar Sharda	CFO	48.98	21.96%	22.46	

- *Details not given as Mr. Amitabha Guha and Ms. Aditi Bagri were Directors only for part of the Financial Year 2014-15 i.e. with effect from 14th August, 2014 and 1st November, 2014 respectively. Details are also not provided for Mr. Ravi Lekhranjani as he was a Director for a part of the year and resigned w.e.f 15th January, 2015.
- The median remuneration of employees of the Company during the Financial Year was 2.18 Lacs. In the Financial Year 2014-15, the median remuneration of employees was 14.77% higher compared to previous year.
- There were 1460 permanent employees on the rolls of Company as on 31st March, 2015.
- The explanation on the relationship between average increase in Remuneration and Company performance:
 - Variations in the Market Capitalisation of the Company : The Market Capitalization as on 31st March 2015 was ₹ 1175.85 crore (₹ 291.53 crores as on 31st March 2014), representing growth of 303.34 %.
 - Price Earnings Ratio on basic EPS of the Company was ₹ 15.50 as at 31 March 2015 and was ₹ 33.44 as at 31st March 2014, representing decrease of 53.65%.
 - Price Earnings Ratio on Diluted EPS of the Company was ₹ 15.89 as at 31 March 2015 and was ₹ 33.44 as at 31st March 2014, representing decrease of 52.48%.
 - The closing Market Price of the equity shares of the Company as on 31st March, 2015 was ₹ 428.05 (NSE) and ₹ 422.60 (BSE) representing an increase from the Initial public offer 2040.25 % (NSE) and 2013.00 % (BSE) respectively.

Annexure to the Directors' Report (Contd.)

5. Average percentage increase made in the salaries of employees other than the Managerial Personnel in the Financial Year 2014-15 was 27.85% over previous year.

There were no exceptional circumstances for increase in Managerial Remuneration.

6. Comparison of Remuneration of the Key Managerial Personnel(s) against the Performance of the Company :

The shift in Remuneration of Key Managerial Personnel has been in line with average Market/Industry salary increases. The total Remuneration of Key Managerial Personnel increased by 41.95 % from ₹ 410.36 Lacs in 2013-14 to ₹ 582.49 Lacs in 2014-15 whereas Profit Before Tax increased by 513.62% and Profit After Tax increased by 784.38% in Financial Year 2014-15.

7. The key parameters for any variable component of Remuneration availed by the Directors are considered by the Board of Directors based on the recommendation of the Nomination & Remuneration Committee as per the Remuneration Policy of the Company.
8. The Ratio of the Remuneration of the highest paid Director to that of the Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year:

There are no such cases wherein any employee received Remuneration in excess of the highest paid Director.

9. 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 (₹ in Lacs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
A.	Employed part/throughout the year and in receipt of remuneration aggregating Rs.500000/ Rs 60,00,000/- or more :							
1	Mr. Mahabir Prasad Jalan	66 years	Chairman cum Whole Time Director	266.63	B. Tech	49 years	12.11.1981	NA
2	Mr. Naresh Jalan	40 years	Managing Director	222.46	MBA	18 years	05.11.2001	NA
3	Mr. Kasi Nath	64 years	Executive Vice President	129.25	MBA, Master of Technology (M. Engg), Bachelor of Engineering (Hons), Dip in Business Administration.	28 years	01.07.2012	Director Global Purchasing, Meritor Inc.

Notes :

- Gross Remuneration includes Basic Pay, Allowances, Monetary value of Perquisites, Commissions, Retirement benefits and Healthcare Insurance, if any.
- Mr. Mahabir Prasad Jalan, Chairman cum Wholetime Director and Mr. Naresh Jalan, Managing Director are related to each other.
- The nature and terms of the employment are as per resolution or the appointment letter .
- Mr. Mahabir Prasad Jalan holds 451000 equity shares and Mr. Naresh Jalan holds 285750 equity shares as on 31st March, 2015 representing 1.64 % and 1.04 % of the paid up share capital respectively.

Management discussion and analysis

Global growth is projected to increase slightly to reach 3.5% in 2015 and then to rise further to 3.7% during 2016. The increase will be driven by a rebound in advanced economies, supported by declining oil prices, with the United States playing a crucial role.

ECONOMIC OVERVIEW

Global economy

Global growth in 2014 was a modest 3.4% following an improvement in advanced economies relative to the previous year and a slowdown in emerging markets and developing economies. Despite the slowdown, emerging market and developing economies accounted for three-fourths of global growth in 2014.

Global growth is projected to increase slightly to reach 3.5% in 2015 and then to rise further to 3.7% during 2016. The increase will be driven by a rebound in advanced economies, supported by declining oil prices, with the United States playing a crucial role.

In emerging markets, growth is projected to decline in 2015, reflecting downward revisions for oil exporters, a slowdown in China in a bid to move towards a growth that is less reliant on investment, and a weaker outlook for Latin America resulting from a softening of commodity prices.

The US : A solid recovery is expected to continue in the United States. Markedly lower energy prices, stifled inflation, reduced fiscal drag, strengthened Balance Sheets and an improving housing market are expected to sustain the growth momentum. These forces are expected to more than offset the drag on net exports coming from the strengthening of the dollar. Consequently, growth which was 2.4 % in 2014 is projected to reach 3.1% in 2015 as well as 2016. (Source: IMF April, 2015)

The Eurozone : The eurozone continued to recover during the past year, but private investments remained scarce, with Ireland, Spain and Germany being notable exceptions. Lower oil prices, lower interest rates, euro depreciation, as well as the shift to a broadly neutral fiscal stance, are projected to boost activity during 2015-16. Offshoots of the lingering economic crisis and a slowdown in total factor productivity that preceded the crisis continue to stymie growth. Hence the outlook is one of moderate growth and subdued inflation. Specifically, growth is expected to increase from 0.9% in 2014 to 1.5% this year and 1.6% in 2016.

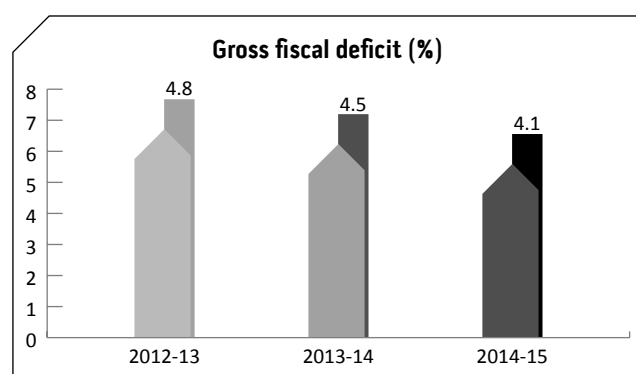
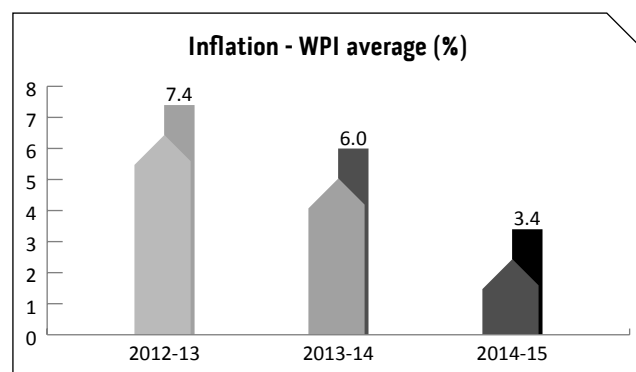
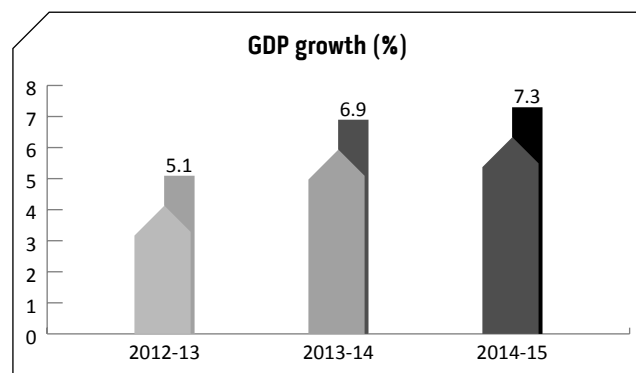
Indian economy

The latest indicators, emerging from the recently revised estimates of national incomes brought out by the Central Statistics Office, point out the fact that the markets had begun reviving in 2013-14 and gained further steam in 2014-15.

The economy was relatively independent of factors associated with an economic slowdown - inflation, fiscal deficit, weak demand, external account imbalances and an oscillating rupee, which had choked growth during 2011-12 and 2012-13.

Managing Discussion and Analysis (Contd.)

One of the redeeming features has been the emergence of India as a large economy with a promising outlook, amidst the mood of pessimism and uncertainties that continue to persist in a number of advanced and emerging economies. According to The Economic Survey, India's GDP could expand by 8.1-8.5% in 2015-16.



The Indian forging industry

Being the backbone of key sectors in India namely automobile, power, construction equipment, oil and gas, defence and general engineering, the Indian Forging Industry has been a major growth driver of the Indian manufacturing sector.

A peculiarity of the forging industry in India is its geographical clustering. Out of 29 states in India, forging units are mostly found in 9 states (having about 419 forging entities). The top 5 states for forging units are Maharashtra, Gujarat, Punjab, Haryana and Tamil Nadu. The West leads with a production contribution of 40%, followed by the North, which accounts for 36%.

Traditionally labour intensive, the Indian forging industry has invested in capital intensive manufacturing technologies to match the changing requirement of the end-user sector. Despite the technology investment, the industry provides employment to more than one lakh Indians.

Indian forging industry is well recognised globally for its technical capabilities. The sector has capability to forge variety of raw materials like carbon steel, alloy steel, stainless steel, super alloy, titanium and aluminum in line with the requirement of user sectors.

The automobile sector accounts for 70% of the forgings sales in the country. Since the forging components form the backbone of the Indian automobile industry, changes in the latter directly impact the Indian forging industry.

Based on its technological competence, the industry is increasingly addressing opportunities arising out of the growing trend among global automotive OEM's. The forging industry has also emerged as a large exporter of forgings.

The revival of the mining sector in Orissa, Goa, Karnataka, and Andhra Pradesh would immensely benefit the forging industry.

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

KEY TECHNOLOGICAL ADVANCEMENTS MADE OVER THE YEARS

- Shift from conventional oil fired furnaces to energy efficient electrical induction furnace for forging heating
- Shift from furnace oil and light diesel oil
- Shift from forging hammers to more precise forging presses
- Shift from conventional forging methods to semi-mechanised / fully automated forging methods

Managing Discussion and Analysis (Contd.)

Global commercial vehicle scenario

After the volatile period spanning 2009-10, the global commercial vehicle market settled to a modest yet steady growth. Yet in 2014, the growth slumped as global sales declined by 6.2%.

Surprisingly, the reason for this decline was not Europe but developing markets of Asia (including China), Latin America and Russia. Chinese sales, for example, fell by 7.3%, while those in Brazil eased by 1%. In contrast, Europe's commercial vehicle sales rose by 5% in 2014, while those in North America were up 5.8%. In most of these countries, weakness lay with medium and heavy commercial vehicle (truck) sales.

Outlook : As the global economy recovers, commercial vehicle registrations should gather strength. It is expected to rise by 2.1% in 2015 and accelerate into 2016 and beyond, taking the annual average growth to 4.7% over 2015-19. This growth will be driven by rising business confidence, bolstered by the unexpected decision to keep interest rates low in most developed markets. Low global oil prices could also encourage a rise in freight traffic against other shipping methods.

The slowest annual average growth during 2015-19 would be in Western Europe (3.3%), as markets ease off. The strongest growth is likely to be in Latin America (6.6%), as it recovers from its decline during the same period.

Volume of commercial vehicle registrations

(mn trucks unless otherwise indicated)

	2010 ^a	2011 ^a	2012 ^a	2013 ^a	2014 ^a	2015 ^b	2016 ^b	2017 ^b	2018 ^b	2019 ^b
North America ^c	1.1	1.2	1.3	1.4	1.5	1.5	1.6	1.6	1.8	1.8
% change	16.5	13.2	5.6	6.6	5.8	3.7	3.1	4.8	6.9	3.1
Western Europe	1.7	1.9	1.6	1.6	1.7	1.7	1.8	1.9	1.9	2.0
% change	9.6	9.0	-12.5	0.2	5.0	0.6	4.0	4.0	4.1	3.6
Transition economies	0.3	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.6
% change	10.7	23.5	33.3	-5.7	-2.8	-7.6	5.9	9.1	7.3	3.7
Asia and Australasia	7.9	7.8	8.1	8.2	7.3	7.5	7.9	8.2	8.7	9.1
% change	24.6	-1.4	4.2	1.4	-10.8	2.7	4.5	5.0	5.0	5.2
Latin America	1.7	1.9	1.9	2.0	1.9	1.9	2.1	2.2	2.4	2.6
% Change	26.0	11.9	1.2	6.4	-6.6	1.9	8.1	8.6	7.0	7.4
World ^d	12.8	13.3	13.6	13.9	13.0	13.3	14.0	14.8	15.6	16.4
% Change	21.4	3.8	2.4	1.9	-6.2	2.1	4.9	5.6	5.6	5.1

^aEconomist Intelligence Unit estimates. ^bEconomist Intelligence Unit forecasts. ^cExcludes light commercial vehicles. ^dSum of 60 countries covered by the Economist Intelligence Unit's industry service.

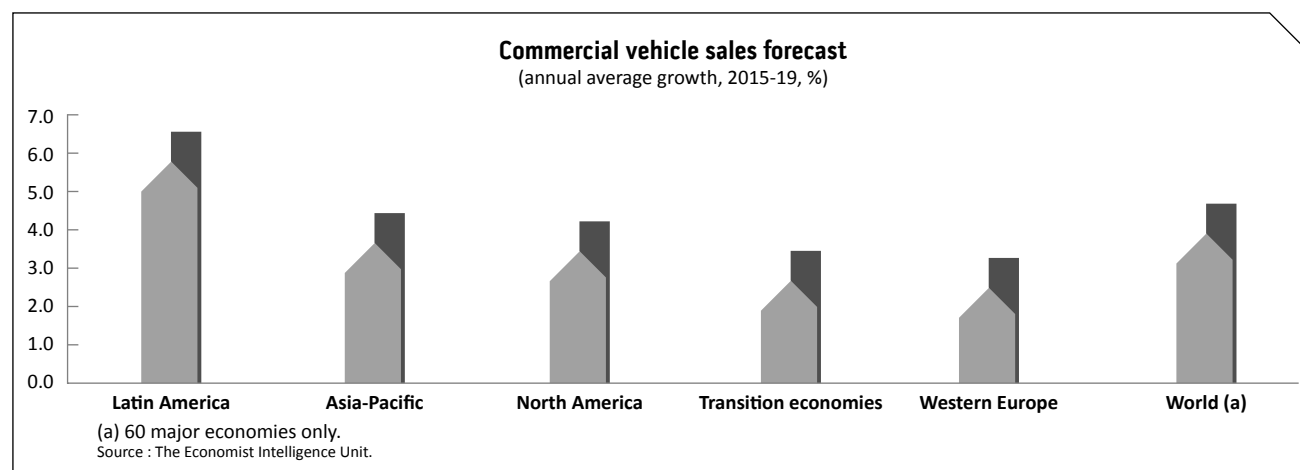
Source : The Economist Intelligence Unit.

As the global economy recovers, commercial vehicle registrations should gather strength. It is expected to rise by 2.1% in 2015 and accelerate into 2016 and beyond, taking the annual average growth to 4.7% over 2015-19.

Challenges : There are certain risks to this forecast.

- The potential of another downturn in Europe
- If interest rates in the US and Europe rise strongly, this could pull investments out of emerging markets, affecting industrial activity and construction.

Managing Discussion and Analysis (Contd.)



The US

Vehicle registrations increased for a record sixth year running in 2014, with registrations of passenger cars and light commercial vehicles reaching 16.4m units. This was the highest total since 2006 and a 5.7% increase from the previous year. The US accounts for around one-fifth of global automotive sales.

New medium and heavy commercial vehicle registrations have recovered strongly from the lows recorded following the global financial crisis, although the pace of growth slowed to single digits in 2012-14, partly owing to the higher baseline. In 2014, however, they remained at around 25% below the high recorded in 2006.

US companies dominate the commercial vehicles market. Credible estimates suggest registrations of light vehicles to rise further, to around 18.4m units by 2018, driven by strong economic growth and lower household debt levels.

As the economy maintains strong momentum in 2015, it is expected that medium and heavy commercial vehicle growth will average at 7.7% as buyers take advantage of low interest rates and business investment remains strong. In 2016-19, a slower growth of around 3.6% per year is forecasted for the commercial vehicles, as rising interest rates restrain economic growth and make vehicle finance somewhat less affordable.

Commercial vehicle registrations

	2010 ^a	2011 ^a	2012 ^a	2013 ^a	2014 ^b	2015 ^c	2016 ^c	2017 ^c	2018 ^c	2019 ^c
Medium & heavy vehicle registrations ('000)	217.6	306.1	347.0	375.1	405.2	436.5	459.8	479.7	497.1	503.2
Medium & heavy vehicle registration growth (%) ^d	8.9	40.7	13.4	8.1	8.0	7.7	5.3	4.3	3.6	1.2

^aActual. ^bEconomist Intelligence Unit estimates. ^cEconomist Intelligence Unit forecasts. ^dThis series comprises only medium and heavy registrations.

Source : The Economist Intelligence Unit.

Managing Discussion and Analysis (Contd.)

Domestic commercial vehicles

The slowing economy and weak consumer sentiment had a trickle down impact on the domestic Commercial Vehicle (CV) industry. As such, this segment witnessed one of its longest down cycles in recent periods. Having witnessed a decline of 2% in 2012-13, the industry volumes contracted by a sharp 20.23 % in 2013-14. Unlike the previous slowdown, the subdued demand appears to be uniform across segments of the industry.

From fleet operator's perspective, the operating environment was characterized by low freight availability, under-utilization of fleet (as a result of surplus capacity in the trucking system) and steadily rising operating costs in wake of gradually rising diesel prices. In addition, the earnings of fleet operators were impacted by other cost pressures namely rising driver salaries, toll charges and overall repair & maintenance of vehicles. The increase in some of these costs is generally not a pass through for fleet operators, which, along with reduced trips per month, has put pressure on viability of fleet operators.

Besides, the competitive intensity in the domestic CV industry increased over the past five years as new OEMs entered the market while existing players ventured into new segments and expanded their sales-cum-service network – leading to a price war.

Performance in 2014-15

The domestic CV industry has shown signs of recovery in FY 2015. It closed the fiscal at 614961 units, reflecting a 2.83% de-growth over the previous year – a significant improvement over the 20.22% de-growth in 2013-14.

Within the CV space, the Medium & Heavy Commercial Vehicle (M&HCV) Truck segment has in fact posted a positive growth.

Exports provided the silver lining to sector's subdued performance – it increased by 11.33% y-o-y from 77,050 units in 2013-14 to 85,782 units in 2014-15. The M&HCV segment was the star performer with an export growth in excess of 28% y-o-y

While the M & HCV segment has been witnessing strong demand (up 16.02% YoY) on back of replacement demand (following two years of deferment) and capacity addition by organized fleet operators to some extent.

The LCV Truck segment experienced sluggish trends (down 11.57% YoY) as significant capacity addition over the past few years and constrained financing environment amidst rising delinquencies continued to challenge the segment.

The bus segment, which contributes more than 10% to industry sales, also started witnessing an improvement from Q3 FY15 onwards, after various State Road Transport Undertakings (SRTUs) started placing orders for new buses as part of the JNNURM II programme.

From fleet operator's perspective, the operating environment stabilized owing to a drop in diesel rates and relatively firm freight rates, implying improvement in their cash flows. Fleet utilization levels gradually improved on back of higher load availability from some of the key freight generating sectors such as automobiles, cement and other general industries.

The subdued trend in re-sale values of second-hand vehicles (apart from ageing of existing fleet) suggest that demand recovery is still in the initial stages.

Exports provided the silver lining to sector's subdued performance – it increased by 11.33% y-o-y from 77,050 units in 2013-14 to 85,782 units in 2014-15. The M&HCV segment was the star performer with an export growth in excess of 28% y-o-y.

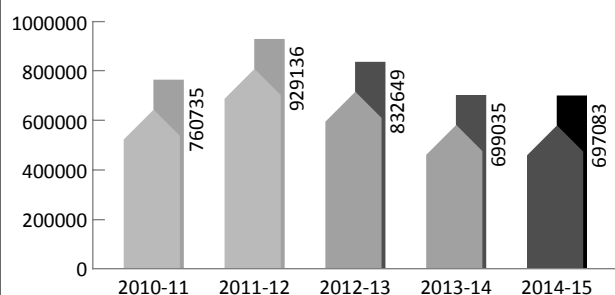
Estimates for 2015-16

M & HCV (Truck) segment : This segment is likely to register a growth of 12-14% in FY 2016, driven by continuing trend towards replacement of ageing fleet and expectations of pick-up in demand from infrastructure and industrial sectors, in view of reforms being initiated by the Government. Over the medium term, the demand for new CVs will also be driven by gradual acceptance of advance trucking platforms, progression to BS-V emission norms (possibly by 2017 onwards) and introduction of technologies such as Anti-Lock Braking System (ABS), which may lead to some advance purchases by fleet operators.

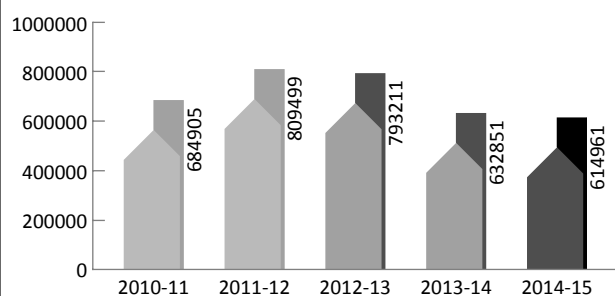
LCV segment : This segment will grow at modest pace (i.e. 4-6%) in FY 2016 as segment's prospects continue to be influenced by overcapacity issues and constrained financing environment amidst rising delinquencies. Nevertheless, driven by certain structurally favorable factors, the segment's growth prospects over the medium-term remain intact. Some of the factors that are likely to support steady demand for LCVs include a) further proliferation of "Hub-n-Spoke" logistics model with the implementation of GST, b) relatively untapped potential in semi-urban and rural areas and c) improving urbanization levels.

Managing Discussion and Analysis (Contd.)

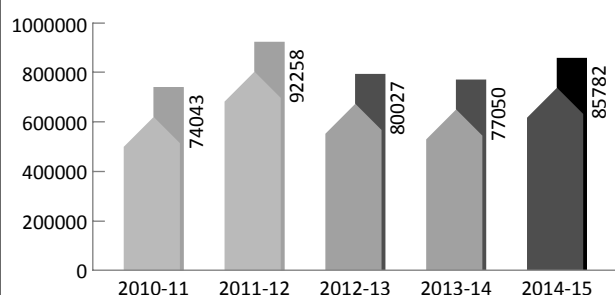
Domestic production of commercial vehicles (units)



Domestic sales of commercial vehicles (units)



Exports of commercial vehicles (units)



Railways

The government has unveiled plans to invest US\$137 billion in its decrepit rail network over the next five years to build infrastructure needed to unlock faster economic growth.

The near-term goals are as under:

- Raise the amount of freight carried to 1.5 billion tonnes a year, from 1 billion tonnes at the moment
- Improve and expand existing railway lines, many of which are operating at more than full capacity, with the average speed of the country's best trains a sluggish 70 km (44 miles) per hour
- Remove the roadblocks on the pending 300 projects which need about ₹ 1.8 trillion (USD 28.9 billion)

Business overview

Ramkrishna Forgings has earned respect as a progressive organisation, making timely investments in capacity augmentation and technology upgradation. The Company launched the press project consisting of four presslines - 12500 Ton, 6300 Ton, 4500 Ton and 3150 Ton. As a result, the manufacturing capacity of the Company will increase by 80,000 tonnes annually. The 4500 Ton and 3150 Ton presslines had commenced commercial production on 21st July, 2014.

The Company has mastered the capability of customising product to suit client requirements which enables it to widen its product basket. In 2014-15, the Company developed a number of new products – Gear section - 13 parts, Turning section – 167 parts, Ring rolling section – 90 parts. In doing so, the Company further widened its opportunity canvass.

In 2014-15, the Company made giant strides for establishing a meaningful presence in global market. It successfully commenced the supplies in accordance with a contract with Tier -1 customers in the US, which majorly contributed to the increase in export revenue from ₹ 102.74 crore in 2013-14 to ₹ 351.23 crore in 2014-15.

To strengthen its global presence, the Company has appointed marketing representatives in key markets namely Europe and Latin America. Further, the Company has cleared field audits with important international OEMs paving the way for firm contracts over the coming years. Field audits with other prospective customers is under way.

Managing Discussion and Analysis (Contd.)

SWOT ANALYSIS

Strength

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

SWOT ANALYSIS

Weakness

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

SWOT ANALYSIS

Opportunities

- * Rapidly expanding of city perimeters into suburban areas leads to the growing demand for mass transportation vehicles
- * Increasing need to transport products between production centres and consuming markets is increasing the relevance of the hub-and-spoke logistics model – growing the demand for commercial vehicles
- * Stricter implementation of the new emission, ABS braking and anti-overloading norms
- * Reduced fuel prices strengthen the relevance of road transport; lowered interest rates strengthen the case for replacement of old vehicles
- * Positioning India as a global manufacturing hub through the government's 'Make in India' mission should fuel demand for more vehicles
- * Export opportunities

SWOT ANALYSIS

Threats

- * Stiff competition owing to surplus capacity
- * High delinquencies of fleet owners
- * Volatility in raw material prices
- * Increase in oil costs
- * Commence commercial production of the press lines

Managing Discussion and Analysis (Contd.)

Intellectual capital

The Company considers human resources as its most important asset. It provides maximum emphasis on training and development of its employees at all levels.

The Company regularly provides training to its employees, which includes technical, behavioral, cultural, safety, 5S and awareness training.

The focus of training of the blue collar workers is to upskill them to efficiently manage day-to-day challenges of shopfloor working. Training for white collar workers is more inclined towards problem-solving and decision-making skills to ensure seamless business operations despite various internal and external challenges. The Company provided 12.63 hours of training per person in 2014-15.

The Company also focused on training evaluation and training effectiveness through application of Kirk Patrick Model of measuring training effectiveness. Pre and post training tests are conducted as a tool for gauging effectiveness.

The Company also introduced a training allowance policy for operatives who attended training sessions after working hours. This incentive as well received by the team and provides confidence of building a sustainable learning culture within the organisation.

Several initiatives were implemented to enhance employee engagement and morale which includes suggestion scheme, cross functional 5S zonal competition and birthday celebrations.

In 2014-15, the Company introduced 'Umang' a mass communication meeting between the management and the team members which provided a platform for effective communication through extended discussions and cross pollination of ideas.

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

It is the invaluable contribution of the Company's large and energetic team that has primarily resulted in your Company's position of strength in the industry.

In order to protect the health of employees and to ensure healthy working environment, your Company has taken Group Health (Floater) Insurance policy and Group Personal Accident Insurance policy from ICICI Lombard General Insurance Company Limited.

To build its leadership pipeline, the Company introduced a new talent management program for senior and mid management. This program aims to build leadership competencies of the selected members, enabling them to undertake a larger role in

In 2014-15, the Company introduced 'Umang' a mass communication meeting between the management and the team members which provided a platform for effective communication through extended discussions and cross pollination of ideas.

taking the organisation to the next level. The Company is also implementing an ESOP scheme for the senior management thereby strengthening the bond between the Company and its decision makers.

Analysis of Financial Statements

The Company registered a superior financial performance despite the sluggish performance of its key user segments. This reflects the resilience and robustness of the Company's business model in delivering shareholder value against all odds.

Statement of Profit and Loss

Revenue from operations (net): It grew by 72.46%, from ₹ 42,952.78 Lacs in 2013-14 to ₹ 74,075.95 Lacs in 2014-15, Revenue from exports increased by 241.85 % from ₹ 10,274.72 Lacs in 2013-14 to ₹ 35,123.71 Lacs in 2014-15. As a result, the proportion of exports in the overall revenue basket stood at 47.42% in 2014-15 against 23.92% in 2013-14.

Revenue mix (by user segment) on net Sales

User segment	2013-14 (%)	2014-15 (%)
Automotive	48.80	32.53
Railways	8.93	5.54
Mining	5.45	2.86
Exports	23.92	47.42
Export Incentive	1.04	1.83
Others (incl. scrap)	11.86	9.82

Operating expenses : Operating expenses (total expenses less interest and depreciation and stock variation) increased by 65.84% from ₹ 36132.75 Lacs in 2013-14 to ₹ 59920.89 Lacs in 2014-15. Operating expenses as a percentage of net sales stood at 80.89% in 2014-15 against 84.12 % in 2013-14 – a result of cost optimisation initiatives implemented by the team and the export thrust achieved by the Company.

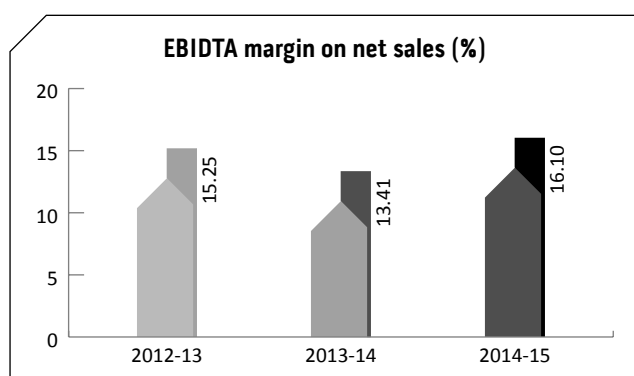
Managing Discussion and Analysis (Contd.)

Cost of material consumed : Material costs increased by 63.55% from ₹ 21,709.63 Lacs in 2013-14 to ₹ 35,506.47 Lacs in 2014-15. This increase was owing to an increase in production volumes and higher value of the raw material. Despite the increase, the expense head constituted only 47.93% of the net turnover in 2014-15 against 50.54 % in 2013-14 – owing to the team's focus on better utilisation of resources.

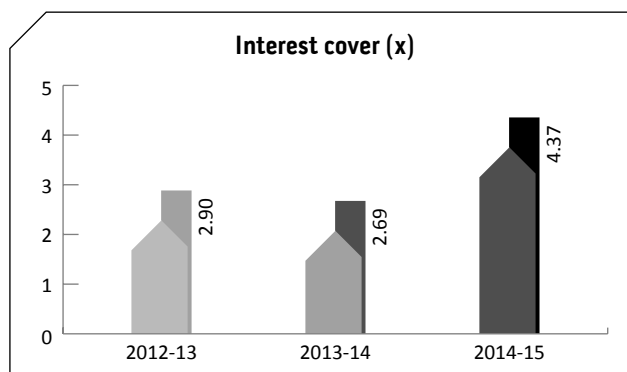
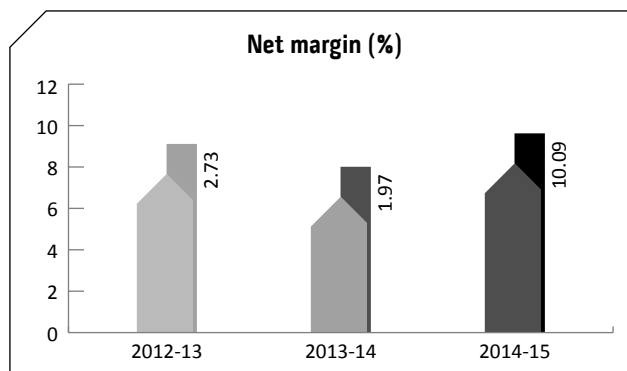
Employee expenses : It increased by 53.12% from ₹ 2,917.95 Lacs in 2013-14 to ₹ 4,468.10 Lacs in 2014-15. This increase was due to an increase in the team size, upward revision in the emoluments to employees and an increase in career-building initiatives of the team.

Finance cost : The interest liability increased by 36.08%, from ₹ 2,226.38 Lacs in 2013-14 to ₹ 3,029.55 Lacs owing to an increase in borrowed funds from 50,412.42 Lacs in 2013-14 to ₹ 72,025.11 Lacs in 2014-15. The interest cover stood at 4.37x in 2014-15 against 2.69x in 2013-14 - showcasing the Company's comfort in meeting interest repayments.

Profitability and margins : The Company's volume-driven, product optimisation and value-led growth facilitated in margin expansion – EBITDA (EBIDTA less Exceptional Item less Other Income) increased by 107.16% from ₹ 5,757.77 Lacs in 2013-14 to ₹ 11,927.61 Lacs in 2014-15. The EBITDA margin on net sales expanded by 270 bps, from 13.41% in 2013-14 to 16.10% in 2014-15. The net profit after tax jumped by 784.18%, from ₹ 845.26 Lacs in 2013-14 to ₹ 7473.58 Lacs in 2014-15. The net margin stood at 10.09% in 2014-15 against 1.97% in 2013-14.



The Company's volume-driven, product optimisation and value-led growth facilitated in margin expansion



Balance Sheet

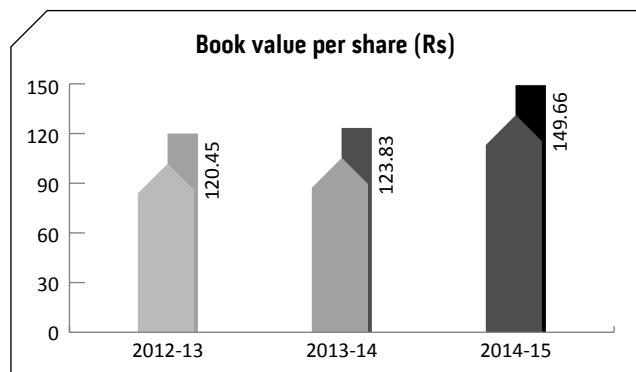
Capital employed : The capital employed in the business increased by 35.84%, from ₹ 85,820.47 Lacs as on March 31, 2014 to ₹ 1,16,580 Lacs as on March 31, 2015. This increase was due to new project undertaken by the Company, which was funded through a prudent mix of debt, equity and internal accruals. The Return on Average Capital employed stood at 10.74% in 2014-15 against 4.99% in 2013-14 on account of thrust on exports, better utilisation of the existing facilities and optimisation of the product mix.

Shareholders' funds : The balance under this head increased by 27.21%, from ₹ 32,317.98 Lacs as on March 31, 2014 to ₹ 41,110.80 Lacs as on March 31, 2015. This increase was largely owing to the ploughback of business profits at the year end. The share capital increased from ₹ 2,609.94 Lacs as on March 31, 2014 to ₹ 2,746.99 Lacs as on March 31, 2015, consequent to the conversion of warrants issued to M/s Eastern Credit Capital (P) Ltd. part of the promoter group. The Company issued warrants on a preferential basis to M/s Riddhi Portfolio (P) Ltd, part of the promoter group in July 2014 to be converted into equity shares within 18 months from the date of allotment.

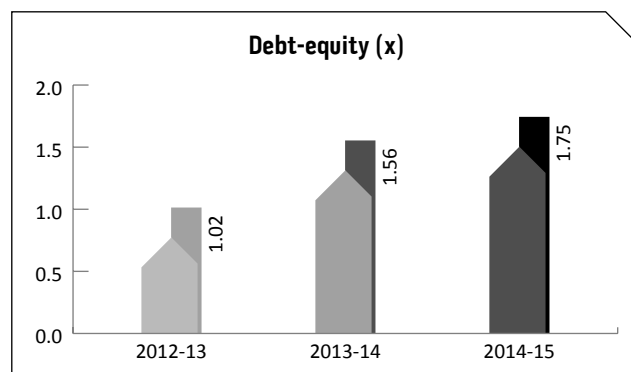
External funds : The Company's debt portfolio increased by 42.87%, from ₹ 50,412.42 Lacs as on March 31, 2014 to ₹ 72,025.11 Lacs as on March 31, 2015. This increase was due to

Managing Discussion and Analysis (Contd.)

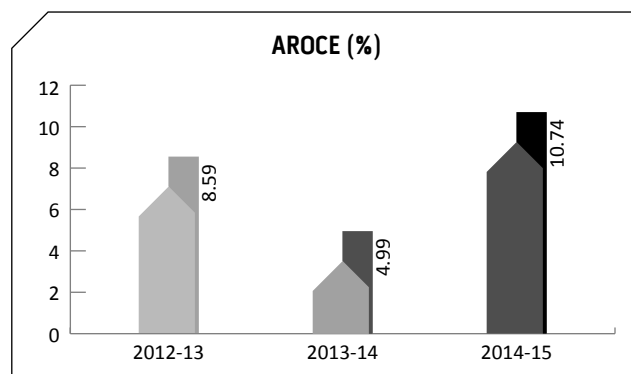
the term loans availed to fund the Company's new project and short-term funding arrangements to meet its growing working capital requirements. The debt-equity ratio stood at a healthy 1.75x as on March 31, 2015 against 1.56x as on March 31, 2014.



Gross block : The Gross Block increased by 86.99% from ₹ 36,699.93 Lacs as on March 31, 2014 to ₹ 68,626.17 Lacs as on March 31, 2015 - due to the partial commissioning of the new project in 2014-15.



The Company's Net Profit grew from ₹ 845.25 Lacs in 2013-14 to ₹ 7473.58 Lacs in 2014-15.



Risk Management

Unforeseen contingencies can affect business prospects.

Ramkrishna Forgings leverages its deep domain and management insights to undertake proactive counter-measures that strengthen viability across verticals, products, geographies and market cycles.

The Company's integrated risk management approach comprises a compliance with prudential norms, structured reporting and effective controls. A combination of centrally issued policies and divisionally-evolved procedures has helped enhance process robustness, ensuring that business risks are effectively addressed.

This approach aligns the Company's strategic direction with stakeholders' desired total returns, credit rating and risk appetite. The senior management periodically reviews the risk management framework to maintain contemporariness and address emerging challenges.

INDUSTRY RISK

The domestic automotive industry may not register significant growth over the coming years.

Mitigation :

The Indian automotive industry is at the bottom of the J-curve, post the two year de-growth. Credible sources predict robust growth ahead with the Indian passenger

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

Economic resurgence is also expected to drive demand for forgings from other user sectors namely power and general engineering as the Central Government is fast removing impediments for the revival of stalled project and implementing policies for attracting investments in these spaces.

Managing Discussion and Analysis (Contd.)

COMPETITION RISK

Increasing competition from the organised and unorganised players could adversely impact the Company's growth estimates.

The Company developed 270 new products in 2014-15 – rejuvenating its product portfolio and widening its opportunity canvass.

Besides, the Company's focus of aligning its business operations to global benchmarks (ISO 9001:2008, TS-16949:2009, OHSAS 18001:2007 and ISO14001:2004 certified) enables it to seamlessly market its products to global destinations. As a result, the Company's products have found acceptance with leading auto-component major in developed economies – exports jumped 241.85 % over the previous year. This strengthens the Company's competitive advantage in an otherwise cluttered industry.

TECHNOLOGY RISK

Technological dynamism could make the Company's equipment obsolete, impacting its competitive advantage in the business space.

12,500 Ton pressline from SMS Gmbh, 6300 ton pressline, 4500 ton pressline and 3150 ton pressline along with machining, heat treatment and allied facilities. This has successfully enabled the Company to move up the value-chain -- from being a component manufacturer to providing sub-assemblies – which will accelerate business growth and profitability expansion in the face of competitive forces. Installing of technologically advanced machines has facilitated in optimising costs and improving product quality. The Company possesses the state-of-art CNC Machining and Gear Cutting facilities enabling it to achieve accuracies matching global standards. In addition, the Company has also invested in a world-class quality assurance laboratory with best-in-class equipment to ensure that all promises are delivered consistently.

GEOGRAPHIC RISK

People attrition could impede the Company's progress as forging operations needs a skilled team.

Mitigation :

The Company has continuously worked towards strengthening its competitive advantage, enabling it to stand apart in an otherwise cluttered business space.

Mitigation :

The Company has continuously endeavoured in modernising and upgrading its operational capabilities. It invested more than ₹ 650 crore for the installation of the

Mitigation :

The Company's people-focused policies have enabled it to attract, retain and nurture rich talent.

- A well-defined and clearly articulated HR policy

- Regular appraisal programme wherein performers are recognized every month.
- Performance linked incentive programs for growing individual and team passion
- Institutionalised training calendar for enhancing people skills and updating their knowledge bank with evolving global best practices
- Employee engagement scheme such as suggestion schemes, cross functional 5S zonal competitions, among others.
- Implementation of the ESOP scheme for the senior management.

Internal audit and control

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

Cautionary statement

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

Corporate Governance Report

for the year 2014-15

The Company's shares are listed on The National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Accordingly, the Corporate Governance Report for the Financial Year ended 31st March, 2015, which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreement, contains details relating to previous year.

1. Company's Philosophy on Corporate Governance

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

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, governance processes and an entrepreneurial performance focused work environment. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management and low attrition across various levels. It been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. 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, forming a core group of top level executives, inducting competent professionals across the organisation and putting in place the best system, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

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

Ethics/Governance Policies

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

52	Directors' Report	Annexure to Directors' Report	Management Discussion and Analysis	Corporate Governance Report
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Corporate Governance Report (Contd.)

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

Role of the Company Secretary in overall governance process.

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

2. Board of Directors

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

The Company's Board presently consists of nine Directors out of which six are Non-Executive Directors. The Company has an optimum combination of executive and non-executive Directors with one woman Director. It has an executive Chairman and five Independent Directors. None of the Directors serve as Independent Director in more than seven listed companies and no whole time Director of the Company serve as Independent Director in more than three listed Company. Further, none of the Directors is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding committee positions in other Companies as on 31st March, 2015 have been made by the Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

The Board meets regularly to review the strategic, operational and financial matters of the Company. The Board has also delegated its powers to the Committees. The Agenda of the meeting is circulated to all the Directors in advance and all material information is provided to facilitate meaningful and focussed discussion at the meeting. The Board reviews the compliance of the applicable laws in the Board meeting. The Budgets for the Financial Year is discussed with the Board at the commencement of the financial year and the comparison of the quarterly/annual performance of the Company vis-a-vis the 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. The requisite information as required is provided to the Board.

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive / non-executive / independent Directors through a peer-evaluation excluding the Director being evaluated through a board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the board strategy, information flow, company performance, company strategy, and the effectiveness of the whole Board and its various committees.

Corporate Governance Report (Contd.)

The information that is normally placed before the Board includes:

- General notices of interest of Directors.
- Appointment, remuneration and resignation of Directors.
- Declaration of Independent Directors at the time of appointment/annually
- Formation/Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- Minutes of the Board Meetings of unlisted subsidiary companies
- Appointment/resignation and remuneration of Key Managerial Personnel
- Appointment of Secretarial Auditors
- Appointment/Reappointment of Registrar/Share Transfer Agent.
- Status of the Legal cases pertaining to the Company.
- Significant changes in accounting policies and internal controls.
- Status of the Statutory Payments made by the Company.
- Annual operating plans of businesses, budgets and any updates.
- Capital budgets and any updates.
- Any change in the banking limits of the Company.
- Annual financial results, financial statements, auditor's report and board's report.
- Quarterly results of the Company.
- Dividend declaration.
- Sale of material nature, investments and assets, if any, which is not in the normal course of the business.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- Quarterly/Annual secretarial audit reports.
- External Audit Reports (through the Audit Committee).
- Proposals for investments, mergers and acquisitions, if any.
- Details of any joint venture, acquisitions of Companies or collaboration agreement, if any.
- Making of loans and investment, if any, of surplus funds.
- Non compliance of any regulatory, statutory or listing requirements, if any.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Significant labour problems and their proposed solutions, if any.
- Periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Meetings, Attendance, Directorships/Chairmanships-

During the year 7(seven) board meetings held on 19.05.2014, 30.06.2014, 14.07.2014, 18.07.2014, 14.08.2014, 01.11.2014 and 31.01.2015, the details of the composition of the board, attendance of each Director at the Board meeting, last Annual General

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Corporate Governance Report (Contd.)

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		
		Board Meeting	Last AGM	Directorship	Committee membership	Committee Chairmanship
Mr. Mahabir Prasad Jalan (Chairman)	Executive	6	No	6	Nil	Nil
Mr. Naresh Jalan (Managing Director)	Executive	7	Yes	6	Nil	Nil
Mr. Pawan Kumar Kedia (Finance Director)	Executive	7	Yes	1	Nil	Nil
Mr. Padam Kumar Khaitan	Non-Executive	6	No	12	1	2
Mr. Satish Kumar Mehta	Non-Executive	4	No	Nil	Nil	Nil
Ms. Aditi Bagri (a)	Non-Executive	1	N.A.	1	Nil	Nil
Mr. Amitabha Guha (b)	Non-Executive	2	N.A.	4	Nil	Nil
Mr. Ram Tawakya Singh	Non-Executive	3	No	Nil	Nil	Nil
Mr. Yudhisthir Lal Madan	Non-Executive	4	No	1	Nil	Nil
Mr. Ravi Lekhrajani (c)	Non-Executive Nominee	2	No	N.A.	N.A.	N.A.

Notes :

- Ms. Aditi Bagri has been appointed on the Board of the Company on 1st November, 2014.
- Mr. Amitabha Guha has been appointed on the Board of the Company on 14th August, 2014.
- Mr. Ravi Lekhrajani has resigned from the Board of the Company with effect from 15th January, 2015.
- For the purpose of considering the limit of the committees 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 have been excluded.
- For reckoning the limit of public 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 have been included.
- Chairmanship/Membership of only Audit Committee and Stakeholder Relationship Committee has been considered of other Public Companies.
- None of the Directors except Mr. Mahabir Prasad Jalan and Mr. Naresh Jalan are related to any other Director.
- None of the Directors have any business relationship with the Company.
- None of the Directors received any loans and advances from the Company during the year.
- All the Directors have certified that the disqualifications mentioned under Section 164(2) of the Companies Act, 2013 is not applicable to them.

Familiarisation Programme of the Directors.

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company and global business environment. The Directors are also made to attend seminars in order to improve Board's effectiveness and to update themselves on relevant statutory changes. The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors as appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Corporate Governance Report (Contd.)

This details of such familiarization programmes has been uploaded on the Company's website for public information at the following web link: <http://ramkrishnaforgings.com/familiarisatio%20n-program-of-independent-directors.pdf>

Board Meetings

During the Financial Year 2014-2015 the Company has held seven Board meetings. The gap between two meetings did not exceed four months. The details of the Board meetings are as follows :

Sl.No.	Dates	Strength	Presence of Directors
1	19.05. 2014	8	7
2	30.06. 2014	8	3
3	14.07. 2014	8	4
4	18.07. 2014	8	4
5	14.08.2014	8	8
6	01.11.2014	9	8
7	31.01.2015	9	8

Independent Directors

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

Selection of Independent Directors

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

Meetings of Independent Directors

The Company's Independent Directors met once in the financial year 2014-2015 without the presence of executive directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Directors take appropriate steps to present their views to the Chairman and Managing Director.

Materially significant Related Party Transaction

There have been no materially significant related party transactions, monetary transactions or relations between the Company and Directors, the Management, subsidiaries or relatives, except for those disclosed in the Board's Report.

3. Committees of the Board

At present, there are Five Board Committees viz. the Audit Committee, the Nomination and Remuneration Committee, Stakeholder Relationship Committee, Management and Finance Committee and Corporate Social Responsibility (CSR) Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before 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:

Corporate Governance Report (Contd.)

A) Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the responsibilities of the Board, an Audit Committee has been constituted as a sub committee of the Board in accordance with Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. Most of the members of the Audit Committee possess financial / accounting expertise / exposure. The Audit Committee helps to enhance the shareholders' confidence by promoting accountability and also acts as a catalyst for effective financial and auditing practices.

The primary responsibility of the Audit Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the statutory auditors, and notes the processes and safeguards employed by each of them. The Committee has the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the statutory auditors in accordance with the law.

Composition

Presently the Audit Committee consists of three Non-Executive Independent Directors. The Audit Committee meetings were also attended by the Wholetime Director, Chief Financial Officer (CFO), the respective Departmental Heads, if required, the Statutory Auditors and the Internal Auditors. The Company Secretary is the Secretary of the Committee. They can also seek legal and other professional advice as and when required.

Composition

1)	Mr. Yudhisthir Lal Madan	Chairman
2)	Mr. Satish Kumar Mehta ¹	Member
3)	Mr. Ravi Lekhrajani ²	Member
4)	Mr. Amitabha Guha ³	Member
5)	Ms. Aditi Bagri ⁴	Member

Notes :

1. Mr Satish Kumar Mehta was a member of the Audit Committee till 1st November, 2014.
2. Mr. Ravi Lekhrajani was a member of the Audit Committee till 15th January, 2015.
3. Mr. Amitabha Guha was appointed as a member of the Audit Committee on 1st November, 2014.
4. Ms. Aditi Bagri was appointed as a member of the Audit Committee on 1st November, 2014.

Meetings and Attendance

During the year 2014-2015 the Committee has met four times.

1. The details of the Audit Committee meetings held during the Financial Year 2014-2015 are as follows :

Sl.No.	Dates	Strength	Presence of Directors
1	19.05.2014	3	3
2	14.08.2014	3	3
3	01.11.2014	3	2
4	31.01.2015	3	3

Corporate Governance Report (Contd.)

2. Attendance record at the Audit Committee meeting :

Name	Category	No. of Meetings held during the year	No. of Meeting(s) Attended
Mr. Yudhisthir Lal Madan (Chairman)	Independent.	4	4
Mr. Satish Kumar Mehta	Non Executive	4	3
Mr. Ravi Lekhrajani	Non Executive	4	2
Mr. Amitabha Guha	Independent.	4	1
Ms. Aditi Bagri	Independent.	4	1

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

Corporate Governance Report (Contd.)

- o) Reviewing the findings of the internal investigations by the Internal Auditors into the matters where there is a suspected fraud or irregularity or the failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with the Statutory Auditors before the audit commences, nature and the scope of the audit as well as post – audit discussions to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- r) Reviewing the functioning of the Whistle Blower Mechanism.
- s) Approval of appointment of CFO or any other person heading the finance department or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee *inter alia* has reviewed the following information:

1. Management Discussion and Analysis of financial conditions and results of operations.
2. Statement of the related party transactions submitted by the management.
3. Management letter / letter of internal control weakness, if any, issued by the Statutory Auditors.
4. Internal audit reports.
5. The appointment, removal and terms of remuneration of the Internal auditor (points in clause 49)
6. Recommend the appointment/ratification of the Statutory Auditors to the Board.
7. The quarterly/ half yearly/annual financial performance of the Company before being presented to the Board.
8. Achievement of the actual financial results vis-à-vis the budget of the Company
9. Status of the statutory compliance of the Company.
10. Payments made to the Statutory Auditors.
11. Matters required to be included in the Director's Responsibility Statement as per Section 134(5) of the Companies Act, 2013.
12. The statement of uses / application of funds raised through Preferential issue.

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

B) Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee of the Board comprises of three Non-Executive Directors out of which two are independent.

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

Meetings and Attendance

During the year 2014-2015 the Committee has met two times.

1. The details of the Nomination and Remuneration Committee meetings held during the Financial Year 2014-2015 are as follows :

Sl.No.	Dates	Strength	Presence of Directors
1	14.08.2014	3	3
2	01.11.2014	3	3

Corporate Governance Report (Contd.)

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

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

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 Clause 49 of the Listing Agreement with Stock Exchanges and for the implementation, administration and superintendence of the ESOP scheme(s) of the Company. It also comprises decision for remuneration payable to managerial personnel from time to time, deciding remuneration policy of the Company.

The Committee is responsible for :

- i) Determining the policy on the remuneration package for executive directors.
- ii) Determining the remuneration package of the executive directors.
- iii) Such other matters as may be required to be considered as per the provisions of the Companies Act, 2013, Listing Agreement and other applicable statutes.
- iv) Issuing necessary guidelines to the ESOP Trust for the accomplishment of the ESOP Scheme (s).
- v) Determining the quantum of options to be granted under any ESOP Scheme(s) per employee and in aggregate;
- vi) Determining the conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
- vii) Determining the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
- viii) Determining the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- ix) Determining the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- x) 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.
- xi) Determining the grant, vest and exercise of option in case of employees who are on long leave;
- xii) Shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- xiii) Shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- xiv) Shall ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- xv) Shall ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- xvi) Shall ensure remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- xvii) Shall lay down the evaluation criteria for performance evaluation of independent directors.
- xviii) Devising a policy on Board Diversity.

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Corporate Governance Report (Contd.)

The Remuneration policy is available at the website of the Company at the following link: <http://ramkrishnaforgings.com/remuneration-policy.pdf>

The policy on Board's Diversity is available at the website of the Company at the following link: <http://ramkrishnaforgings.com/board-diversity-policy.pdf>

Details of Remuneration of Directors

The details of the remuneration paid to the Directors for the year 2014-2015 are as follows:

(₹ in Lacs)

Sl. No.	Name of Director	Salary	Others	Commission	Total
1	Mr. Mahabir Prasad Jalan	100.20	86.43	80	266.63
2	Mr. Naresh Jalan	84.84	67.62	70	222.46
3	Mr. Pawan Kumar Kedia	13.06	10.84	-	23.90
	Total				512.99

Note :

Salary represents Basic Salary and Dearness Allowance. Others include House Rent Allowance and other Allowances, Medical Reimbursement, Leave Travel Allowance, Perquisites, Lease Rent, Contribution to National Pension Scheme, Encashment of Leave and Contribution to Provident Fund but exclude Provision for Leave Encashment and Gratuity which is based on actuarial valuation provided on overall basis in the books of accounts.

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

The Company has during the year pursuant to Clause 49 of Listing Agreement and other applicable provisions, if any, of the Companies Act and Rules & Regulations made thereunder and in accordance with the Special Resolution passed by its Members dated 28.07.2012 paid an amount of ₹ 20,000 to Mr. Satish Kumar Mehta, on account of technical consultancy rendered by him from time to time. There is no other pecuniary relationship or transaction of Non-Executive Directors vs-a-vis the Company.

Details of Sitting Fees to Non-Executive Directors

The details of the Sitting fees paid to the Non-Executive Directors for attending Board & Committee Meetings for the year 2014-2015 are as follows:

(₹ in Lacs)

Sl. No.	Name of the Director	Sitting Fees
1	Mr. Ram Tawakya Singh	1.65
2	Mr. Padam Kumar Khaitan	2.20
3	Mr. Satish Kumar Mehta	2.05
4	Mr. Amitabha Guha	1.50
5	Ms. Aditi Bagri	1.00
6	Mr. Yudhisthir Lal Madan	2.55
7	Mr. Ravi Lekhrājani	0.60
	Total	11.55

Corporate Governance Report (Contd.)

Details of Shareholding in the Company by Directors

Details of shares of the Company held by the Directors as on 31st March, 2015 are as below :

Sl. No.	Name of Director	No. of shares held	% of Total Holding
1	Mr. Mahabir Prasad Jalan	451000	1.64
2	Mr. Naresh Jalan	285750	1.04
3	Mr. Pawan Kumar Kedia	13629	0.05

All other Directors do not hold any shares or any convertible instruments in the Company. The Company has not granted any stock option to any of the Directors.

Service Contracts, Severance Fees & Notice Period

The appointment of Executive Directors is governed, in general, by resolution passed by the Nomination and Remuneration Committee, Board & Shareholders of the Company which covers the terms and conditions of such appointment. No separate Service Contract is being/has been entered with the Company. There are no specific provisions prevailing regarding severance fee in the resolution for the appointment. The Notice period is governed by the applicable human resource guidelines.

C. Management and Finance Committee

Composition

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

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

Note :

1. Mr. Padam Kumar Khaitan was appointed on 18th July, 2014.

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

Meetings and Attendance

During the year 2014-2015 the Committee has met six times.

The details of the Management and Finance Committee meetings held during the Financial Year 2014-2015 are as follows :

Sl.No.	Dates	Strength	Presence of Directors
1	26.07.2014	3	3
2	18.09.2014	3	3
3	21.10.2014	3	3
4	13.11.2014	3	3
5	20.02.2015	3	3
6	14.03.2015	3	3

Attendance record at the Management and Finance Committee meeting :

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

Corporate Governance Report (Contd.)

Terms of Reference

The Committee will act in accordance with the provisions of the Companies Act, Listing Agreement and any other applicable laws and also monitoring and reviewing day-to-day financial and legal matters of the Company. The Minutes of the Committee is placed at the subsequent Board Meeting.

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

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

D. Stakeholder Relationship Committee

The Company has constituted a Stakeholder Relationship Committee of Directors to oversee and redress the shareholders' complaints and to oversee the performance of the Registrar and Transfer Agents. The Company has appointed Mr. Rajesh Mundhra, Company Secretary, as the Compliance Officer.

The composition of the Stakeholder Relationship Committee is given below :

Name	Category
Mr. Satish Mehta (Chairman)	Non Executive
Mr. Y.L. Madan	Independent, Non Executive

Compliance Officer

Mr. Rajesh Mundhra, Company Secretary, who is the Compliance Officer, can be contacted at:
 Ramkrishna Forgings Ltd.
 "Ramkrishna Chambers",
 72, Shakespeare Sarani,
 Kolkata-700017

Corporate Governance Report (Contd.)

Details of complaints received and redressed :

The details regarding complaints received and resolved during the financial year 2014-2015 are as follows :

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	15	15	0

E. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Company Secretary is the Secretary of the Committee.

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

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

Meetings and Attendance

During the year 2014-2015 the Committee has met two times.

The details of the Corporate Social Responsibility Committee meetings held during the Financial Year 2014-2015 are as follows:

Sl.No.	Dates	Strength	Presence of Directors
1	14.08.2014	3	3
2	31.01.2015	3	3

Attendance record at the Corporate Social Responsibility Committee meeting :

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

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.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

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4. General Body Meetings :

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

Financial Year	Details of Location	Date	Time	No. of Special Resolution Passed
2013-2014	Kalakunj, 48, Shakespeare Sarani Kolkata - 700017	17.06.2014	11.45 AM	4
2012-2013	Gyan Manch, Kolkata – 700071	20.07.2013	11.45 A.M.	5
2011-2012	Gyan Manch, 11 Pretoria Street, Kolkata – 700017	28.07.2012	11.00 A.M.	1

No Special resolutions were passed in the year 2014-2015 through Postal Ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot. The Company shall comply with the requirements of the Postal Ballot as and when required.

5. Disclosures

a) Disclosure on materially significant Related Party Transactions having potential conflict with the Company's interests at large :

During the period under review, the Company did not enter into any material transaction with any of its related parties having conflict with the Company's interest. All related party transactions are negotiated on an arm's length basis, and are in the best interest of the Company.

Your Company places the statement of the related party transactions at every Audit Committee meetings. The Register of Contracts containing the transactions, if any, in which the Directors are interested are placed at the Board meetings. The disclosures of the related party transaction as per the Accounting Standard (AS-18) are set out in **Note. 34 of the Notes to the Accounts**. The Company also has a policy on transaction with related parties, a copy of which can be seen at the website at the following link : <http://ramkrishnaforgings.com/policy-for-transactions-with-related-parties.pdf>

b) Details of non- compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years :

The Company has complied with the requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters related to the capital market during 2012-2013, 2013-2014 and 2014-2015.

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) Whistle Blower Mechanism :

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

c) Code of Conduct :

The Board at its meeting held on 1st November, 2014 has adopted a revised Code of Conduct which lays down the procedures to be adhered by the Senior Management and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The code is available at the website of the Company at the following link: <http://ramkrishnaforgings.com/code-of-conduct.pdf>

Corporate Governance Report (Contd.)

The Code has been circulated to Directors and Senior Management Personnel, and its compliance is affirmed by them annually. 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 Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges, 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, 2015.

For Ramkrishna Forgings Limited

Naresh Jalan
(Managing Director)

d) Proceeds of the Preferential Issue

During the year the Company has at its Board Meeting held on 14th July, 2014 issued and allotted 12,00,000 warrants with an option to subscribe upto 12,00,000 Equity Shares of ₹ 10 each to M/s Riddhi Portfolio (P) Limited, Promoter group, on a preferential basis at a price of ₹ 150 per share.

Further, out of the Warrants issued on 19.01.2013 to M/s. Eastern Credit Capital Pvt Ltd, promoter group, the Company has issued and allotted 13,70,500 equity shares on 18.07.2014 by conversion of warrants to M/s. Eastern Credit Capital Pvt Ltd, promoter group at a price of ₹ 130 per share on a preferential basis.

On account of this Preferential Issue the Issued, Subscribed and Paid up Share capital has been increased to ₹ 27,46,99,400 consisting of 2,74,69,940 Equity Shares of ₹ 10 each.

The utilisation of the preferential issue proceeds is provided at every meeting of the Audit Committee and the utilisation for the year ended 31st March, 2015 is disclosed in note no. 2(iii) of the notes to Accounts.

e) Disclosure of Accounting Treatment

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

f) CEO / CFO Certification

As per Clause 49 of the Listing Agreement, the Managing Director and the Chief Financial Officer of the Company certifies to the Board regarding the review of the financial statement, compliance with the accounting standard, maintenance of the internal control for financial reporting, accounting policies etc.

g) Risk Management

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

h) Subsidiary Company

The Company has one subsidiary company, M/s. Globe Forex and Travels Limited. The Company is managed with the Board having the rights and obligations to manage it in the best interest of its stakeholders. The Company does not have any material unlisted subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of the subsidiary. The Company monitors performance of the subsidiary company in the best interest of the stakeholders by the following means:-

- All minutes of the board meetings of the subsidiary company are placed before the Company's Board regularly
- A Statement containing all significant transactions and arrangements, if any, entered into by the Subsidiary Company are placed before the Company's Board.
- Financial statements are reviewed quarterly by the Company's Audit Committee and Board.

66	Directors' Report	Annexure to Directors' Report	Management Discussion and Analysis	Corporate Governance Report
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Corporate Governance Report (Contd.)

i) **Management Discussion and Analysis Report**

It forms part of the Annual Report.

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

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

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

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

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

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

▪ Mr. Naresh Jalan

Mr. Naresh Jalan is a resident of Kolkata and is about 40 years of Age. He is the Managing Director of the Company. He is a graduate in commerce stream and also an MBA in from Symbiosis, Pune. He possesses more than 20 years of experience in Forging industry and under his leadership, the Company has achieved high growth in turnover.

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

- a) Globe Forex and Travels Ltd
- b) Eastern Credit Capital Pvt Ltd
- c) Ramkrishna Rail and Infrastructure Pvt Ltd
- d) Clifftop Infrabuild Pvt Ltd
- e) Northeast Infra Properties Pvt Ltd
- f) Chaitanya Aviation Pvt Ltd

He does not hold committee position in other companies.

He holds 285750 shares in the Company.

▪ Mr. Satish Kumar Mehta

Mr. Satish Kumar Mehta is a resident of Mumbai and is about 72 years of Age. He is a Non- Executive Independent Director of the Company since 28th October, 2005. He is B.E (Mech), Diploma in Non- Traditional Machining Processors from Easco Sparcatron School, USA, Diploma in Production Management from Jamnalal Bajaj Institute of Management, Mumbai and has about 40 years of Industrial Experience with various Companies who are manufacturing Closed Die Forgings, Machined Crankshafts and Non-Traditional machine Tools.

He has developed India's first Electrical Discharge machine with electro Hydraulic Servo mechanism. He has won a National Award in 1977 for his contribution in the field of Mechanical Engineering.

He has won the Jaycee Award for outstanding young person in 1978

He is :

- i) Chairman-Technical Committee of Association of the Indian Forging Industry for past 20 Years.
- ii) Member- Institute of Forging Technology, U.K
- iii) Member- Institute of Engineers –India & Chartered Engineer.
- iv) Providing Technical Assistance to Price Waterhouse Coopers (P) Ltd and ICICI Bank and other Forging Companies.

Corporate Governance Report (Contd.)

He had several professional Training both in India and Overseas and has written several Papers in the field of Non- Traditional Machining Processes & Metal forming.

He does not hold Directorship/Committee Position in any other Company.

He does not hold any share in the Company.

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

▪ **Mr. Amitabha Guha**

Born on 10th November, 1948, he has a qualification of M.Sc. He has been a Banker throughout his life. He was appointed as Chief Manager (Personal Administration) in July 1987 in State Bank of Saurashtra. Thereafter he served various banks from the post of Asst. General Manager in State Bank of Saurashtra in 1992 to Managing Director in State Bank of Travancore in 2004.

He retired as Deputy Managing Director of State Bank of India in November, 2008. He is presently the Non – Executive Chairman of South Indian Bank. He has been member of the undermentioned Institutions :

1	Indian Banks' Association (IBA)	Served as a Member of the Management Committee from December 2003-May 2008.
2	Personnel Committee of IBA	Served as the Alternate Chairman for one term.
3	Finance Committee of IBA.	Served as a Member of the Committee.
4	Indian Institute of Banking Finance	Served as a Member of the Governing Body.
5	Advisory Board of ICFAI Business School, Hyderabad.	Served as a Member for two years.
6	Hyderabad Management Association	Served as a co-opted Member.
7	School Board of the School of Management Studies, University of Hyderabad.	Served as a member of the Board of Trustees.

He is holding Independent Directorship in the following Companies.

- 1) The South Indian Bank Ltd
- 2) X Pro (I) Ltd
- 3) Gangavaram Port Ltd
- 4) Power Mech Projects Ltd

He does not hold Committee Position in any other Company.

He does not hold any share in the Company.

▪ **Ms. Aditi Bagri**

Miss Aditi Bagri is a resident of Mumbai and is around 28 years of age.

She has completed her :

- LLB in the year 2009 from Mumbai University
- Certificate course on General IP from World Intellectual Property Organisation in 2009.
- Diploma in Intellectual Property Rights from Mumbai University in 2009.

She has created a dissertation as part of the curriculum on the criteria for Patentability analysed with respect to reported UK and Indian Cases.

She started her career as intern in Pangea 3 in July, 2007 , worked as Attorney Associate in Integreon Managed Solutions from January, 2010 to December, 2013 and is presently working as Senior Associate in Juris Corp.

She is also a Director in M/s. 'The Rai Saheb Rekhchand Spinning and Weaving Mills Limited'.

She does not hold Committee Positions in any other Company.

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Corporate Governance Report (Contd.)

She does not hold any share in the Company.

I) Code of Conduct for Prevention of Insider Trading

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

6. Means of Communication

In compliance with the requirements of the Listing Agreement, the Company regularly intimates the Stock Exchanges of the unaudited as well the audited financial results of the Company after being adopted by the Board of Directors. Further the results of the Company are normally published in the Business Standard (all edition), Business Line (all edition) and other leading newspaper and AajKal Bengali (vernacular) newspaper.

The Company does not send the half – yearly report to the shareholders.

The Company has not made any presentations to the institutional investors or to the analysts during the financial year 2014-2015

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

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

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

The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.

7. General Shareholders Information

a) Annual General Meeting :

Date : 12th day of September, 2015

Day : Saturday

Time : 10.45 AM

Venue : Indian Council for Cultural Relations at 9A, Ho -Chi -Minh Sarani, Kolkata - 700 071

b) Financial Calendar :

The Financial Year of the Company is April 2015 to March 2016.

The probable dates for the publication of the quarterly results for the Financial Year 2015-16 will be within 45 days following the respective quarter and the Audited Financial Results for the year will be published within 60 days from the end of the financial year. Dividend Warrants will be posted to the shareholders within 30 days from the date of AGM.

c) Date of Book Closure : 5th September, 2015 to 12th September, 2015 (both days inclusive).

Corporate Governance Report (Contd.)

- d) **Listing on Stock Exchange and Depositories :**
- 1) Bombay Stock Exchange Limited (BSE).
 - 2) The National Stock Exchange of India Limited.(NSE)
 - 3) National Securities Depository Limited. (NSDL)
 - 4) Central Depository Services (India) Limited. (CDSL)

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

- e) **Stock Code :** The Scrip code as provide by Bombay Stock Exchange Limited is **532527**

The symbol as provided by National Stock Exchange is **RKFORGE**

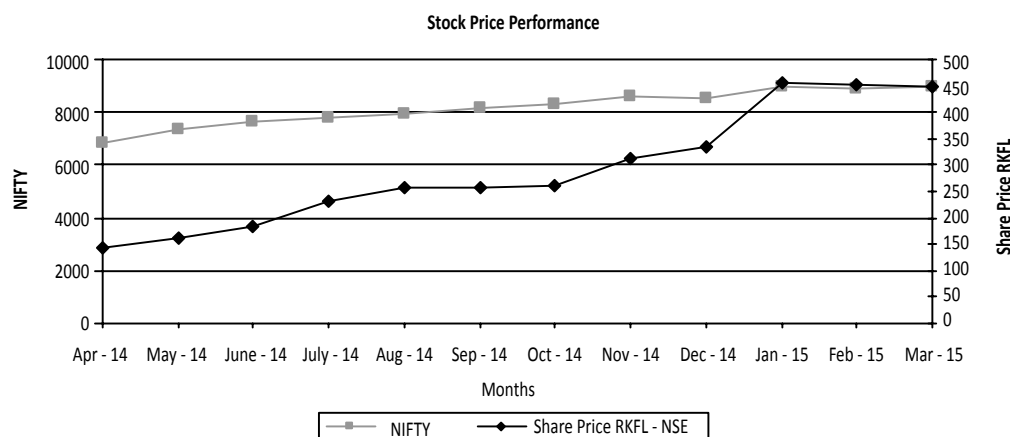
The ISIN no. as provided by the depositories is **INE399G01015**

- f) **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 2014-2015 at NSE and BSE and the NSE NIFTY and BSE SENSEX are as given below :

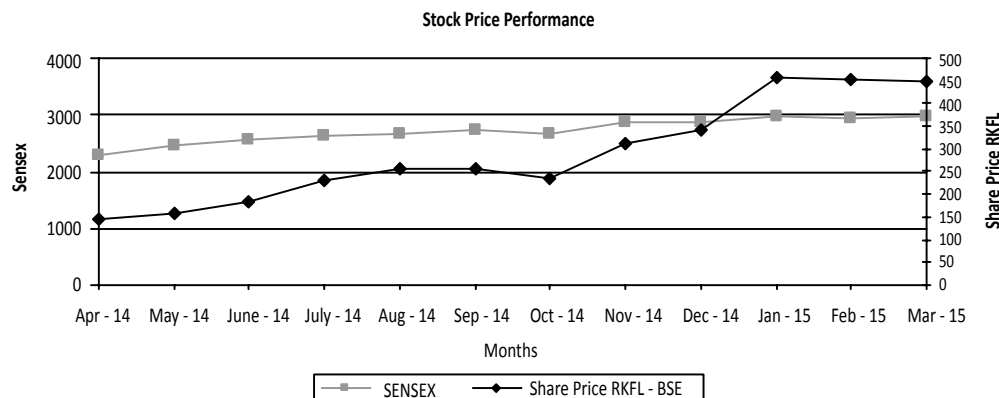
Months	SHARE PRICE NSE		SHARE PRICE BSE		S & P CNX NIFTY		SENSEX	
	High Price	Low Price	High Price	Low Price	High	Low	High	Low
April, 14	144.90	105.35	143.95	105.00	6840.80	6675.30	22876.54	22277.23
May, 14	160.40	113.50	157.25	117.50	7367.10	6652.55	24716.88	22323.90
June, 14	185.55	148.25	183.95	148.80	7656.40	7362.50	25583.69	24684.85
July, 14	230.00	190.55	229.95	184.55	7830.60	7454.15	26271.85	25006.98
August, 14	257.00	225.00	254.65	225.10	7954.35	7568.55	26638.11	25329.14
September, 14	257.10	227.40	257.10	231.90	8173.90	7911.85	27319.85	26468.36
October, 14	261.65	220.40	262.20	216.55	8322.20	7748.20	27865.83	25999.34
November, 14	311.70	274.00	310.95	275.30	8588.25	8324.15	28693.99	27860.38
December, 14	333.95	295.10	340.65	296.00	8564.40	8029.80	28562.82	26710.13
January, 15	455.45	337.10	455.25	338.10	8952.35	8102.10	29681.77	26908.82
February, 15	454.00	399.30	454.60	399.45	8901.85	8526.35	29462.27	28227.39
March, 15	450.15	398.70	446.70	398.00	8996.25	8341.40	29593.73	27457.58

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



Corporate Governance Report (Contd.)

Comparison chart of price performance of the Company with Sensex



h) Registrar and Transfer Agents :

M/s. Karvy Computershare (P) Ltd.
 Karvy Selenium Tower-B",
 Plot No. 31& 32, Gachibowli,
 Financial District, Nanakramguda,
 Serilingampally,
 Hyderabad-500032
 Tel : +91-40-67162222, 33211000
 E mail : einward.ris@karvy.com
 Website : www.karvycomputershare.com

i) Share Transfer System :

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

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

Half – yearly certificate on compliance of Share Transfer formalities obtained from Practising Company Secretary pursuant to clause 47 C of the Listing Agreement with Stock Exchanges and file a copy of the certificate with the Stock Exchanges in time.

j) Distribution of shareholding as on 31st March, 2015

Category (Shares)	No. of Holders	No. of Shares	% of Total Shares
0001 - 500	5165	758056	2.76
0501 - 1000	607	452514	1.65
1001 - 2000	285	411400	1.50
2001 - 3000	103	255246	0.93
3001 - 4000	48	169196	0.62
4001 - 5000	45	214338	0.78
5001 - 10000	72	520719	1.90
10001 and above	104	24688471	89.87
TOTAL	6429	27469940	100.00

Corporate Governance Report (Contd.)

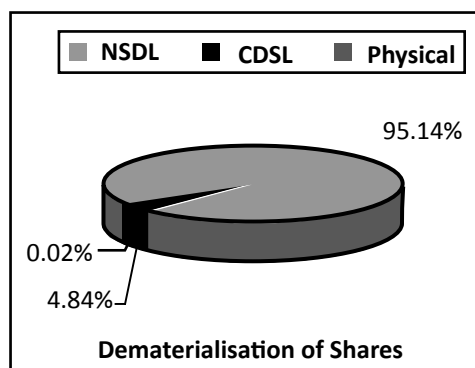
Pattern of Shareholding as on 31st March, 2015

Sl. No	Category	No. of Shares Held	%
1	Promoters Group	13190165	48.02
2	Institution Others (IFC)	1590477	5.79
3	Mutual Funds	3845189	14.00
4	Foreign Institutional Investor	772504	2.81
5	Foreign Nationals	3000	0.01
6	Foreign Portfolio Investors	107507	0.39
7	HUF	194119	0.71
8	Foreign Bodies Corporate	693062	2.52
9	Non Resident Indians	260590	0.95
10	Bodies Corporates	2524328	9.19
11	Indian Public/Others	4214703	15.34
12	Clearing Members	74296	0.27
	Total	27469940	100.00

k) Dematerialisation of Shares as on 31st March, 2015

Description	No. of Shareholders	Shares	%
PHYSICAL	16	5136	0.02
NSDL	4600	26135905	95.14
CDSL	1813	1328899	4.84
Total	6429	27469940	100.00

The shares of the Company are traded only in dematerialised form 27464804 shares which consist of about 99.98% of paid up Equity Share Capital of the Company are held in a dematerialised form as on 31st March, 2015.



- l) **Unclaimed & Unpaid Dividend** – The amount of unclaimed dividend are lying credit in separate bank accounts. Members may please note that pursuant to Section 205C of the Companies Act, 1956 the amount lying in credit of any unpaid dividend account if remained un-claimed for 7 years from the date they became due for payment shall be transferred to the Investor Education and Protection Fund. As on 31st March, 2015 the following amounts are unclaimed and lying credit in separate bank accounts with various banks.

72	Directors' Report	Annexure to Directors' Report	Management Discussion and Analysis	Corporate Governance Report
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Corporate Governance Report (Contd.)

Financial Year	Date of Declaration	Amount Unclaimed/Unpaid as on 31.03.2015 (in ₹)	Bankers's name in which the amount is lying unpaid
2007-08	30-08-2008	18,380	KOTAK
2008-09	N.A.	N.A.	N.A.
2009-10	07-08-2010	45,672	IDBI
2010-11	30-06-2011	21,618	IDBI
2011-12	28-07-2012	23,824	ICICI
2012-13	20-07-2013	9,344	ICICI
2013-14	17-06-2014	4,687	DCB

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

During the year the Company has allotted 1200000 convertible Warrants to M/s. Riddhi Portfolio Pvt Ltd, Promoters Group at a price Rs. 150 per Warrant on preferential basis in compliance with the provisions of the Companies Act, 2013 and other relevant statutes.

n) **Plant Locations :**

1. Plant I : Plot No.M-6, Phase VI, Gamaria, Jamshedpur-832108. Jharkhand.
2. Plant II : 7/40, Duffer Street, Liluah, Howrah- 711204, West Bengal.
3. Plant III & IV : Plot No. M-15,16 and NS-26, Phase – VII , Industrial Area, Adityapur,
4. Plant V : Baliguma, Kolabira, Saraikela – Kharsawan – 833220, Jamshedpur- 832109, Jharkhand.

o) **Address for correspondence :**

i) **For shares held in physical and demat form :**

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

For General Information :

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

Corporate Governance Report (Contd.)

Non-Mandatory Requirements :

- a) **Chairman of the Board** : The Company has an Executive Chairman.
- b) **Shareholders' Rights** : The Company as of now does not send the shareholders' half-yearly declaration of the financial performance. The Financial Results are put up on the Company's website.
- c) **Audit Qualification** : The Company is having unqualified financial statements.
- d) **Separate post of Chairman & CEO** : The Company has Separate post of Chairman and CEO.
- e) **Reporting of Internal Auditor** : The Internal Auditor reports directly to the Audit Committee.

Auditors Certificate on Corporate Governance

To

The Members of

Ramkrishna Forgings Limited

We have examined the compliance of the conditions of Corporate Governance by **RAMKRISHNA FORGINGS LIMITED** ("the Company") for the year ended 31st March 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

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

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

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Date : 7th August, 2015

74	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Independent Auditors' Report

To the Members of
Ramkrishna Forgings Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **RAMKRISHNA FORGINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to **Note No. 30** to the financial statements which describes that the company has paid a managerial remuneration in excess of the limits as laid down in the section 309(3) read with Schedule XIII of the Companies Act, 1956 of ₹ 65.62 Lacs and ₹ 106.38 Lacs respectively during the financial year 2012-13 and 2013-14 to Mr. Mahabir Prasad Jalan, Chairman. Since the payment of the remuneration in excess of the limits requires approval of the Central Government the Company had made an application to

Independent Auditors' Report *(Contd.)*

the Central Government. The Central Government has rejected the application made for Mr. Mahabir Prasad Jalan, Chairman and the Company has made a representation for the same. The outcome of the same is awaited. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – **Refer Note 31 & 32** to the financial statements.
 - ii. The Company has long-term contracts including derivative contracts as at 31st March, 2015 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Kolkata

Dated : the 16th day of May, 2015

For **SINGHI & CO.**
Chartered Accountants
 Firm Registration No.302049E
Rajiv Singhi
Partner
 Membership No.53518

76	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Annexure to the Independent Auditors' Report

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

Re : Ramkrishna Forgings Limited (the Company)

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
- II. (a) The inventories have been physically verified at reasonable intervals during the year by the management except materials lying with third parties, where confirmations are obtained.
- (b) In our opinion, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. The discrepancies between the physical stocks and book stocks, which are not significant, have been properly dealt with in the books of account.
- III. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- IV. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the records of the Company and according to the information and explanation given to us, no major weakness has been noticed or reported in the internal controls system.
- V. The Company has not accepted any deposit from the public.
- VI. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2015 are as under :

Annexure to the Independent Auditors' Report (Contd.)

Name of the status	Nature of Dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	13.01	2007-08	CIT (Appeal) Kolkata.
Sales Tax & Local Sales Tax Act	Sales Tax	8.18	2003-04 to 2005-06	Jt. Commissioner Sales Tax (Appeal), Jamshedpur.
The Central Excise Act, 1994	Excise Duty	17.72	2010-11 & 2011-12	Jt. Commissioner, Central Excise, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	33.98	2004-05 to 2006-07	CESTAT, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	15.34	2007-08 to 2011-12	Additional Commissioner, Service tax, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	9.37	2009-10	Commissioner Appeals-1, Kolkata

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

- VIII. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- IX. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- X. In our opinion, the terms and conditions on which the company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- XI. According to the information and explanations given to us the Company has applied term loans for the purpose for which they were obtained during the year.
- XII. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Kolkata

Dated : the 16th day of May, 2015

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No.302049E
Rajiv Singhi
Partner
Membership No.53518

78	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Balance Sheet as at 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	'2'	2,746.99	2,609.94
Reserves and Surplus	'3'	37,783.81	29,053.86
Money received against Share Warrants		580.00	654.18
		41,110.80	32,317.98
NON-CURRENT LIABILITIES			
Long-Term Borrowings	'4'	44,302.87	35,721.70
Deferred Tax Liabilities	'5'	3,444.09	3,090.06
Other Long-Term Liabilities	'6'	508.40	242.96
Long-Term Provisions	'7'	97.82	23.38
		48,353.18	39,078.10
CURRENT LIABILITIES			
Short-Term Borrowings	'8'	24,596.87	11,484.83
Trade Payables	'9'	13,341.87	10,222.07
Other Current Liabilities	'10'	12,455.16	7,800.33
Short-Term Provisions	'11'	744.33	350.77
		51,138.23	29,858.00
		1,40,602.21	1,01,254.08
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	'12'	52,066.65	23,110.49
Intangible Assets	'12'	320.40	259.26
Capital Work-In-Progress		31,568.32	34,703.98
Non-Current Investments	'13'	670.32	670.32
Long-Term Loans and Advances	'14'	5,717.84	9,456.36
		90,343.53	68,200.41
CURRENT ASSETS			
Inventories	'15'	17,560.55	15,713.47
Trade Receivables	'16'	26,186.93	11,497.05
Cash and Bank Balances	'17'	48.35	1,428.34
Short-Term Loans and Advances	'18'	4,763.27	3,212.41
Other Current Assets	'19'	1,699.58	1,202.40
		50,258.68	33,053.67
		1,40,602.21	1,01,254.08

Significant Accounting Policies

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 16th day of May, 2015

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

For and on behalf of the Board

Statement of Profit & Loss for the year ended 31st March, 2015

(₹ in Lacs)

	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
REVENUES			
Revenue from Operations (Gross)	'20'	78,413.22	46,709.00
Less : Excise Duty		4,337.27	3,756.22
Revenue from Operations (Net)		74,075.95	42,952.78
Other Income	'21'	573.32	238.69
Total Revenue		74,649.27	43,191.47
EXPENSES			
Cost of Materials Consumed	'22'	35,506.47	21,709.63
Changes in Inventories	'23'	1,481.22	1,062.26
Employee Benefits Expense	'24'	4,468.10	2,917.95
Power & Fuel		5,576.95	4,310.72
Finance Costs	'25'	3,029.55	2,226.38
Depreciation and Amortization Expenses	'26'	3,121.65	2,491.79
Other Expenses	'27'	14,369.37	7,194.44
Total Expenses		67,553.31	41,913.18
Profit before Exceptional Item and Tax		7,095.96	1,278.30
Exceptional Items	'28'	746.22	-
Profit before Tax		7,842.18	1,278.30
Tax Expense			
Current Tax		1,642.00	526.00
MAT Credit Entitlement		(1,642.00)	-
Tax adjustments for earlier years (Net)		14.61	0.12
Deferred Tax		353.99	(93.08)
Profit/ (Loss) for the period		7,473.58	845.26
Earnings per Share (EPS) (Weighted Average) :	'40'		
Basic EPS (in ₹)		27.61	3.34
Diluted EPS (in ₹)		26.93	3.34

Significant Accounting Policies

1

Accompanying Notes are integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 16th day of May, 2015

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

80	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Cash Flow Statement for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEM AND TAXES	7,842.18	1,278.29
Adjustments for :		
Depreciation	3,121.65	2,491.79
Sundry Balance written (back) / Off	(41.67)	37.46
(Profit) / Loss on sale of Fixed Assets/Discarded Assets	(421.46)	5.14
(Profit) / Loss on sale of Investment	(361.38)	-
Employees Stock Option Expenses	-	8.44
Interest income	(190.37)	(188.16)
Interest expense	3,029.55	2,226.38
Effect of Exchange rate change (Net)	229.98	(145.56)
Dividend income	(7.98)	(7.99)
Operating Profit/(Loss) before Working Capital Changes	13,200.51	5,705.79
Movements in Working Capital		
Decrease/(Increase) in Trade receivable	(13,728.56)	(3,996.11)
Decrease/(Increase) in Loans & Advances & Others Current Assets	2,399.00	(2,733.80)
Decrease/(Increase) in Inventories	(1,847.09)	(794.74)
(Decrease)/Increase in Trade Payables	3,205.55	4,888.67
(Decrease)/Increase in Loans & Others Current Liabilities	3,173.08	(1.20)
Direct Tax paid	(1,515.53)	(270.76)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	4,886.95	2,797.85
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work in Progress)	(29,937.95)	(29,039.18)
Proceeds from Sale of Fixed Assets / Adjusted	901.29	51.67
Loan & Advances to Subsidiary	173.00	(408.84)
Investment in Shares in Subsidiary	-	(83.86)
Amount Received from ESOP Trust	1,353.57	91.99
Interest Received	195.48	172.11
Dividend Received	7.98	7.99
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(27,306.63)	(29,208.13)

Cash Flow Statement for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	2014-15	2013-14
A. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital including Securities Premium	1,336.24	5,908.85
Share Warrant Allotment Money Received	580.00	75.68
Proceed from Long Term Borrowings	14,783.36	26,145.69
Repayment of Long Term Borrowings	(4,000.28)	(3,051.12)
Short Term Borrowings (Net)	13,082.74	2,129.05
Interest Paid	(4,437.03)	(3,374.90)
Dividend including Dividend Tax	(305.35)	(293.78)
Net Cash Inflow From Financing Activities (C)	21,039.68	27,539.47
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(1,380.00)	1,129.20
Opening Cash And Cash Equivalents	1,428.34	299.14
Closing Cash And Cash Equivalents	48.35	1,428.34
Net Increase / (Decrease) In Cash And Cash Equivalents	(1,380.00)	1,129.20

Notes :

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

Particulars	2014-15	2013-14
b) Cash and Cash Equivalents Include		
- Cash in hand	5.55	5.06
- With Scheduled Bank -		
a) Fixed deposit Account	-	1,400.00
b) Current Account	42.80	23.28
	48.35	1,428.34

- c) Closing Cash and Cash Equivalents represents "Cash & Bank Balance" except ₹ 1.24 Lacs lying in Current Account with schedule bank on account of unclaimed dividends which are not available for use by the Company.

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 16th day of May, 2015

Alok Kumar Sharda
Chief Financial Officer**Rajesh Mundhra**
Company Secretary

82	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

1. SIGNIFICANT OF ACCOUNTING POLICIES

a. Accounting Convention

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

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

b. Use of Estimates

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

c. Fixed Assets

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

d. Depreciation and Amortization

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

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2015

e. Impairment of Assets

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

f. Inventories

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

g. Investments

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

h. Foreign Currency Transactions

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

i. Employee benefits

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

j. Revenue Recognition

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

k. Borrowing Cost

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

84	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

I. Government Grant

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

m. Taxation

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

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

n. Excise Duty

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

o. Earning per Share

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

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

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

2. SHARE CAPITAL	As at 31st March, 2015		As at 31st March, 2014	
	Numbers	(₹ in Lacs)	Numbers	(₹ in Lacs)
Authorized :				
Equity Shares of ₹ 10/- each	2,97,50,000	2,975.00	2,97,50,000	2,975.00
		2,975.00		2,975.00
Issued :				
Equity Shares of ₹ 10/- each fully paid up	2,74,69,940	2,746.99	2,60,99,440	2,609.94
		2,746.99		2,609.94
Subscribed and Paid up :				
Equity Shares of ₹ 10/- each fully paid-up	2,74,69,940	2,746.99	2,60,99,440	2,609.94
		2,746.99		2,609.94

Notes to the Financial Statements for the year ended 31st March, 2015

- i) The Company, as on 31st March, 2014, had 17,80,000 outstanding warrants which were issued to M/s. Eastern Credit Capital (P) Limited (Formally Eastern Credit Capital Limited), Promoter group, on a preferential basis at a price of ₹ 130/- per warrant. On 18th July 2014 out of above 13,70,500 number of warrants has been converted into equity shares of ₹ 10/- each at a premium of ₹ 120/- per share and balance 4,09,500 number of warrants has been forfeited.
- ii) The Company in its Board Meeting held on 14th July, 2014 has allotted 12,00,000 warrants to M/s. Riddhi Portfolio (P) Ltd, Promoter Group, on a preferential basis at a price of ₹ 150/- per warrant. The warrants can be converted into 12,00,000 equity shares of ₹ 10/- each at a premium of ₹ 140/- per share within a period of 18 months from the date of allotment i.e 14th July, 2014.

		As at 31st March, 2015	
Statement of utilisation of the Preferential issue		(₹ in Lacs)	(₹ in Lacs)
	Unutilised Preferential issue proceeds at the beginning of the year	380.52	
Add	Preferential issue proceeds received for conversion of 13,70,500 warrants into 13,70,500 equity shares of ₹ 10/- each at a premium of ₹ 120/- per share from M/s. Eastern Credit Capital Private Limited.	1,336.24	
Add	Preferential issue proceeds received for allotment and conversion of 12,00,000 warrants to Riddhi Portfolio Private Ltd at ₹ 150/- per warrant	580.00	2,296.76
Less	Utilised for financing the capital expenditure in respect of the projects		2,166.76
	Amount lying in the bank accounts of the Company as on 31st March, 2015		130.00

a) **Reconciliation of the number of Shares outstanding :**

Equity Shares	As at 31st March, 2015	As at 31st March, 2014
Outstanding at the beginning of the year	2,60,99,440	2,10,95,940
Add : Shares issued on Allotment	–	37,24,500
Add : Shares issued on conversion of warrants	13,70,500	12,79,000
Outstanding at the end of the year	2,74,69,940	2,60,99,440

b) The Company does not have any Holding Company.

c) **Right, Preference and restrictions attached to Shares :**

The Company has one class of equity shares having 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.

For the year ended 31st March, 2015, the Board of Directors of the Company has recommended dividend of ₹ 2/- per share (Previous year ₹ 1/- per share) to equity shareholders aggregating to ₹ 549.40 Lacs (Previous year ₹ 260.99 Lacs). The total payout together with the Corporate Dividend Distribution Tax of ₹ 109.85 Lacs (Previous year ₹ 44.36 Lacs), will be ₹ 659.25 Lacs (Previous year ₹ 305.35 Lacs).

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

Name of Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
1. Riddhi Portfolio Private Limited	60,27,415	21.94%	60,25,913	23.09%
2. Eastern Credit Capital Private Ltd.	56,18,500	20.45%	42,48,000	16.28%
3. International Finance Corporation	15,90,477	5.79%	21,48,400	8.23%
4. Reliance Capital Trustee Co. Ltd. - A/C Reliance Tax Saver (ELSS) Fund	14,38,917	5.24%	14,38,917	5.51%
5. Wayzata II Indian Ocean Limited.	6,93,062	2.52%	59,37,500	22.75%

86	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

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

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
3. RESERVE AND SURPLUS		
Reserves and Surplus consist of the following :		
(a) Capital Reserve		
As per last Financial Statement	3,274.98	2,758.08
Add : Capital Subsidy receivable	137.94	516.90
Add : On forfeiture of Share Warrant Money	133.09	—
	3,546.01	3,274.98
(b) Securities Premium Account		
As per last Financial Statement	15,395.23	9,288.61
Add : On Issue of Preferential shares	—	4,571.82
Add : On conversion of warrants into equity shares	1,644.58	1,534.80
	17,039.81	15,395.23
(c) General Reserve		
As per last Financial Statement	698.15	648.15
Add : Transfer from Statement of Profit and Loss	750.00	50.00
	1,448.15	698.15
(d) Surplus in the Statement of Profit and Loss		
As per last Financial Statement	9,685.51	9,195.60
Add : Profit for the period	7,473.58	845.26
	17,159.09	10,040.86
Less : Proposed Dividend on Equity Shares	549.40	260.99
Less : Tax on Proposed Equity Dividend	109.85	44.36
Less : Transfer to General Reserve	750.00	50.00
	15,749.84	9,685.51
	37,783.81	29,053.86

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

		Non Current portion		Current Maturities	
4.	LONG-TERM BORROWINGS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Secured					
From Banks					
Term Loan		44,302.87	35,721.70	3,125.36	3,137.06
		44,302.87	35,721.70	3,125.36	3,137.06
Unsecured					
VAT Deferment Payment Scheme		–	–	–	68.84
		–	–	–	68.84
		44,302.87	35,721.70	3,125.36	3,205.90
Less : Disclosed under the head current liabilities		–	–	3,125.36	3,205.90
		44,302.87	35,721.70	–	–

(a) Security :

- Term loans (except those which are having exclusive charge) are secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line and those assets for which there is an exclusive charge of other bankers and subject to charges of the Company's bankers created / to be created in their favour for working capital loans. It is further secured by the second charge on the current assets of the Company, both present and future, excluding hundies of Tata Motors discounted by State Bank of India.
- Term Loan of ₹ 1,600 Lacs from Development Credit Bank is secured by the subservient charge on the current assets of the Company and collateral security of land alongwith building at 72 Shakespeare Sarani. Kolkata - 700 017.
- Term Loan of Euro. 154.46 Lacs from Landesbank Baden - Wurttemberg(LBBW) is secured by the first charge on the 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line imported from SMS,Gmbh.
- Term loan of ₹ 952 Lacs from IDBI Bank Limited is secured by the specific charge on the assets financed by them .

(b) Repayment schedule is as follows :

(₹ in Lacs)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 to 2025- 2026	Total
Secured									
Term Loan & Buyer's Credit	3,125.36	4,996.46	8,161.47	7,992.72	6,949.18	5,926.77	3,185.40	7,090.87	47,428.23
Total									47,428.23

(c) Interest Rate & Repayment of Loan

Term Loan from bank / financial institutions carries interest EUR libor + 52 bps to 13% p.a.

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

88	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
5. DEFERRED TAX		
Major components of Deferred Tax arising on account of temporary timing differences are given below :		
(a) Deferred Tax Liabilities		
Depreciation and Amortization Expenses	4,787.47	3,134.11
	4,787.47	3,134.11
(b) Deferred Tax Assets		
On Retirement benefits expenses as per AS - 15	63.30	44.05
Business Loss including Unabsorbed Depreciation (i)	1,280.08	—
	1,343.38	44.05
Deferred Tax Liabilities (Net)	3,444.09	3,090.06

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

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
6. OTHER LONG - TERM LIABILITIES		
Other Liabilities	508.40	242.96
	508.40	242.96

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
7. LONG-TERM PROVISIONS		
Long-term Provisions consist of the following :		
Provision for Employee Benefits	97.82	23.38
	97.82	23.38

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
8. SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand		
From Banks - Working Capital Loan	23,534.37	10,990.33
	23,534.37	10,990.33
Unsecured		
Loan repayable on demand		
From Bank	1,062.50	494.50
	1,062.50	494.50
	24,596.87	11,484.83

Notes to the Financial Statements for the year ended 31st March, 2015**(a) Security :**

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

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
9. TRADE PAYABLES		
Trade Payables consist of the following :		
Micro, Small and Medium Enterprises (Refer Note No. 42)	9.02	55.29
Others	13,332.85	10,166.78
	13,341.87	10,222.07

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
10. OTHER CURRENT LIABILITIES		
Other current Liabilities consist of the following:		
Current maturities of long-term debt	3,125.36	3,205.90
Interest accrued but not due on borrowings	201.84	174.56
Amount shall be credited to Investor's Education and Protection Fund (as and when due)		
Unpaid Dividends	1.24	1.52
Project Liabilities	4,650.40	3,051.48
Advance from Customers	46.05	78.51
Payable to Employees	681.98	429.32
Statutory dues	376.24	166.42
Other Payables #	3,372.05	692.62
# Other payable represents Repairs & Maintenance, Carriage Outward Expenses, Payable to Subsidiary etc.	12,455.16	7,800.33

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
11. SHORT-TERM PROVISIONS		
Short-term Provisions consist of the following:		
Employee Benefits		
- Gratuity	82.06	41.47
- Leave Encashment	3.02	3.95
Proposed Dividend	549.40	260.99
Tax on Proposed Dividend	109.85	44.36
	744.33	350.77

90	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortization				Net Block	
	As at 01-04-2014	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2015	As at 01-04-2014	For the Year	Deductions/ Adjustments	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
12. FIXED ASSETS										
A. Tangible Assets										
Land & Land Development										
Lease Hold Land	138.34	–	–	138.34	44.86	4.48	–	49.34	89.00	93.48
Free Hold Land	487.21	–	–	487.21	–	–	–	–	487.21	487.21
Total	625.55	–	–	625.55	44.86	4.48	–	49.34	576.21	580.69
Factory Shed & Building	2,521.40	4,048.33	–	6,569.73	558.64	140.51	–	699.16	5,870.58	1,962.76
Office Building	3,235.34	29.40	436.17	2,828.57	171.30	52.55	53.21	170.63	2,657.94	3,064.05
Plant & Machinery	26,639.74	27,605.73	157.06	54,088.40	11,576.33	2,354.77	107.75	13,823.36	40,265.04	15,063.40
Vehicles	237.96	247.69	15.63	470.01	54.50	44.78	8.62	90.65	379.36	183.47
Furnitures & Fixtures	1,953.85	234.62	63.16	2,125.31	295.96	213.86	29.95	479.89	1,645.43	1,657.88
Computer (Inc. Software)	570.82	191.52	3.86	758.48	350.84	94.05	3.67	441.22	317.26	219.98
Office Equipments	184.31	14.79	1.07	198.03	34.41	82.28	0.13	116.57	81.46	149.90
Air Condition Machine	268.70	88.62	15.59	341.71	40.34	37.43	9.41	68.34	273.37	228.36
Total (A)	36,237.66	32,460.70	692.56	68,005.80	13,127.18	3,024.70	212.74	15,939.14	52,066.65	23,110.49
B. Intangible Assets										
Computer Software	462.28	158.09	–	620.37	203.02	96.94	–	299.96	320.40	259.26
Total (B)	462.28	158.09	–	620.37	203.02	96.94	–	299.96	320.40	259.26
Total (A+B)	36,699.93	32,618.79	692.56	68,626.17	13,330.21	3,121.66	212.74	16,239.11	52,387.05	23,369.75
Previous Year	35,153.70	1,705.18	158.95	36,699.93	10,929.70	2,502.09	101.59	13,330.18	23,369.75	24,224.00

The Company has reassessed the remaining useful lives of its tangible fixed assets as per the requirement of the Schedule II to the Companies Act, 2013. The depreciation charge, as a result of this, for the twelve months ended 31st March, 2015 is lower by ₹ 402.50 Lacs.

In terms of MCA notification dated 29th August, 2014 amending Schedule II, the carrying amount of tangible fixed assets (after retaining the residual value), whose remaining useful lives have been reassessed to be nil as at April 1, 2014, has been recognised in the Statement of Profit & Loss as depreciation.

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
13. NON-CURRENT INVESTMENTS		
Non-Current Investments consist of the following:		
(i) Other than Trade		
Investments in Equity Instruments (Unquoted) (at cost)		
In Equity Shares of Subsidiary Company - Fully paid-up		
- 8,81,400 Equity Shares (Previous year 8,81,400 Nos. Equity Shares) of "Globe Forex & Travel Ltd." of ₹ 10/- each fully paid up	659.82	659.82
In Equity Shares of Other Company - Fully paid-up		
- 1,050 Equity Shares (Previous year 1,050 Equity Shares) of "Adityapur Auto Cluster" of ₹ 1000/- each fully paid up	10.50	10.50
	670.32	670.32

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

(₹ in Lacs)

	Maximum Outstanding			
14. LONG-TERM LOANS AND ADVANCES	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Long-Term Loans and Advances consist of the following :				
Loan given to Subsidiary Company (Globe Forex & Travels Limited)	1,023.00	1,073.00	800.00	800.00
Unsecured, Considered Good				
The Loans has been given for Business Purpose and are interest bearing.				
Capital Advance #				
Unsecured, Considered Good			2,232.64	7,790.54
Security Deposits #				
Unsecured, Considered Good			940.69	744.87
MAT Entitlement Receivable (b)			1,648.53	6.53
Other loans and advances - Advances Recoverable from				
Unsecured, Considered Good				
- Prepaid Expenses			38.92	52.61
- Employees			57.06	61.81
			5,717.84	9,456.36
# Doubtful ₹ Nil (Previous year ₹ Nil)				

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

92	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

		As at 31st March, 2015			As at 31st March, 2014		
15.	INVENTORIES (Valued at lower of Cost and Net Realisable Value) :	In transit	In hand	Total	In transit	In hand	Total
Inventories consist of the following :							
	Work-in-Progress	–	6,189.75	6,189.75	–	7,452.97	7,452.97
	Raw Materials	–	4,870.91	4,870.91	–	3,218.23	3,218.23
	Fuel & Gas	–	101.39	101.39	–	200.11	200.11
	Stores and Spares	–	2,763.32	2,763.32	–	1,699.74	1,699.74
	Die & Die Block	–	3,294.23	3,294.23	–	2,868.52	2,868.52
	Vendor Managed Inventory	14.23	73.67	87.90	61.61	40.18	101.80
	Finished Goods	–	0.13	0.13	–	0.11	0.11
	Forgings Scrap	–	252.92	252.92	–	172.00	172.00
		14.23	17,546.32	17,560.55	61.61	15,651.86	15,713.47

(₹ in Lacs)

		As at 31st March, 2015	As at 31st March, 2014
16.	TRADE RECEIVABLES		
Trade Receivables consist of the following :			
Outstanding for a period exceeding six months (from due date)			
	Unsecured, Considered Good	53.06	118.18
Outstanding for a period less than six months			
	Unsecured, Considered Good	26,133.87	11,378.87
		26,186.93	11,497.05

(₹ in Lacs)

		As at 31st March, 2015	As at 31st March, 2014
17.	CASH AND BANK BALANCES		
Cash and Bank Balances consist of the following :			
Cash and Cash Equivalents			
	Cash in hand	5.55	5.06
Balance with Banks :			
	- In Current Accounts	42.80	23.28
	- Deposits with less than 3 months initial maturity	–	1,400.00
		48.35	1,428.34

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
18. SHORT-TERM LOANS AND ADVANCES		
Short-Term Loans and Advances consist of the following :		
Loan given to Subsidiary Company (Globe Forex & Travels Limited)	–	173.00
Unsecured, Considered Good		
Security and Other Deposits #		
Unsecured, Considered Good	5.84	5.91
Others - Advances Recoverable from		
Unsecured, Considered Good		
- Ramkrishna Forgings Ltd Employee Welfare Trust	–	968.19
- Employees	86.44	89.72
- Advance Tax (Net of Provision)	–	3.74
- Income Tax Refundable	151.14	147.40
- Suppliers of Goods & Services	395.53	242.97
- Balance with Customs, Port Trusts, Excise	3,821.20	1,425.42
- Prepaid Expenses	303.12	156.06
	4,763.27	3,212.41
# Doubtful NIL (Previous year NIL)		

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
19. OTHER CURRENT ASSETS		
Other Current Assets consist of the following:		
Accrued Interest	74.63	79.73
Accrued Export and Other Incentives	853.83	350.07
Others #	771.12	772.60
# Includes Capital subsidy receivable, Insurance claims receivable etc	1,699.58	1,202.40

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
20. REVENUE FROM OPERATIONS		
Revenue from Operations consist of the following :		
Sale of Products		
- Steel Forgings	70,243.93	41,649.95
Job Work Sales	404.40	610.59
Other Operating Revenues	8,042.45	4,448.46
	78,690.78	46,709.00
Less : Excise Duty Paid	4,337.27	3,756.22
	74,353.51	42,952.78
Less : Transfer to Capital Work-in-Progress	277.56	-
	74,075.95	42,952.78

94	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
21. OTHER INCOME		
Other Income consist of the following :		
Interest Income	190.37	188.16
Dividend Income		
On Current Investments	7.98	7.99
Other Non-Operating Income (Net)	374.97	42.54
	573.32	238.69

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
22. COST OF RAW MATERIALS CONSUMED		
Cost of Raw Materials consumed consist of the following :		
Round	26,321.43	15,321.15
Billets	10,023.31	6,388.48
	36,344.74	21,709.63
Less : Transferred to Capital Work-in-Progress	838.27	-
	35,506.47	21,709.63

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
23. CHANGES IN INVENTORIES		
Changes in Inventories consist of the following:		
Opening Stock		
Vendor Managed Inventory	101.79	-
Work-in-Progress	7,452.97	8,388.90
Finished Goods	0.11	-
Forging Scrap	172.00	428.43
	7,726.87	8,817.33
Less : Closing Stock		
Vendor Managed Inventory	87.89	101.79
Work-in-Progress	6,189.75	7,452.97
Finished Goods	0.13	0.11
Forging Scrap	252.92	172.00
	6,530.69	7,726.87
(Increase) / Decrease in Stock	1,196.18	1,090.46
Add: Excise Duty on (Increase) / Decrease in Stock	9.19	(28.20)
	1,205.37	1,062.26
Add: Stock of Trial run production	275.85	-
	1,481.22	1,062.26

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Opening	Closing	Opening	Closing
a) Details of Work-in-Progress Stock under broad heads are given below :				
Steel Forging	7,452.97	6,189.75	8,388.90	7,452.97
	7,452.97	6,189.75	8,388.90	7,452.97
b) Details of Vendor Managed inventory under broad heads are given below :				
Steel Forging	101.79	87.89	–	101.79
	101.79	87.89	–	101.79

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
24. EMPLOYEE BENEFITS EXPENSES		
Employee Benefits Expenses consist of the following :		
Salaries, Wages, Bonus, Exgratia, Incentive etc.	4,771.81	3,354.39
Gratuity fund contributions	94.43	49.89
Provident Fund / Employees Pension Fund & E. S. I. Contribution	255.23	179.18
Expense on Employee Stock Option Scheme (ESOP)	–	8.44
Staff welfare expenses	168.10	101.14
	5,289.57	3,693.04
Less : Transferred to Capital Work-in-Progress	821.47	775.09
	4,468.10	2,917.95

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
25. FINANCE COSTS		
Finance Costs consist of the following		
Interests Expenses	4,254.40	3,059.23
Other Borrowing Costs	429.22	426.68
	4,683.62	3,485.91
Less: Transfer to Capital Work-in-Progress	1,654.07	1,259.53
	3,029.55	2,226.38

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
26. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation and Amortization Expenses	3,121.65	2,502.09
Less : Transferred to Capital Work-in-Progress	–	10.30
	3,121.65	2,491.79

96	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
27. OTHER EXPENSES		
Other Expenses consist of the following :		
Carriage Inward Expenses	240.83	214.95
Stores, Spares (Including Packing Material)	4,148.98	2,194.47
Die Consumed	727.42	84.97
Processing Charges	2,439.69	1,494.28
Repairs to:-		
-Plant & Machinery	122.43	109.68
-Factory Shed & Building	34.84	33.02
Rent	42.63	32.51
Rates & Taxes	18.09	15.54
Insurance Charges	291.99	143.37
Repairs & Maintenance	271.34	167.34
Miscellaneous Expenses	1,458.75	484.80
Director Sitting Fees & Commission	161.55	6.30
Bank Charges & Commission	48.30	30.45
Postage, Telegraph & Telephone	61.75	44.09
Legal & Professional Expenses (a)	502.80	292.38
Travelling & Conveyance Expenses	499.14	275.67
(Including Directors Travelling ₹ 179.43 Lacs (previous Year ₹ 108.34 Lacs))		
Advertisement Expenses	29.48	19.50
Payment to Auditors (b)	28.10	23.74
Brokerage & Commission Expenses	137.47	137.12
Vehicle Running Expenses	64.11	39.33
Carriage Outward Expenses	667.49	588.16
Export Expenses	4,278.20	1,095.07
Discount & Rebate (Net)	100.04	322.36
Exchange Rate Difference	229.98	(145.56)
Sundry Balances Written Off (Net)	(41.67)	37.46
Discarded Assets	10.54	12.04
	16,574.27	7,753.05
Less: Transfer to Capital Work-in-Progress	2,204.90	558.60
	14,369.37	7,194.44

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Other Expenses include Legal & Professional Expenses :		
(i) Payment to a firm of solicitors in which Director is a partner	4.43	2.51
(ii) Payment towards technical consultancy charges to a Director	0.20	1.90
(b) Details of payment to Auditors		
Statutory Auditors :		
Audit Fees	16.00	11.00
Tax Audit Fees	3.00	2.00
For other Services	8.77	10.50
Out of Pocket Expenses	0.33	0.24
	28.10	23.74

Notes to the Financial Statements for the year ended 31st March, 2015

28. Exceptional Items during the year include ₹ 291.97 Lacs towards surrender of the Keyman Insurance Policy and ₹ 454.25 Lacs towards profit on sale of one of the office premises of the Company.
29. Non-Operating Income includes expenses relating to earlier years amounting to ₹ 0.64 Lacs (Previous year Expenses (Net) ₹ 9.00 Lacs) as per following details.

(₹ in Lacs)

Sl No.	Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
1	Central Excise	1.47	—
2	E. S. I. Contribution	—	0.14
3	Electricity Charges / Duty	3.48	—
4	Directors Remuneration	(6.74)	—
5	Service Tax	—	8.86
6	Exempted Sales	1.10	—
7	Sales Tax	0.05	—
	Total	(0.64)	9.00

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

98	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
32. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED)		
A) Contingent Liabilities		
a) Claims against the Company not acknowledged as debt		
(i) Electricity charges demand of Jharkhand State Electricity Board. (Pending before High Court, Jharkhand)	45.24	45.24
(ii) Demand for Sales Tax for the FY 2003-04 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur)	0.22	–
(iii) Demand for Sales Tax for the FY 2004-05 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur)	1.90	–
(iv) Demand for Sales Tax for the FY 2005-06 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur)	9.16	–
(v) Demand for Income Tax for the AY 2007-08 (Appeal pending before the Commissioner of Income Tax (Appeals), Kolkata)	13.01	8.03
(vi) Demand for Income Tax for the AY 2008-09 (Appeal pending before the Commissioner of Income Tax (Appeals), Kolkata)	–	3.96
(vii) Demand for Service Tax for the FY 2004-05, 2005-06, 2006-07 (upto July 2006) (Appeal pending before the Excise & Service Tax Appellate Tribunal, Kolkata) (Deposit ₹ 2.00 Lacs)	35.98	35.98
(viii) Demand for Service Tax for the FY 2007-08 to 2011-12 (Appeal pending before the Additional Commissioner Service Tax, Kolkata)	15.34	–
(ix) Demand for Service Tax for the FY 2009-10 (Appeal pending before the Commissioner(Appeals-1), Kolkata) (Deposit ₹ 0.37 Lacs)	9.74	–
(x) Demand for Central Excise for the FY 2010-11 & FY 2011-12 (Appeal pending before the Joint Commissioner of Central Excise, Kolkata II)	17.72	–
b) Bank Guarantee	567.63	567.63
c) Custom duty on Capital goods imported under EPCG Scheme / Advance Licence, against which export obligation of ₹ 36,589.31 Lacs (Previous year ₹ 37,294.89 Lacs) is to be fulfilled	5,448.74	5,169.27
d) Corporate guarantee given to State Bank of India, Commercial Branch, Jamshedpur, on behalf of Globe Forex & Travels Ltd., wholly owned Subsidiary of the Company.	1,400.00	1,000.00
e) Corporate guarantee given to ICICI Bank Ltd. R. N. Mukherjee Branch, Kolkata on behalf of Globe Forex & Travels Ltd., wholly owned Subsidiary of the Company.	500.00	–
B) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	8,838.63	17,474.91

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
33. EMPLOYEE BENEFITS		
A) Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits :		
(i) In respect of Gratuity a defined benefit scheme (based on actuarial valuation)		
a) Expenses recognized during the year.		
Current Service Cost	77.67	53.45
Interest Cost	29.76	27.93
Expected return on plan assets	(24.05)	(22.79)
Actuarial (Gain) / Loss	(1.33)	(17.12)
Net Cost	82.05	41.47
b) Net Assets / Liability recognized in the Balance Sheet at the year end		
Present Value of Fair value of plan assets at the end of the year	370.26	299.90
Present value of obligation	452.31	341.37
Amount recognized in Balance Sheet	82.05	41.47
c) Reconciliation of opening and closing balances of Defined Benefit obligation		
Present Value of Defined Benefit obligation at the beginning of the year	341.37	279.42
Current Service Cost	77.67	53.45
Interest Cost	29.76	27.93
Actuarial (Gain) / Loss on obligation	3.51	(19.43)
Benefit paid	-	-
Present Value of Defined benefit obligation at the year end	452.31	341.37
d) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of plan assets at beginning of the year	299.90	227.07
Expected return on plan assets	24.05	22.79
Actuarial Gain / (Loss)	4.84	(2.31)
Employer contribution	41.47	52.35
Benefit Paid	-	-
Fair value of plan assets at the end of the year	370.26	299.90
e) Investment details		
Insurer Managed Funds 100%	370.26	299.90
f) Actuarial Assumptions		
Mortality Table (LIC)	L.I.C. (2006 - 08), Ultimate Table	L.I.C. (2006 - 08), Ultimate Table
Discount Rate (Per Annum)	7.50%	9%
Rate of escalation in salary (per annum)	7%	7%

100	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

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

- ii) Leave salary – compensated absence: - The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on basis of actuarial valuation at the year end.
- iii) In respect of Defined contribution Scheme : The Company contributes 12% of salary for all eligible employees towards Provident Fund managed by the Central Government. Total expenses recognized towards Employer's contribution to Provident Fund ₹ 236.88 Lacs (Previous year ₹ 133.02 Lacs).

34. RELATED PARTIES (DISCLOSED AS PER ACCOUNTING STANDARD (AS) - 18)

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

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

- (b) Transaction with related parties :

(₹ Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Nature of Transaction during the year.		
i) Subsidiary of the Company		
Loan Given - Globe Forex & Travels Ltd.	–	703.26
Interest Received - Globe Forex & Travels Ltd. (TDS ₹ 10.21 Lacs, Previous year ₹ 10.18 Lacs)	102.07	101.75
Loan Repayment by - Globe Forex & Travels Ltd.	173.00	280.26
Cost of SAP Implementation recovered from - Globe Forex & Travels Ltd. (TDS ₹ Nil, Previous year TDS ₹ 1.41 Lacs)	–	14.13
Reimbursement of Legal Expenses	–	7.30
Commission Paid / Payable	14.45	13.63

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
ii) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	450.00	578.50
Warrant conversion money received and converted in to Equity Shares	1,781.65	1,247.03
Warrant conversion money received pending conversion Equity Shares	130.00	75.68
Forfeiture of Warrant Money	133.09	—
Dividend paid - Riddhi Portfolio (P) Ltd.	60.26	60.25
Dividend paid - Eastern Credit Capital (P) Ltd.	42.48	32.58
Dividend paid - Ramkrishna Rail & Infrastructure Pvt. Ltd.	0.02	0.02
iii) Key Management Personnel		
Managerial Remuneration **		
i) Mahabir Prasad Jalan	186.63	186.56
ii) Naresh Jalan	128.46	125.65
iii) Pawan Kumar Kedia	23.89	18.27
Rent Paid - Naresh Jalan	6.00	6.00
Lease Rent - Naresh Jalan	24.00	24.00
Dividend paid	11.44	11.44
Commission - Mahabir Prasad Jalan	80.00	—
Commission - Naresh Jalan	70.00	—
iv) Relative of Key Management Personnel		
Dividend paid - Rashmi Jalan	4.19	4.19
v) Trust of the Company		
Refund received / Adjustment #	1,353.03	231.96
Dividend	7.98	7.99
Balance outstanding as at 31st March, 2015		
i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	450.00	578.50
Warrant conversion money received pending conversion Equity Shares	130.00	75.68
ii) Subsidiary of the Company		
Loan - Globe Forex & Travels Limited	800.00	973.00
Trade payable - Purchase of Air Ticket and Other Receipts	16.00	33.64
Investment in Shares	659.82	659.82
iii) Trust of the Company	—	968.19
iv) Commission - Mahabir Prasad Jalan	80.00	—
Commission - Naresh Jalan	70.00	—
v) Corporate guarantee given to State Bank of India, JSR - ₹ 1400.00 Lacs & ICICI Bank Limited, Kolkata - ₹ 500.00 Lacs on behalf of Globe Forex & Travels Ltd.	1,900.00	1,000.00

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

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

Amount received on sale of shares including gain thereon.

102	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
35. PRE-OPERATIVE EXPENSES (INCLUDED IN CAPITAL WORK IN PROGRESS)		
Details of Pre-operative expenses (Including Trial Run Expenses) are as follows :		
Particulars		
Salaries, Wages & Allowances	821.47	775.09
Power and Fuel	201.88	37.70
Stores, Spares Consumed	0.18	13.28
Die Consumed	153.22	
Raw materials	838.27	–
Carriage Inwards	6.54	–
Processing Charges	7.43	
Interest / Bank Charges	1,478.13	812.36
Exchange Rate Difference	760.88	125.96
Miscellaneous Expenses	806.95	83.69
Rates & Taxes	–	4.75
Insurance Charges	141.05	24.69
Depreciation	–	10.30
Travelling Expenses	121.31	90.59
Professional Fees/ Consultancy	207.36	165.84
Total	5,544.65	2,144.26
Less: Preoperative Income & Stock of Scrap	553.84	–
	4,990.82	2,144.26
Add: Balance brought forward from previous year	4,165.60	2,021.34
	9,156.42	4,165.60
Less : Allocated to Fixed Assets	4,355.11	–
Balance Carried forward	4,801.31	4,165.60

36. Exchange Rate Difference

Foreign currency exchange difference Gain of ₹ 255.04 Lacs (Previous year Loss of ₹ 49.79 Lacs) on long term borrowing for acquisition of Fixed Assets, has been adjusted to carrying cost of fixed assets which is in compliance with the treatment prescribed under AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 (G.S.R. 913 (E) dt. 29.12.2011) issued by Ministry of Corporate Affairs.

37. Operating Lease

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

Notes to the Financial Statements for the year ended 31st March, 2015

(in Lacs)

		As at 31st March, 2015	As at 31st March, 2014
38.	FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY DERIVATIVE INSTRUMENT OR OTHERWISE AS ON 31ST MARCH, 2015 ARE AS UNDER :		
i.	Sundry Debtors	In USD *	15.09
		In EUR	10.53
ii.	PCFC	In USD	—
iii.	Buyer's Credit	In USD	0.13
		In JPY	1,050.00
		In EUR	0.14
iv.	Sundry Creditor	In USD	—
		In JPY	—
		In EUR	16.90
v.	Foreign Currency Loan	In USD	190.00
		In EUR	139.84

* PCFC / PSFC loan in USD has not been considered to the extent outstanding foreign debtors in USD as on 31.03.2015

(₹ in Lacs)

		Year ended 31st March, 2015	Year ended 31st March, 2014
39.	SEGMENT INFORMATION		
a.	Primary Segment Information: The Company is operating in a single segment namely Forgings.		
	Information about Secondary Segments : Geographical		
	Revenue by Geographical Market		
	India	36,441.32	31,266.65
	Outside India	37,634.63	11,686.13
		74,075.95	42,952.78
	Carrying Amount of Segment Assets		
	Outside India	19,480.77	5,862.10

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

		Year ended 31st March, 2015	Year ended 31st March, 2014
40.	EARNING PER SHARE (EPS)		
	EPS is calculated by dividing the profit attributable to the equity shareholder by the weighted average number of equity shares outstanding during the year.		
	Profit for the period (₹ Lacs)	7,473.58	845.26
	Weighted average number of shares used in the calculation of EPS :		
	Weighted average number of Basic Equity Shares outstanding	2,70,64,422	2,52,95,393
	Dilutive Impact of Shares Warrant Issued	6,84,640	—
	Weighted average number of Shares outstanding (Including Diluted)	2,77,49,062	2,52,95,393
	Face value of per share (₹)	10.00	10.00
	Basic EPS (₹)	27.61	3.34
	Diluted EPS (₹)	26.93	3.34

104	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

41. The Company has recognised a capital subsidy (in the form of sales tax refund) of ₹ 137.94 Lacs (Previous year of ₹ 516.90 Lacs) under Jharkhand Industrial Policy, 2001 which has been credited to Capital Reserve.
42. Information related to Micro, Small and Medium Enterprises Development Act, 2006 (the Act) is disclosed hereunder. The information given below has been determined to the extent such parties have been identified on the basis of information available with the Company :

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
(a) (i) Principal amount remaining unpaid to any supplier at the end of the accounting year	–	55.29
(ii) Interest due on above	–	–
Total	–	55.29
(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.	–	–

43. a) **C.I.F. value of imports by the Company (Including goods in transit and imported items purchased locally) :** (₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Components and Spare parts	355.46	131.09
Capital Goods	12,437.69	17,268.99

- b) **Expenditure in foreign currency during the year (Paid or provided) :**

	Year ended 31st March, 2015	Year ended 31st March, 2014
Foreign Bank Charges	12.75	2.80
Professional and Consultation Fees	49.72	11.78
Interest paid on FC loan	1,532.71	278.11
Interest paid on Buyer Credit (FC loan)	8.77	10.98
Technical Service & Supervision Charges	565.81	2.53
Travelling	42.24	18.58
Commission Paid	6.21	16.40
Advertisement Expenses	1.01	–
Salary paid	129.26	131.54
Carriage Outward Expenses	4.98	–
Storage Charges	56.13	1.68
Management Fees / Waiver Fees	–	94.80

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Legal Fees	–	7.84
Commitment Fees	23.84	83.69
Postage / Telegram / Telephone	0.05	2.80
Printing & Stationery	–	0.88
Customs Duty	–	1.30
Claim against export sales	–	3.85
Office Rent	9.20	–
Recruitment Expenses	10.11	–
Processing Charges	9.14	–
Office Equipment	1.28	–

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

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Qty (MT)	Value	Qty (MT)	Value
i) Consumption (₹ Lacs)				
Raw Materials				
Imported	–	–	–	–
Indigenous	73,647.93	36,344.74	48,662.02	21,709.63
Less: Transferred to Capital Work-in-Progress		838.27		–
		35,506.47		21,709.63
Stores and Spare parts (₹ Lacs)		4,876.40		2,279.45
Imported		90.74		57.42
Indigenous		4,785.66		2,222.03
		4,785.66		2,222.03
ii) Percentage of Total Consumption				
Raw Materials	100%	100%	100%	100%
Imported	–	–	–	–
Indigenous	100%	100%	100%	100%
Stores and Spare parts		100%		100%
Imported		1.86%		2.52%
Indigenous		98.14%		97.48%

106	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statement
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Notes to the Financial Statements for the year ended 31st March, 2015

d) Earnings in Foreign Exchange :

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Export of goods calculated on F.O.B. basis	33,997.89	9,924.74
Die design & preparation charged (Recovered)	2,510.92	1,411.41

(₹ in Lacs)

e)	Year ended 31st March, 2015	Year ended 31st March, 2014
Remittance of Foreign currency on A/c of Dividend to Non-Resident Shareholders	59.38	59.38

44. Details of the Loan given, Investment made and Guarantee given covered **under section 186(4) of the Companies Act, 2013**
Loans given and Investment made are provided under the respective hands.

Corporate Guarantee given by the Company in respect of the Loan taken by subsidiary as on 31st March, 2015. (₹ in Lacs)

SI No.	Name of the Company	Year ended 31st March, 2015	Year ended 31st March, 2014
1.	Globe Forex & Travels Limited	1,900.00	1,000.00

The Guarantee has been given for the business purpose.

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

As per our attached report of even date

For and on behalf of the Board

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

Rajiv Singhi
Partner
Membership No. 53518

Mahabir Prasad Jalan
Chairman
DIN No. 00354690

Naresh Jalan
Managing Director
DIN No. 00375462

Pawan Kumar Kedia
Finance Director
DIN No. 00375557

Place : Kolkata
Date : The 16th day of May, 2015

Alok Kumar Sharda
Chief Financial Officer

Rajesh Mundhra
Company Secretary

CONSOLIDATED ACCOUNTS

108	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Independent Auditors' Report

To the Members of

Ramkrishna Forgings Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of RAMKRISHNA FORGINGS LIMITED ("hereinafter referred to as "the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditors' Report

Emphasis of Matters

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

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in our auditors' reports of the Holding Company and Subsidiary Company incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that :-
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company and Subsidiary Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and Subsidiary Company incorporated in India, none of the directors of the Holding Company and Subsidiary Company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group – Refer Note 31 & 32 to the consolidated financial statements.
 - ii. The Group has long-term contracts including derivative contracts as at 31st March, 2015 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India.

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

Rajiv Singhi
Partner
Membership No.53518

Place : Kolkata
Dated : the 16th day of May, 2015

110	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Annexure to the Independent Auditors' Report

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

Re : Ramkrishna Forgings Limited & its Subsidiary Globe Forex and Travels Pvt. Limited. (Group)

Our reporting on the CARO 2015 is on Holding Company and Subsidiary Company incorporated in India to the extent considered applicable for reporting under CARO 2015 in the case of the consolidated financial statements.

- I. (a) The Holding Company & Subsidiary Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out by the management of the Holding Company & Subsidiary Company. In our opinion, the frequency of verification is reasonable having regard to size and nature of their business.
- II. (a) The inventories have been physically verified at reasonable intervals during the year by the management of the holding company except materials lying with third parties, where confirmations are obtained. In case of the Subsidiary Company Para 3 (ii) is not applicable as the subsidiary company is not having any inventory.
- (b) In our opinion, the procedure of physical verification of inventories followed by Holding Company is reasonable and adequate in relation to the size and the nature of its business.
- (c) Proper records of inventories have been maintained. The discrepancies between the physical stocks and book stocks, which are not significant, have been properly dealt with in the books of account.
- III. The Holding Company & Subsidiary Company has not granted any loans, secured or unsecured during the year to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- IV. On the basis of checks carried out during the course of audit and as per explanations given, we are of the opinion that there are adequate internal control system which commensurates with the size and the nature of business of the holding company & subsidiary company for the purchase of inventory and fixed assets and for sale of goods and services to the extent applicable. Further, on the basis of our examination of the records and according to the information and explanation given, no major weakness has been noticed or reported in the internal control system.
- V. The Holding Company & Subsidiary Company has not accepted any deposit from the public.
- VI. We have broadly reviewed the books of accounts maintained by Holding Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

Further the Subsidiary Company is not required to maintain Cost Records as prescribed by the Central Government under section 148 (1) (d) of the Companies Act, 2013.
- VII. (a) According to the information and explanations given and the records examined, the holding company & subsidiary company are generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given, the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2015 are as under :

Annexure to the Independent Auditors' Report

Name of the status	Nature of Dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	13.01	2007-08	CIT (Appeal) Kolkata.
Sales Tax & Local Sales Tax Act	Sales Tax	8.18	2003-04 to 2005-06	Jt. Commissioner Sales Tax (Appeal), Jamshedpur.
The Central Excise Act, 1994	Excise Duty	17.72	2010-11 & 2011-12	Jt. Commissioner, Central Excise, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	33.98	2004-05 to 2006-07	CESTAT, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	15.34	2007-08 to 2011-12	Additional Commissioner, Service tax, Kolkata.
Service Tax under Finance Act, 1994.	Service Tax	9.37	2009-10	Commissioner Appeals-1, Kolkata

- (c) According to the information and explanations given the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

- VIII. In our opinion and according to the information and explanations given to us the Holding Company and Subsidiary Company don't have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.
- IX. The Holding Company & Subsidiary Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- X. According to the information and explanations given, the Holding Company & Subsidiary Company has not given any guarantee for loans taken by others from banks and financial institutions (including foreign banks) during the year.
- XI. According to the information and explanations given the Holding Company has applied term loans for the purpose for which they were obtained during the year.

Further, the Subsidiary Company has not obtained any term loan during the year.

- XII. According to the information and explanations given, no fraud on or by the Holding Company & Subsidiary Company has been noticed or reported during the course of our audit.

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

Rajiv Singhi
Partner

Membership No.53518

Place : Kolkata

Dated : the 16th day of May, 2015

112	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Consolidated Balance Sheet as at 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	'2'	2,746.99	2,609.94
Reserves and Surplus	'3'	37,705.27	28,907.96
Money received against Share Warrants		580.00	654.18
		41,032.26	32,172.08
Non-Current Liabilities			
Long-Term Borrowings	'4'	44,302.87	35,721.70
Deferred Tax Liabilities	'5'	3,292.85	2,919.18
Other Long-Term Liabilities	'6'	508.40	242.96
Long-Term Provisions	'7'	97.82	23.38
		48,201.94	38,907.22
Current Liabilities			
Short-Term Borrowings	'8'	26,041.77	12,216.72
Trade Payables	'9'	15,557.58	11,477.14
Other Current Liabilities	'10'	12,639.86	7,919.52
Short-Term Provisions	'11'	764.68	359.74
		55,003.89	31,973.12
		1,44,238.09	1,03,052.42
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'12'	52,367.28	23,434.44
Intangible Assets	'12'	863.63	812.48
Capital Work-in-Progress		31,568.29	34,703.98
Non-Current Investments	'13'	10.50	10.50
Long-Term Loans and Advances	'14'	4,949.92	8,677.34
		89,759.62	67,638.74
Current Assets			
Inventories	'15'	17,560.55	15,713.47
Trade Receivables	'16'	29,872.30	13,558.34
Cash and Bank Balances	'17'	121.56	1,527.33
Short-Term Loans and Advances	'18'	5,077.20	3,328.06
Other Current Assets	'19'	1,846.86	1,286.48
		54,478.47	35,413.68
		1,44,238.09	1,03,052.42

Significant Accounting Policies

Accompanying Notes are integral part of the financial statement.

As per our attached report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 16th day of May, 2015

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

For and on behalf of the Board

Consolidated Statement of Profit & Loss for the year ended 31st March, 2015

(₹ in Lacs)

	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
REVENUES			
Revenue from Operations (Gross)	'20'	79,543.22	47,476.93
Less: Excise Duty		4,337.27	3,756.22
Revenue from Operations (Net)		75,205.95	43,720.71
Other Income	'21'	490.63	149.12
Total Revenues		75,696.58	43,869.83
EXPENSES			
Cost of Raw Materials Consumed	'22'	35,506.47	21,709.63
Changes in Inventories	'23'	1,481.21	1,062.26
Employee Benefit Expenses	'24'	5,003.88	3,330.08
Power & Fuel		5,590.86	4,320.07
Finance Cost	'25'	3,154.11	2,287.66
Depreciation and Amortization Expenses	'26'	3,163.79	2,507.44
Other Expenses	'27'	14,613.32	7,358.73
Total Expenses		68,513.64	42,575.87
Profit before Exceptional Items and Tax		7,182.94	1,293.96
Exceptional Items	'28'	746.22	–
Profit before Tax		7,929.16	1,293.96
Tax Expense :			
Current tax		1,656.60	526.00
MAT Credit Entitlement		(1,656.60)	–
Tax adjustments for earlier years (Net)		14.61	0.12
Deferred tax		373.64	(77.86)
Profit / (Loss) after tax and Minority Interest		7,540.92	845.70
Earnings per Share (EPS) (Weighted Average) :	'37'		
Basic EPS (in ₹)		27.86	3.34
Diluted EPS (in ₹)		27.18	3.34

Significant Accounting Policies

Accompanying Notes are integral part of the Financial Statements

As per our attached report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Date : The 16th day of May, 2015

For and on behalf of the Board

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

114	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Consolidated Cash Flow Statement for the year ended 31st March, 2015

(₹ in Lacs)

	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET(LOSS)/PROFIT BEFORE EXTRAORDINARY ITEM AND TAXES	7,929.20	1,293.96
Adjustments for :		
Depreciation	3,163.81	2,507.44
Investment Written off	-	0.14
Sundry Balance written (back) / Off	(20.75)	37.45
(Profit) / Loss on sale of Fixed Assets/Discarded Assets	(421.46)	11.40
(Profit) / Loss on sale of Investments	(361.38)	0.64
Employees Stock Option Expenses	-	8.44
Interest income on others	(94.97)	(293.83)
Interest income on Income Tax Refund	(5.09)	-
Interest expense	3,144.96	2,285.07
Liabilities no longer required to be written back	-	(11.90)
Bad Debts Written Off	-	0.03
Effect of Exchange rate change (Net)	229.98	(145.56)
Dividend income	(7.98)	(8.04)
Operating Profit/(Loss) before Working Capital Changes	13,556.32	5,685.24
Movements in Working Capital		
Decrease/(Increase) in Trade receivable	(15,339.93)	(5,317.03)
Decrease/(Increase) in Loans & Advances & Others Current & Non-Current Assets	2,352.98	(2,911.41)
Decrease/(Increase) in Inventories	(1,847.09)	(794.74)
(Decrease)/Increase in Trade Payables	4,166.20	5,694.04
(Decrease)/Increase in Loans & Others Current Liabilities	3,043.36	(89.43)
Direct Tax paid	(1,564.05)	(291.07)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	4,367.79	1,975.60
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work in Progress)	(29,946.75)	(29,078.94)
Proceeds from Sale of Fixed Assets / Adjusted	901.29	59.92
Proceeds from Sale of Investments	-	1.16
Loan & Advances to Subsidiary	173.00	(83.86)
Amount Received from ESOP Trust	1,353.57	91.99
Interest Received	304.21	277.78
Dividend Received	7.98	8.04
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(27,206.70)	(28,723.91)

Consolidated Cash Flow Statement for the year ended 31st March, 2015 (Contd.)

(₹ in Lacs)

	2014-15	2013-14
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital including Securities Premium	1,336.24	5,908.85
Share Warrant Allotment Money Received	580.00	75.68
Proceed from Long Term Borrowings	14,783.36	26,145.69
Repayment of Long Term Borrowings	(4,000.28)	(3,051.12)
Short Term Borrowings (Net)	13,795.76	2,530.25
Interest Paid	(4,756.59)	(3,423.57)
Dividend including Dividend Tax	(305.35)	(293.78)
NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	21,433.14	27,892.00
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,405.77)	1,143.68
OPENING CASH AND CASH EQUIVALENTS	1,527.33	383.65
CLOSING CASH AND CASH EQUIVALENTS	121.56	1,527.33
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,405.77)	1,143.68

Notes :

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

b) Cash and Cash Equivalents Include :	2014-15	2013-14
- Cash in hand	16.40	10.10
- With Scheduled Bank -		
a) Fixed deposit Account	46.77	1,454.75
b) Current Account	58.39	62.48
	121.56	1,527.33

- c) Closing Cash and Cash Equivalents represents "Cash & Bank Balance" except ₹ 1.24 Lacs lying in Current Account with schedule bank on account of unclaimed dividends which are not available for use by the Company.

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 16th day of May, 2015

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

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

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

B. Accounting Convention

"These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. All the items of Income and Expenditure have been recognized on accrual basis except certain Insurance claim/Sales Tax/Excise claims / refunds which are accounted on cash basis where the amounts are unascertainable.

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

C. Use of Estimates

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

D. Fixed Assets

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

E. Depreciation and Amortization

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

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

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

- (ii) "Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets. Depreciation for assets purchased / sold during a period is proportionately charged. Depreciation on change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis. Leasehold lands are amortized over the lease period. Depreciation and amortisation method, useful live and residual values are reviewed periodically, including at each financial year end."

F. Impairment of Assets

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

G. Inventories

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

H. Investments

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

I. Foreign Currency Transactions

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

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

J. Employee Benefits

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

K. Revenue Recognition

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

L. Borrowing Cost

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

M. Government Grant

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

N. Taxation

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

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

O. Excise Duty

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

P. Earning per Share

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

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

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015		As at 31st March, 2014	
2. SHARE CAPITAL	Numbers	(₹ in Lacs)	Numbers	(₹ in Lacs)
Authorized :				
Equity Shares of ₹ 10/- each	2,97,50,000	2,975.00	2,97,50,000	2,975.00
		2,975.00		2,975.00
Issued :				
Equity Shares of ₹ 10/- each fully paid up	2,74,69,940	2,746.99	2,60,99,440	2,609.94
		2,746.99		2,609.94
Subscribed and Paid up :				
Equity Shares of ₹ 10/- each fully paid-up	2,74,69,940	2,746.99	2,60,99,440	2,609.94
		2,746.99		2,609.94

- i) The Company, as on 31st March, 2014, had 1780000 outstanding warrants which were issued to M/s. Eastern Credit Capital (P) Limited (Formally Eastern Credit Capital Limited), Promoter group, on a preferential basis at a price of ₹ 130/- per warrant. On 18th July 2014, out of above 13,70,500 number of warrants has been converted into equity shares of ₹ 10/- each at a premium of ₹ 120/- per share and balance 4,09,500 number of warrants has been forfeited.
- ii) The Company in its Board Meeting held on 14th July, 2014 has allotted 12,00,000 warrants to M/s .Riddhi Portfolio (P) Ltd, Promoter Group, on a preferential basis at a price of ₹ 150/- per warrant. The warrants can be converted into 12,00,000 equity shares of ₹ 10/- each at a premium of ₹ 140/- per share within a period of 18 months from the date of allotment i.e 14th July, 2014.

iii) **Statement of utilisation of the Preferential issue**

(₹ in Lacs)

	As at 31st March, 2015	
Unutilised Preferential issue proceeds at the beginning of the year	380.52	
Add : Preferential issue proceeds received for conversion of 1370500 warrants into 13,70,500 equity shares of ₹ 10/- each at a premium of ₹ 120/- per share from M/s. Eastern Credit Capital Private Limited.	1,336.24	
Add : Preferential issue proceeds received for allotment and conversion of 12,00,000 warrants to Riddhi Portfolio Private Ltd at ₹ 150/- per warrant	580.00	2,296.76
Less : Utilised for financing the capital expenditure in respect of the projects		2,166.76
Amount lying in the bank accounts of the Company as on 31st March, 2015		130.00

Reconciliation of the number of Shares outstanding :

Equity Shares	As at 31st March, 2015	As at 31st March, 2014
Outstanding at the beginning of the year	2,60,99,440	2,10,95,940
Add: Shares issued on conversion of warrants	13,70,500	12,79,000
Add: Shares issued on Allotment	-	37,24,500
Outstanding at the end of the year	2,74,69,940	2,60,99,440

120	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
3. RESERVE AND SURPLUS		
Reserves and Surplus consist of the following :		
(a) Capital Reserve		
As per last Financial Statement	3,274.98	2,758.08
Add : Capital Subsidy received	137.94	516.90
Add : On forfeiture of Share Warrant Money	133.09	-
	3,546.01	3,274.98
(b) Securities Premium Account		
As per last Financial Statement	15,395.23	9,288.61
Add : On Issue of Preferential shares	-	4,571.82
Add : On conversion of warrants into equity shares	1,644.60	1,534.80
	17,039.83	15,395.23
(c) Revaluation Reserve		
As per last Financial Statement	78.67	79.31
Less : Depreciation on account of revaluation	-	0.64
	78.67	78.67
(d) General Reserve		
As per last Financial Statement	698.15	648.15
Add : Transfer from Statement of Profit and Loss	750.00	50.00
	1,448.15	698.15
(e) Surplus in the Statement of Profit and Loss		
As per last Financial Statement	9,460.93	8,970.58
Add : Profit for the period	7,540.92	845.70
	17,001.86	9,816.28
Less : Proposed Dividend on Equity Shares	549.40	260.99
Less : Tax on Proposed Equity Dividend	109.85	44.36
Less : Transfer to General Reserve	750.00	50.00
	15,592.61	9,460.93
	37,705.27	28,907.96

- 3.1 The subsidiary Company has revalued its office building situated at 8, Ho-Chi-Minh Sarani, Kolkata - 700 071 to its Market Value ₹ 250/- Lacs vide valuation report in F.Y. 2013-14 dated 30th September 2013, the resultant surplus ₹ 79.31/- Lacs has been added to Office Building and credited to Revaluation Reserve.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

		Non Current		Current	
4.	LONG-TERM BORROWINGS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	Secured				
	From Banks				
	Term Loan	44,302.87	35,721.70	3,125.36	3,137.06
		44,302.87	35,721.70	3,125.36	3,137.06
	Unsecured				
	VAT Deferment Payment Scheme	-	-	-	68.84
		-	-	-	68.84
		44,302.87	35,721.70	3,125.36	3,205.90
	Less : Disclosed under the head other current liabilities (Ref. Note No. 10)	-	-	3,125.36	3,205.90
		44,302.87	35,721.70	-	-

(₹ in Lacs)

		As at 31st March, 2015	As at 31st March, 2014
5.	DEFERRED TAX		
	Major components of Deferred Tax arising on account of temporary timing differences are given below :		
(a)	Deferred Tax Liabilities		
	Depreciation and Amortization Expenses	4,811.15	3,156.43
		4,811.15	3,156.43
(b)	Deferred Tax Assets		
	On Retirement benefits expenses as per AS - 15	67.53	47.10
	Business Loss including Unabsorbed Depreciation #	1,450.77	190.15
		1,518.30	237.25
	Deferred Tax Liabilities (Net)	3,292.85	2,919.18

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

(₹ in Lacs)

		As at 31st March, 2015	As at 31st March, 2014
6.	OTHER LONG - TERM LIABILITIES		
	Other Long-Term Liabilities consist of the following :		
	Other Liabilities	508.40	242.96
		508.40	242.96

122	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
7. LONG-TERM PROVISIONS		
Long-term Provisions consist of the following :		
Provision for Employee Benefits	97.82	23.38
	97.82	23.38

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
8. SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand		
From Banks - Working Capital Loan	24,929.55	11,672.50
	24,929.55	11,672.50
Unsecured		
Loan repayable on demand		
From Bank	1,062.50	494.50
From Others	49.72	49.72
	1,112.22	544.22
	26,041.77	12,216.72

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
9. TRADE PAYABLES		
Trade Payables consist of the following :		
Micro, Small and Medium Enterprises	9.02	55.29
Others	15,548.56	11,421.85
	15,557.58	11,477.14

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
10. OTHER CURRENT LIABILITIES		
Other current Liabilities consist of the following :		
Current maturities of long-term debt (Refer Note 4)	3,125.36	3,205.90
Interest accrued but not due on borrowings	201.84	174.56
Amount shall be credited to Investor's Education and Protection Fund (as and when due)		
Unpaid Dividends	1.24	1.52
Project Liabilities	4,650.39	3,051.47
Advance from Customers	107.21	151.51
Payable to Employees	749.12	469.42
Statutory dues	418.26	183.87
Other Payables #	3,386.44	681.27
# Other payable represents Repairs & Maintenance, Carriage Outward Expenses etc.	12,639.86	7,919.52

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
11. SHORT-TERM PROVISIONS		
Short-term Provisions consist of the following:		
Employee Benefits		
- Gratuity	94.28	50.44
- Leave Encashment	11.15	3.95
Proposed Dividend	549.40	260.99
Tax on Proposed Dividend	109.85	44.36
	764.68	359.74

(₹ in Lacs)

	Gross Block				Depreciation / Amortization				Net Block	
Description	As at 01-04-2014	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2015	As at 01-04-2014	For the Year	Deductions/ Adjustments	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
12. FIXED ASSETS										
A. Tangible Assets										
Land & Land Development										
Lease Hold Land	138.34	-	-	138.34	44.86	4.48	-	49.34	89.00	93.48
Free Hold Land	487.21	-	-	487.21	-	-	-	-	487.21	487.21
Total	625.55	-	-	625.55	44.86	4.48	-	49.34	576.21	580.69
Factory Shed & Building	2,521.40	4,048.33	-	6,569.73	558.64	140.51	-	699.16	5,870.57	1,962.76
Office Building *	3,485.34	29.40	436.17	3,078.57	180.11	56.55	53.21	183.46	2,895.11	3,305.23
Plant & Machinery	26,645.11	27,605.73	157.06	54,093.78	11,579.37	2,356.07	107.75	13,827.70	40,266.08	15,065.74
Vehicles	258.39	247.69	15.63	490.45	68.89	46.31	8.62	106.58	383.87	189.50
Furnitures & Fixtures	2,016.62	234.83	63.16	2,188.29	321.63	220.71	29.95	512.39	1,675.90	1,695.00
Computer	630.80	198.44	3.86	825.38	398.79	100.83	3.67	495.94	329.44	232.02
Office Equipments	214.89	15.49	1.07	229.31	48.20	91.23	0.13	139.32	89.99	166.68
Air Condition Machine	282.66	89.59	15.59	356.66	45.84	40.13	9.41	76.55	280.11	236.82
Total (A)	36,680.75	32,469.50	692.55	68,457.72	13,246.33	3,056.82	212.74	16,090.44	52,367.28	23,434.44
B. Intangible Assets										
Goodwill on Consolidation	503.19	-	-	503.19	-	-	-	-	503.19	503.19
Computer Software	502.85	158.11	-	660.94	203.24	105.01	-	308.27	352.69	299.61
Online Portal Website Development	10.50	-	-	10.50	0.82	1.94	-	2.75	7.75	9.68
Total (B)	1,016.54	158.11	-	1,174.63	204.06	106.96	-	311.02	863.63	812.48
Total (A+B)	37,697.29	32,627.60	692.55	69,632.35	13,450.39	3,163.77	212.74	16,401.46	53,230.91	24,246.92
Previous Year	35,953.05	1,954.72	210.47	37,697.30	11,052.02	2,518.35	119.99	13,450.38	24,246.92	24,901.04

- Out of ₹ 56.55 Lacs (P.Y. ₹ 55.32 Lacs) depreciation provided on Office Building, ₹ Nil (P.Y. ₹ 0.64/- Lacs) is adjusted through Revaluation Reserve.
- The Company has reassessed the remaining useful lives of its tangible fixed assets as per the requirement of the Schedule II to the Companies Act, 2013. The depreciation charge, as a result of this, for the twelve months ended 31st March, 2015 is lower by ₹ 385.85 Lacs respectively. In terms of MCA notification dated 29th August, 2014 amending Schedule II, the carrying amount of tangible fixed assets (after retaining the residual value), whose remaining useful lives have been reassessed to be nil as at April 1, 2014, has been recognised in the Statement of Profit & Loss as depreciation.

124	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
13. NON-CURRENT INVESTMENTS		
Non-Current Investments consist of the following:		
i) Other than Trade		
Investments in Equity Instruments (Unquoted) (at cost)		
In Equity Shares of Other Company - Fully paid-up		
1050 Equity Shares (Previous year 1050 Equity Shares) of "Adityapur Auto Cluster" of ₹ 1000/- each fully paid up	10.50	10.50
	10.50	10.50

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

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
14. LONG-TERM LOANS AND ADVANCES		
Long-Term Loans and Advances consist of the following :		
Capital Advance #		
Unsecured, Considered Good	2,232.63	7,790.54
Security Deposits #		
Unsecured, Considered Good	958.19	765.85
MAT Entitlement Receivable *	1,663.13	6.53
Other loans and advances - Advances Recoverable from		
Unsecured, Considered Good		
- Prepaid Expenses	38.92	52.61
- Employees	57.05	61.81
	4,949.92	8,677.34

Doubtful ₹ Nil (Previous year ₹ Nil)

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

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
15. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE) :		
Inventories consist of the following :		
Work-in-Progress	6,189.75	7,452.97
Raw Materials	4,870.91	3,218.23
Fuel & Gas	101.39	200.11
Stores and Spares	2,763.32	1,699.74
Die Block	3,294.23	2,868.52
Vendor Managed Inventory (including in transit ₹ 14.23 Lacs (P.Y. ₹ 61.61 Lacs))	87.90	101.79
Finished Goods	0.13	0.11
Forgings Scrap	252.92	172.00
	17,560.55	15,713.47

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
16. TRADE RECEIVABLES		
Trade Receivables consist of the following :		
Outstanding for a period exceeding six months (from due date)		
Unsecured, Considered Good	161.13	312.42
Outstanding for a period less than six months		
Unsecured, Considered Good	29,711.17	13,245.92
	29,872.30	13,558.34

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
17. CASH AND BANK BALANCES		
Cash and Bank Balances consist of the following :		
Cash and Cash Equivalents		
Cash in hand	16.40	10.10
Balance with Banks :		
- In Current Accounts	58.38	62.48
- Deposits with less than 3 months initial maturity	—	1,400.00
	74.78	1,472.58
Other Balances		
- Deposits with more than 3 months initial maturity	46.77	54.75
	46.77	54.75
	121.56	1,527.33

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
18. SHORT-TERM LOANS AND ADVANCES		
Short-Term Loans and Advances consist of the following :		
Security and Other Deposits #		
Unsecured, Considered Good	36.94	5.91
Others - Advances Recoverable from		
Unsecured, Considered Good		
- Advance Tax (Net of Provision for Tax)	—	3.74
- Income Tax Refundable	276.47	233.72
- Ramkrishna Forgings Ltd Employee Welfare Trust	—	968.19
- Advances with Airlines (LCC)	53.33	71.37
- Employees	93.55	92.73
- Suppliers of Goods & Services	482.37	366.96
- Balance with Customs, Port Trusts, Excise	3,821.20	1,425.42
- Prepaid Expenses	313.34	160.02
	5,077.20	3,328.06

Doubtful ₹ Nil (Previous year ₹ Nil)

126	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
19. OTHER CURRENT ASSETS		
Other Current Assets consist of the following:		
Accrued Interest	74.63	79.73
Accrued Export and Other Incentives	1,001.12	434.15
Others #	771.11	772.60
# Includes Capital subsidy receivable, Insurance claims receivable etc	1,846.86	1,286.48

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
20. REVENUE FROM OPERATIONS		
Revenue from Operations consist of the following :		
Sale of Products		
Steel Forgings	70,243.93	41,649.95
Job Work Sales	404.40	610.59
Sale of Services		
Sale of Air Tickets and Other Receipts	15,914.97	12,435.89
Less : Purchase of Air Tickets and Other Receipts	15,493.05	12,322.41
Commission & Incentive	708.10	654.45
Other Operating Revenues	8,042.43	4,448.46
	79,820.78	47,476.93
Less : Excise Duty Paid	4,337.27	3,756.22
	75,483.51	43,720.71
Less : Transfer to Capital Work-in-Progress	277.56	—
	75,205.95	43,720.71

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
21. OTHER INCOME		
Other Income consist of the following :		
Interest Income		
On Current Investments	—	15.19
On Others	94.98	73.53
On Income Tax Refund	5.09	1.61
Dividend Income		
On Current Investments	7.98	8.04
Other Non-Operating Income (Net)	382.58	50.75
	490.63	149.12

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
22. COST OF RAW MATERIALS CONSUMED		
Cost of Raw Materials consumed consist of the following :		
Round	26,321.43	15,321.15
Billets	10,023.31	6,388.48
	36,344.74	21,709.63
Less : Transferred to Capital Work-in-Progress	838.27	—
	35,506.47	21,709.63

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
23. CHANGES IN INVENTORIES		
Changes in Inventories consist of the following:		
Opening Stock		
Vendor Managed Inventory	101.79	—
Work-in-Progress	7,452.97	8,388.90
Finished Goods	0.11	—
Forging Scrap	172.00	428.43
	7,726.87	8,817.33
Less : Closing Stock		
Vendor Managed Inventory	87.89	101.79
Work-in-Progress	6,189.75	7,452.97
Finished Goods	0.13	0.11
Forging Scrap	252.92	172.00
	6,530.69	7,726.87
(Increase) / Decrease in Stock	1,196.18	1,090.46
Add : Excise Duty on (Increase) / Decrease in Stock	9.19	(28.20)
	1,205.37	1,062.26
Add : Stock of Trial run production	275.84	—
	1,481.21	1,062.26

(₹ in Lacs)

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Opening	Closing	Opening	Closing
a) Details of Work-in-Progress Stock under broad heads are given below :				
Steel Forging	7,452.97	6,189.75	8,388.90	7,452.97
	7,452.97	6,189.75	8,388.90	7,452.97
b) Details of Vendor Managed inventory under broad heads are given below :				
Steel Forging	101.79	87.89	—	101.79
	101.79	87.89	—	101.79

128	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
24. EMPLOYEE BENEFITS EXPENSES		
Employee Benefits Expenses consist of the following :		
Salaries, Wages, Bonus, Exgratia, Incentive etc.	5,268.47	3,744.73
Gratuity fund contributions	99.69	54.99
Provident Fund / Employees Pension Fund & E. S. I. Contribution	282.43	191.49
Expense on Employee Stock Option Scheme (ESOP)	–	8.44
Staff welfare expenses	174.76	105.52
	5,825.35	4,105.17
Less : Transferred to Capital Work-in-Progress	821.47	775.09
	5,003.88	3,330.08

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
25. FINANCE COSTS		
Finance Costs consist of the following		
Interests Expenses	4,369.82	3,117.92
Other Borrowing Costs	438.36	429.27
	4,808.18	3,547.19
Less : Transfer to Capital Work-in-Progress	1,654.07	1,259.53
	3,154.11	2,287.66

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
26. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation and Amortization Expenses	3,163.79	2,517.74
Less : Transferred to Capital Work-in-Progress	–	10.30
	3,163.79	2,507.44

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
27. OTHER EXPENSES		
Other Expenses consist of the following :		
Carriage Inward Expenses	240.83	214.95
Stores, Spares (Including Packing Material)	4,148.98	2,279.45
Die Block Consumed	727.42	–
Processing Charges	2,439.69	1,494.28
Repairs to:-		
-Plant & Machinery	122.43	109.68
-Factory Shed & Building	34.84	33.02
Franchise Fees	–	6.60
Business Promotion Expenses	24.66	16.84
Rent	89.99	71.88

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
27. OTHER EXPENSES (Contd.)		
Rates & Taxes	19.48	18.74
Insurance Charges	299.38	148.42
Repairs & Maintenance	295.21	185.45
Miscellaneous Expenses	1,484.00	506.00
Director Sitting Fees & Commission	161.55	6.30
Bank Charges & Commission	54.52	35.42
Postage, Telegraph & Telephone	84.66	61.15
Legal & Professional Expenses	530.85	313.31
Travelling & Conveyance Expenses	517.64	281.74
(Including Directors Travelling ₹ 179.43 Lacs (Previous year ₹ 108.34 Lacs))		
Advertisement Expenses	29.50	19.68
Payment to Auditor	34.10	28.74
Brokerage & Commission Expenses	137.47	137.47
Vehicle Running Expenses	75.52	43.22
Carriage Outward Expenses	667.49	588.16
Export Expenses	4,278.20	1,095.07
Discount & Rebate (Net)	100.04	322.36
Exchange Rate Difference	229.98	(145.56)
Sundry Balances Written Off (Net)	(20.75)	25.59
Investment Written Off	–	0.14
Loss on Sale of Fixed Assets	–	6.26
Loss on Sale of Investments	–	0.64
Prior Period Expenses	–	0.29
Discarded Assets	10.54	12.04
	16,818.22	7,917.33
Less : Transfer to Capital Work-in-Progress	2,204.90	558.60
	14,613.32	7,358.73

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

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

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest as on 31/03/15	Group's Proportion of Ownership Interest as on 31/03/14
Globe Forex & Travels Ltd.	Subsidiary	India	100.00%	100.00%

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

31. The Company has received a show-cause notice from the Directorate of Revenue Intelligence (DRI) and also from the Director General of Foreign Trade (DGFT) with regard to simultaneous issuance of EPCG license and Status Holder Incentive Scrip (SHIS) in the year 2013-2014. It is relevant to submit that the facts and issues involved in

130	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

the above mentioned show-cause notices issued by DRI and DGFT are identical. The Company has made a detailed representation to the show-cause notice issued by DGFT and after considering the representation made by the Company, DGFT has discharged the said show-cause notice and has closed the proceeding in favour of the Company. Further, with regard to the DRI notice, the company has made a representation to Central Board of Excise and Customs (CBEC). The Company has also filed a writ petition before the Delhi High Court (Court). DGFT has also submitted to the Court that they are in agreement with the contentions raised by the Company. The Court has directed CBEC to file the affidavit. The outcome of the case is awaited.

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
32. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED)		
A) Contingent Liabilities		
a) Claims against the Company not acknowledged as debt		
(i) Electricity charges demand of Jharkhand State Electricity Board. (Appeal pending before High Court, Jharkhand)	45.24	45.24
(ii) Demand for Sales Tax for the FY 2003-04 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur)	0.22	–
(iii) Demand for Sales Tax for the FY 2004-05 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur)	1.90	–
(iv) Demand for Sales Tax for the FY 2005-06 (Appeal pending before the The Joint Commissioner of Sales Tax (Appeal), Jamshedpur)	9.16	–
(v) Demand for Income Tax for the AY 2007-08 (Appeal pending before the Commissioner of Income Tax (Appeals), Kolkata)	13.01	8.03
(vi) Demand for Income Tax for the AY 2008-09 (Appeal pending before the Commissioner of Income Tax (Appeals), Kolkata)	–	3.96
(vii) Demand for Service Tax for the FY 2004-05, 2005-06, 2006-07 (upto July 2006) (Appeal pending before the Excise & Service Tax Appellate Tribunal, Kolkata) (Deposit ₹ 2.00 Lacs)	35.98	35.98
(viii) Demand for Service Tax for the FY 2007-08 to 2011-12 (Appeal pending before the Additional Commissioner Service Tax, Kolkata)	15.34	–
(ix) Demand for Service Tax for the FY 2009-10 (Appeal pending before the Commissioner(Appeals-1), Kolkata) (Deposit ₹ 0.37 Lacs)	9.74	–
(x) Demand for Central Excise for the FY 2010-11 & FY 2011-12 (Appeal pending before the Joint Commissioner of Central Excise, Kolkata II)	17.72	–
b) Bank Guarantee	567.63	567.63
c) Custom duty on Capital goods imported under EPCG Scheme / Advance Licence, against which export obligation of ₹ 36,589.31 Lacs (Previous year ₹ 37,294.89 Lacs) is to be fulfilled.	5,448.74	5,169.27
B) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	8,838.63	17,474.91

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
33. EMPLOYEE BENEFITS		
A) Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits :		
(i) In respect of gratuity a defined benefit scheme (based on actuarial valuation)		
a) Expenses recognized during the year		
Current Service Cost	87.52	61.51
Interest Cost	31.92	30.04
Expected return on plan assets	(25.37)	(21.50)
Actuarial (Gain) / Loss	(8.61)	(21.49)
Net Cost	85.47	48.56
b) Net Assets / Liability recognized in the Balance Sheet at the year end		
Present Value of Fair value of plan assets at the end of the year	389.37	317.27
Present value of obligation	483.65	367.71
Amount recognized in Balance Sheet	94.28	50.44
c) Reconciliation of opening and closing balances of Defined Benefit obligation		
Present Value of Defined Benefit obligation at the beginning of the year	367.71	299.91
Current Service Cost	87.52	61.51
Interest Cost	31.92	30.04
Actuarial (Gain) / Loss on obligation	(3.50)	(23.74)
Benefit paid	—	—
Present Value of Defined benefit obligation at the year end	483.65	367.72
d) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of plan assets at beginning of the year	17.37	239.68
Expected return on plan assets	301.22	24.08
Actuarial Gain / (Loss)	24.31	(2.25)
Employer contribution	5.00	55.76
Benefit Paid	41.47	—
Fair value of plan assets at the end of the year	389.37	317.27
e) Investment details		
Insurer Managed Funds 100%	389.37	317.27
f) Actuarial Assumptions		
Mortality Table (LIC)	L.I.C. (2006 - 08), Ultimate Table	L.I.C. (2006 - 08), Ultimate Table
Discount Rate (Per Annum)	7.50%	9%
Rate of escalation in salary (per annum)	7%	7%

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

132	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

- ii) Leave salary – compensated absence : The company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on basis of actuarial valuation at the year end.
- iii) In respect of Defined contribution Scheme : The company contributes 12% of salary for all eligible employees towards Provident Fund managed by the Central Government. Total expenses recognized towards Employer's contribution to Provident Fund ₹ 259.80 Lacs (Previous year ₹ 142.79 Lacs).

34. RELATED PARTIES

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

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

(b) Transaction with related parties : (₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Nature of Transaction during the year.		
i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	450.00	578.50
Warrant conversion money received and converted in to Equity Shares	1,781.65	1,247.03
Warrant conversion money received pending conversion Equity Shares	130.00	75.68
Forfeiture of Warrant Money	133.09	–
Dividend - Riddhi Portfolio (P) Ltd.	60.26	60.25
Dividend - Eastern Credit Capital (P) Ltd.	42.48	32.58
Dividend - Ramkrishna Rail & Infrastructure Pvt. Ltd.	0.02	0.02
ii) Key Management Personnel		
Managerial Remuneration **		
i) Mahabir Prasad Jalan	186.63	186.56
ii) Naresh Jalan	128.46	125.65
iii) Pawan Kumar Kedia	23.89	18.27
Rent Paid - Naresh Jalan	6.00	6.00
Lease Rent - Naresh Jalan	24.00	24.00
Dividend	11.44	11.44
Commission - Mahabir Prasad Jalan	80.00	–
Commission - Naresh Jalan	70.00	–

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
iii) Relative of Key Management Personnel		
Dividend - Rashmi Jalan	4.19	4.19
iv) Trust of the Company		
Refund received / Adjustment #	1,353.30	231.96
Dividend	7.98	7.99
(c) Balance outstanding as at 31st March, 2015		
i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		
Warrant Allotment money received *	450.00	578.50
Warrant conversion money received pending conversion Equity Shares	130.00	75.68
ii) Trust of the Company	–	968.19
iii) Key Management Personnel		
Mahabir Prasad Jalan	80.00	–
Naresh Jalan	70.00	–

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

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

Amount received on sale of shares including gain thereon.

35. Exchange Rate Difference :

Foreign currency exchange difference Gain of ₹ 255.04 Lacs (Previous year Loss of ₹ 49.79 Lacs) on long term borrowing for acquisition of Fixed Assets, has been adjusted to carrying cost of fixed assets which is in compliance with the treatment prescribed under AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 (G.S.R. 913 (E) dt. 29.12.2011) issued by Ministry of Corporate Affairs.

(₹ in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
36. SEGMENT INFORMATION		
a. Primary Segment Information : The Company is operating in a single segment namely Forgings.		
Information about Secondary Segments : Geographical		
Revenue by Geographical Market		
India	37,571.32	32,034.58
Outside India	37,634.63	11,686.13
	75,205.95	43,720.71
Carrying Amount of Segment Assets		
Outside India	19,480.77	5,862.10

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

134	Independent Auditors' Report	Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Notes to Financial Statements
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Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014
37. EARNING PER SHARE (EPS)		
EPS is calculated by dividing the profit attributable to the equity shareholder by the weighted average number of equity shares outstanding during the year.		
Profit for the period (₹ Lacs)	7,540.92	845.70
Weighted average number of shares used in the calculation of EPS :		
Weighted average number of Basic Equity Shares outstanding	2,70,64,422	2,52,95,393
Dilutive Impact of Shares Warrant Issued	6,84,640	–
Weighted average number of Shares outstanding (Including Diluted)	2,77,49,062	2,52,95,393
Face value of per share (₹)	10.00	10.00
Basic EPS (₹)	27.86	3.34
Diluted EPS (₹)	27.18	3.34

38. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated net assets	Amount (₹ in Lacs)
Parent				
Ramkrishna Forgings Limited	100.19	41,110.80	99.11	7,473.56
Subsidiary				
Globe Forex & Travels Limited	0.19	78.10	0.89	67.37
Total	100.38	41,188.90	100.00	7,540.93
Consolidation Adjustment	(0.38)	(156.64)	–	–
RKFL CFS	100.00	41,032.26	100.00	7,540.93

39. Salient Features of Financial Statements of Subsidiary as per Companies Act, 2013 : (₹ in Lacs)

Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Investments	Total Revenues	Profit Before Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
Globe Forex & Travels Limited	INR	88.14	(10.04)	4,759.80	–	11.64	87.02	67.37	–	100.00%

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

As per our attached report of even date

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Registration No.302049E

Rajiv Singhi

Partner

Membership No. 53518

Mahabir Prasad Jalan

Chairman

DIN No. 00354690

Naresh Jalan

Managing Director

DIN No. 00375462

Pawan Kumar Kedia

Finance Director

DIN No. 00375557

Place : Kolkata

Date : The 16th day of May, 2015

Alok Kumar Sharda

Chief Financial Officer

Rajesh Mundhra

Company Secretary

[illegible]

[illegible]



Ramkrishna Forgings Limited

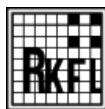
CIN : L74210WB1998PLC034281

Ramkrishna Chambers, 72, Shakespeare Sarani, Kolkata - 700 017

Phone : +91 33 3984 0900, Fax : +91 33 3984 0998

E-mail : info@ramkrishnaforgings.com

Website : www.ramkrishnaforgings.com



RAMKRISHNA FORGINGS LIMITED

CIN No: L74210WB1981PLC034281

Registered Office : "Ramkrishna Chambers", 72, Shakespeare Sarani, Kolkata - 700 017

Email : neha.gupta@ramkrishnaforgings.com

Phone : 033-39840900, Fax : 033-39840998, Website : www.ramkrishnaforgings.com

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Company will be held on 12th day of September, 2015 (Saturday) at 10.45 AM at Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata - 700 071 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements (included Consolidated Audited Financial Statements) of the Company for the year ended 31st March, 2015 together with the Director's Report and the Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Naresh Jalan (DIN: 00375462) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Satish Mehta (DIN: 00871822) who retires by rotation and being eligible offers himself for reappointment
5. To appointment Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and Rules made thereunder and pursuant to the resolution passed by the Members at the 32nd Annual General Meeting held on June 17, 2014 and on recommendations of the Audit Committee and the Board, the appointment of M/s. Singhi & Co. Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, be and is hereby ratified at a remunerations to be fixed by the Board of Directors."

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Amitabha Guha (DIN: 02836707) who was appointed as an Additional Director of the Company under Section 161 of the Act with effect from 14th August, 2014 by the Board of Directors to hold office up to the date of this Annual General Meeting and in respect of whom the Company received a notice in writing in terms of Section 160 of the Act from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from 14th August, 2014 and whose office shall not be liable to determination by retirement of directors by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Ms. Aditi Bagri (DIN: 06943139) who was appointed as an Additional Director of the Company under Section 161 of the Act with effect from 1st November, 2014 by the Board of Directors to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from 1st November, 2014 and whose office shall not be liable to determination by retirement of directors by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s.U Sharma & Associates, Cost Accountants, appointed as Cost Auditors by the Board of Directors

of the Company, to conduct the audit of the cost records of the Company for the financial years ending March 31, 2015 and March 31, 2016 be paid a remuneration of ₹ 3,25,000 (Rupees Three Lakhs Twenty Five Thousand) for the year 2014-2015 and ₹ 3,50,000 (Rupees Three Lakhs Fifty Thousand) for the year 2015-2016 plus service tax and Travelling, Local Conveyance and Out of pocket expenses not exceeding 20% of the remuneration for the respective year."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT in supersession of the resolution passed at the 32nd Annual General Meeting of the Company held on 17th June, 2014, under Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded under Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, for the creation by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board / Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, foreign financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding ₹ 2500 crore together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT in supersession of the resolution passed at the 32nd Annual General Meeting of the Company held on 17th June, 2014 under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 2500 crore."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as they may deem necessary to give effect to the above resolution including but not limited to the appointment of any manager/consultant or any other intermediary in respect of the above offerings and/or to execute all such documents, instruments and writings as may be required."

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), existing Articles of Association of the Company be and are hereby amended as follows :

- a. Articles numbers 338 to 356 of existing articles be deleted.
- b. Article 136 be replaced and to read as follows:

At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every Auditor(s) and Director of the Company. Any accidental omission to give any such notice as aforesaid to any of the members or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting."

"RESOLVED FURTHER THAT the Board of the Company, be and are hereby severally authorized to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution."

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the "Companies Act") read with the Companies (Share Capital and Debentures) Rules, 2014 ("Rules") and all other applicable rules, regulations made thereunder, circulars, notifications and clarifications issued from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") as amended from time to time, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions or modifications as may be prescribed or imposed while granting such permissions, approvals or sanctions, which may be accepted by the Board of Directors of the Company (herein after referred to as the "Board" which term shall be deemed to include any Committee including the Nomination and Remuneration Committee that the Board has constituted to exercise its powers, including the powers conferred by this resolution), approval and consent of the shareholders/members of the Company ("Shareholders") be and is hereby accorded for the following:

- (i) Formulation and implementation of the Ramkrishna Forgings Limited – Employee Stock Option Plan 2015 (hereinafter referred to as the "RKFL ESOP 2015/Plan");
- (ii) Creation, offer and grant by the Board from time to time upto 7,00,000 Employee Stock Options ("ESOPs/Options") to the permanent employees and whole time directors (other than Promoters or persons belonging to the Promoter Group or Independent Directors and directors holding directly or indirectly 10% or more of the outstanding equity capital of the Company) (herein after referred to as "Employees") as may be decided solely by the Board under the Plan/ or any other employee stock option plan (s) or share benefit plan(s) as may be introduced by the Company from time to time ("Employee Benefit Plan") exercisable into not more than 7,00,000 equity shares of the face value of ₹ 10 each, through an Employee Welfare Trust, being Ramkrishna Forgings Limited Employee Welfare Trust ("ESOP Trust") to be set up by the Company at such price or prices and in one or more tranches and on such terms and conditions as may be determined by the Board in accordance with the Plan/Employee Benefit Plan, the SEBI Regulations, the Companies Act and in due compliance with other applicable laws and regulations, each stock option shall be convertible into one equity share of ₹ 10 each;
- (iii) Issuance and allotment of equity shares to the ESOP Trust not exceeding 7,00,000 equity shares of the face value of ₹ 10 each which shall be transferred to the Employees upon the exercise of ESOPs in accordance with the Plan/Employee Benefit Plan, at such price or prices, in one or more tranches and on such terms and conditions as may be determined by the Board in accordance with the Plan/Employee Benefit Plan, the SEBI Regulations, the Companies Act and in due compliance with other applicable laws and regulations."

"RESOLVED FURTHER THAT approval of the members of the Company be and is hereby accorded for the formation of the ESOP Trust which shall be irrevocable and comprise of such trustees as may be decided by the Board for the purpose of implementation of the Plan or any Employee Benefit Plan or for any other purpose contemplated herein in due compliance with the provisions of the Companies Act, SEBI Regulations and other applicable laws."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Company be and is hereby authorized to issue new shares to ESOP Trust and / or acquire the shares of the Company from the secondary market and to hold, transfer and deal in the shares of the Company and to do all such acts, deeds and things as may be incidental or ancillary in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to further issue and allot equity shares upto the ceiling limit prescribed herein above, to the ESOP Trust, from time to time as per discretion of the Board in accordance with the Plan/ Employee Benefit Plan and such equity shares shall rank pari passu with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically ratified and approved."

"RESOLVED FURTHER THAT the number of ESOPs that may be granted to any Employee in any one financial year shall be less than 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, change in capital structure, merger and/or sale of division/undertaking or other forms of reorganization of the Company and others, all the Options including those which are vested but were not exercised and / or the price per share covered by each such outstanding Option, shall be proportionately adjusted for any increase in the number of issued shares resulting therefrom."

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then, appropriate adjustments shall be made either to the number of Options or the exercise price of Options granted, to reflect such change, without in any way affecting the rights of the said option grantee, and also to prevent a dilution or enlargement of benefits of the Plan/Employee Benefit Plan."

"RESOLVED FURTHER THAT the Board be and is hereby also authorized at any time to modify, change, vary, alter, amend, suspend or terminate the RKFL ESOP 2015 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the RKFL ESOP 2015 and do all other things incidental and ancillary thereof."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment or grant or transfer of equity shares to the Employees on exercise thereof, the Board be and is authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer, allotment, grant, transfer of shares upon exercise and utilization of the proceeds arising out of exercise of Options, as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the SEBI Regulations and such other laws and regulations as may be relevant and applicable to the Plan."

"RESOLVED FURTHER that the Board be authorised to take steps for listing of the equity shares allotted under the RKFL ESOP 2015 on the Stock Exchanges where the shares of the Company are listed as per the Listing Agreement with the concerned Stock Exchanges and other applicable laws, rules, guidelines and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including appointment of merchant bankers, consultants or representatives, being incidental to the effective implementation and administration of RKFL ESOP 2015 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution."

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") as amended from time to time, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions or modifications as may be prescribed or imposed while granting such permissions, approvals, sanctions, which may be accepted by the Board of Directors of the Company (herein after referred to as the "Board" which term shall be deemed to include any Committee including the Nomination and Remuneration Committee that the Board has constituted to exercise its powers including the powers conferred by this resolution), further pursuant to the approval and consent of the shareholders of the Company ("Shareholders") accorded to Ramkrishna Forgings Limited – Employee Stock Option Plan 2015 (hereinafter the "ESOP Plan 2015/ Plan") for creation, offer and grant from time to time of upto 7,00,000 Employee Stock Option to eligible employees and whole time directors of the Company ("Employees") vide resolution no. 12, further consent and approval of the Shareholders be and is hereby accorded for secondary acquisition of shares for implementation of the Plan or any other employee stock option plan (s) or share benefit plan(s) as may be introduced by the Company from time to time ("Employee Benefit Plan") upto the fullest limits prescribed hereunder and those under the SEBI Regulations, as may be decided solely by the Board under the Plan or any other Employee Benefit Plan exercisable into 7,00,000 fully paid up equity shares in the Company in aggregate of a face value of ₹ 10 each, through an employee welfare trust being Ramkrishna Forgings Limited Employee Welfare Trust to be set up by the Company ("Trust") at such price or prices, in one or more tranches and on such terms and conditions as may be determined by the Board subject however that the secondary acquisition by the Trust in any financial year shall not exceed 2% (two percent) of the paid up equity capital as at the end of the respective previous financial year and the total number of shares under secondary acquisition held by the Trust shall at no time exceed 5% (five percent) of the paid up equity capital as at the end of the financial year immediately prior to the year in which the resolution is being passed, more particularly in accordance with the provisions of the Plan, SEBI Regulations and in due compliance with other applicable laws and regulations."

"RESOLVED FURTHER THAT in the event of expansion of share capital arising out of corporate action undertaken by the Company including preferential allotment of shares or qualified institutional placement, the limits set herein for secondary acquisition shall accordingly apply to such increased capital in proportion of such expanded capital subject however that the Company shall adhere to the cap specified in regulation 3(11) of the SEBI Regulations."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically ratified and approved."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient to settle any questions, difficulty or doubts that may arise in this regard without required the Board to secure any further consent or approval of the members of the Company."

14. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 67 and other applicable provisions of the Companies Act, 2013 ("Companies Act") read with rule 16 of Companies (Shares and Debentures) Rules, 2014 and other applicable Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") as amended from time to time, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions or modifications as may be prescribed or imposed while granting such permissions, approvals, sanctions, which may be accepted by the Board of Directors of the Company (herein after referred to as the "Board" which term shall be deemed to include any Committee including the Nomination and Remuneration Committee that the Board has constituted to exercise its powers including the powers conferred by this resolution) consent of the shareholders of the Company ("Shareholders") be and is hereby accorded to the Board to grant loan to the Ramkrishna Forgings Limited Employee Welfare Trust to be set up by the Company ("Trust"), provide security or guarantee in connection with a loan granted or to be granted to the Trust set up by the Company in one or more tranches not exceeding 5% of the paid up capital and free reserves of the Company for the purpose of subscription and/or purchase of the equity shares of the Company from the Stock Exchange, by the Trust in one or more tranches, subject to the ceiling limit of equity shares as may be prescribed under the Ramkrishna Forgings Limited- Employee Stock Option Plan, 2015 ("ESOP Plan") or any other employee plan(s)/ share based employee benefit plan(s) as may be introduced by the Company from time to time (herein after referred to as "Employee Benefit Plan") with a view to deal with the equity shares in line with the contemplated objectives of the ESOP Plan or Employee Benefit Plan or for any other purpose as may be permitted under and in due compliance with the SEBI Regulations, Companies Act and other applicable rules and regulations."

"RESOLVED FURTHER THAT any loan provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the ESOP Plan(s) or the Employee Benefit Plan as the case may be, subject to the exercise price being paid by the employee on the exercise of the employee stock option under the respective Employee Benefit Plan."

"RESOLVED FURTHER THAT the Trustees shall ensure compliance with the SEBI Regulations, Companies Act and all other laws applicable from time to time in dealing with the shares of the Company including maintenance of proper books of accounts, records and documents at all times."

By order of the Board

Place : Kolkata

Dated : 7th August 2015

Rajesh Mundhra
Company Secretary

IMPORTANT NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from 5th September, 2015 to 12th September, 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2015.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY IN TERMS OF SECTION 105 OF THE COMPANIES ACT, 2013.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. The person appointed as a proxy shall prove his identity at the time of attending the meeting and for this purpose such person shall carry proof of Identity.

Further as per the provisions of Section 105 read with rule 19 (2) of the Companies (Management and Administration) Rules 2014 a person can act as proxy on behalf of member or members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

4. The dividend of ₹ 2 per share has been recommended by the Board of Directors for the year ended 31st March, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and after 17th September, 2015.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for the financial year 2014-2015 will also be available on the Company's website www.ramkrishnaforgings.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: neha.gupta@ramkrishnaforgings.com.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (1 PM to 5.00 PM) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA for registration of transmission/transposition, deletion of name etc.
12. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to inform that all the resolutions as stated in the Notice can be transacted by electronic voting system and the Company has provided members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means through e-Voting Services provided by Karvy Computershare Private Limited. The instruction for E-voting has been enclosed and sent alongwith the Notice.
13. The Facility for voting either through electronic voting system or polling papers shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. However the members who have cast their vote by remote e-voting prior to the Meeting and continue to be members of the Company as on cut-off date 5th September, 2015, may also attend the meeting but shall not be entitled to cast their votes again.
14. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on 5th September, 2015 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the AGM.

15. Those who become Members of the Company after dispatch of the AGM Notice but on or before 5th September 2015 (cut-off date) may write to Karvy at varghese1@karvy.com or to Mr P A Varghese, Contact No. 040-33215424, at Karvy Computershare Private Limited, Unit- Ramkrishna Forgings Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, requesting for the User ID and Password. However, those Members already registered with Karvy for remote e-voting can login to website <https://evoting.karvy.com> and exercise their votes.
16. The Board of Directors of the Company at their meeting held on 7th August, 2015 has appointed Mr. Saheb Ali, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner, whose e-mail address is: sahebali14@gmail.com.

The results of voting will be declared not later than (3) days from the conclusion of AGM and the resolutions proposed thereat will be deemed to be passed on the date of AGM, subject to receipt of requisite number of votes. The declared results, along with Scrutinizer's Report, will be available forthwith on the website of the Company: www.ramkrishnaforgings.com and on the website of Karvy at <https://evoting.karvy.com>. Such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item no.6

The Board of Directors at its meeting held on 14th August, 2014 appointed Mr. Amitabha Guha as an Additional Non-Executive Independent Director of the Company with effect from 14th August, 2014 to hold office upto the date of the ensuing Annual General Meeting of the Company under Section 161 of the Companies Act, 2013.

Under the Companies Act, 2013, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Amitabha Guha, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from 14th August, 2014. A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Amitabha Guha fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Amitabha Guha as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Amitabha Guha as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Amitabha Guha, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item no.7

The Board of Directors at its meeting held on 1st November, 2014 appointed Ms. Aditi Bagri as an Additional Non-Executive Independent Director of the Company with effect from 1st November, 2014 to hold office upto the date of the ensuing Annual General Meeting of the Company under Section 161 of the Companies Act, 2013.

Under the Companies Act, 2013, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Ms. Aditi Bagri being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from 1st November, 2014. A notice has been received from a member proposing her as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms. Aditi Bagri fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and she is independent of the management.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Aditi Bagri as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Ms. Aditi Bagri as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Aditi Bagri, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

The profile of the Independent Directors as well as the Director retiring by rotation and getting reappointed is provided in the notice.

Item no.8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. U Sharma & Associates, Cost Accountants, as the Cost Auditor in the Board Meeting dated 31st January, 2015 to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2015 at a remuneration of ₹ 3,25,000 (Rupees Three Lakhs Twenty Five Thousand) plus service tax and travelling, local Conveyance and out of pocket expenses not exceeding 20% of the remuneration and in Board Meeting dated 7th August, 2015 to conduct the audit of the cost records for the financial year ending March 31, 2016 at a remuneration of ₹ 3,50,000 (Rupees Three Lakhs Fifty Thousand) plus service tax and travelling, local Conveyance and out of pocket expenses not exceeding 20% of the remuneration.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015 and March 31, 2016 respectively.

The Board therefore, submits the proposed resolution for your consideration and recommends it to be passed as Ordinary resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

Item no.9

In the normal course of business, the Company from time to time is required to avail term loans, working capital, external borrowings or any other financial accommodation. A charge on the assets / properties of the Company, both present and future, is normally given as security for such borrowings. As the documents to be executed for the creation of such charge/mortgages from time to time to secure such borrowings, may contain the power to take over the management of the Company in certain events, it is necessary for the shareholders to pass a resolution under section 180(1)(a) of the Companies Act, 2013 for the creation of the mortgage /charge as set out in this resolution. As the Company is on the expansion mode and will require additional funds for meetings its increased working capital and term loan requirements it is desirable to increase the limit from ₹ 1300 Cr to ₹ 2500 Cr in supersession of the resolution passed by the members on 17th June, 2014.

The Board therefore, submits the proposed resolution for your consideration and recommends it to be passed as special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9

Item no.10

In terms of the resolution passed by the members of the Company at the Annual General Meeting held on 17th June, 2014, the Board of Directors of the Company were authorised to borrow on behalf of the Company upto ₹ 1300 Crores at any point of time. In view of expected growth in the business of the Company, it may be necessary for the Company to borrow monies from various sources consequent to which the amount outstanding could exceed the present limit of ₹ 1300 crores.

Your Directors accordingly recommend increase in the borrowing powers from ₹ 1300 Crores to ₹ 2500 Crores as set out in the resolution at Item No. 10 for approval of the members.

The Board therefore, submits the proposed resolution for your consideration and recommends it to be passed as special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

Item no. 11

The Company has entered into a subscription and shareholder agreement (SHA) dated 22nd February, 2015 and further amended on 3rd April, 2013 with M/s.Wayzata II Indian Ocean Limited (Wayzata). In order to give effect to the above agreement, necessary amendments were done in the Articles of Association of the Company. As the shareholding of Wayzata has fallen below the threshold as stipulated in the said SHA, the SHA with Wayzata has been terminated automatically. On account of this termination, the articles pertaining to the SHA with Wayzata needs to be deleted /amended.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, the amendment of Articles of Association requires approval of members by way of special resolution.

The Board therefore, submits the proposed resolution for your consideration and recommends it to be passed as special resolution.

None of the directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested in the proposed special resolution, except to the extent of securities of the Company held by them.

Item no. 12 and 13

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its permanent employees and whole time directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path. The Company intends to implement Ramkrishna Forgings Limited Employee Stock Option Plan 2015 (“**RKFL ESOP 2015**”/ “**Plan**”) with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks approval of the shareholders in respect of RKFL ESOP 2015 and for grant of stock options to the eligible employees / whole time directors of the Company, as may decided by the Board (as defined in the Notice) from time to time in due compliance with the Companies, Act, 2013 (including rules framed thereunder), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI Regulations**”) and other applicable laws and regulations.

1. Brief Description of the Scheme

The RKFL ESOP 2015 envisages grant of upto 7,00,000 stock options (“Options”) to the eligible employees (as described herein below) exercisable into 7,00,000 equity shares having a face value of ₹ 10 each.

The Plan shall be effective from the date of approval by the shareholders of the same and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under the Plan have vested and have been exercised or have lapsed, as the case may be.

The Plan shall be administered by the Board through a trust being Ramkrishna Forgings Limited Employee Welfare Trust (“Trust”). The Trust shall be entitled to implement the plan either by subscription to the equity shares of the Company or by purchase of equity shares at all times in accordance with the applicable laws and regulations. All questions relating to the interpretation of the plan shall be determined by the Board and such determination shall be final and binding upon all persons having an interest in the plan.

Further details of the RKFL ESOP 2015 are as under :

2. Total number of Options to be granted

7,00,000 Options would be available for grant to the eligible employees of the Company in aggregate under the RKFL ESOP 2015, in one or more tranches exercisable into not exceeding 7,00,000 equity shares in aggregate in the Company of face value of ₹ 10 each fully paid up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled in accordance with the terms of the Scheme formulated by the Board, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled Options as per the provisions of RKFL ESOP2015.

The SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of Options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the SEBI Regulations.

Further, in case the equity shares of the Company are either sub-divided or consolidated, then, appropriate adjustments shall be made either to the number of Options or the exercise price of Options granted, to reflect such change without in any way affecting the rights of the said Option grantee, and also to prevent a dilution or enlargement of benefits of the Plan/Employee Benefit Plan.

3. Identification of classes of employees entitled to participate and be beneficiaries in RKFL ESOP 2015

Following class/classes of employees as may be determined by the Board from time to time, are entitled to participate in RKFL ESOP 2015:

- a) Permanent employees of the Company working with the Company in India; and
- b) Whole time Directors of the Company

Following class/classes of employees are not eligible:

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company; and
- c) an Independent Director within the meaning of the Companies Act, 2013.

4. Requirements of vesting and period of vesting

The Board may, at its discretion, lay down the period and certain performance metrics based on which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest, subject to the minimum vesting period of 1(one) year. The exact proportion in which and the exact period over which the Options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of Options.

5. Maximum period within which the Options shall be vested

Options granted under RKFL ESOP 2015 would vest subject to maximum period of 10 (ten) years from the date of grant of such Options.

6. Exercise price

The exercise price per Option for the initial grant shall be 90% (ninety percent) of the Market Price prevailing on the date on which the Options are granted. For any subsequent Options, the exercise price shall be determined by the Nomination and Remuneration Committee.

“Initial Grant” means the first round of grant of Options by the Board made to the Employees.

“Market Price” means the latest available closing price on the date of grant of the Options, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

7. Exercise period and the process of Exercise

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 4 (four) years from the date of vesting of such Options.

The vested Options shall be exercisable by the employees by a written application to the Trust or Company expressing his/her desire to exercise such Options in such manner and on such format as may be prescribed by the Trust/ Board from time to time, along with a cheque / demand draft, favouring the Trust, payable in Kolkata, for the total money payable by him in respect of the exercise price, calculated as the number of Options exercised multiplied by the Exercise Price per Option. If the day of exercise happens to be a holiday as per the Company's rules or a Saturday, then the Options will be presumed to be exercised on the subsequent working day.

The Options will be exercisable by the employees/legal heirs or nominees by a written application to the Trust to exercise the Options in such manner and on execution of such documents as may be prescribed by the Board from time to time.

The Options shall lapse if not exercised within the specified exercise period.

8. Appraisal process for determining the eligibility of employees under RKFL ESOP 2015

The appraisal process for determining the eligibility of the employees will be decided by the Board from time to time.

The employees would be granted Options under the RKFL ESOP 2015 based on various parameters such as length of service of the employee, contribution of the employee, integrity of the employee, criticality of the position, compensation structure of the employee, and such other criteria/parameters as may be decided by the Board from time to time.

9. Maximum number of Options to be issued per employee and in aggregate

The maximum number of Options granted per Employee shall not exceed 1% (one percent), for each financial year, of the issued shares of the Company at that time (each Option providing an entitlement to one share of the Company). The aggregate of all such Options granted shall not result in equity shares exceeding 7,00,000 at any point of time.

10. Implementation of RKFL ESOP 2015 through Trust

The RKFL ESOP 2015 shall be implemented through the Trust to be set up by the Company. The Trust shall be authorized to be issued new shares by the Company and / or acquire the shares of the Company from the secondary market. The Trust shall be entitled to hold, transfer and deal in the shares of the Company and to do all such acts, deeds and things as may be incidental or ancillary in this regard.

11. Accounting and Disclosure Policies

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

12. Method of Option Valuation

To calculate the employee compensation cost, the Company shall use the Fair Value method for valuation of the Option granted.

In case the Company uses the intrinsic value for valuation of the Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on the earning per share of the Company shall also be disclosed in the Directors' Report.

13. Primary / Secondary Route

The Board shall decide on exploring the option for issuance of shares upon exercise by way of primary issue or by way of secondary acquisition or both, subject however to adherence with applicable laws and regulations as prevailing and in force from time to time.

14. Maximum percentage of secondary acquisitions that can be made by the Trust for the purposes of the Plan

The secondary acquisition by the Trust in any financial year shall not exceed 2% (two percent) of the paid up equity capital as at the end of the respective previous financial year and the total number of shares under secondary acquisition held by the Trust shall at no time exceed 5% of the paid up equity capital as at the end of the financial year prior to the year in which the resolution is passed, more particularly in accordance with the provisions of the Plan, SEBI Regulations and in due compliance with other applicable laws and regulations.

In the event of expansion of share capital arising out of corporate action undertaken by the Company including preferential allotment of shares or qualified institutional placement, the limits set herein for secondary acquisition shall accordingly apply to such increased capital in proportion of such expanded capital subject however that the Company shall adhere to the cap specified in regulation 3(11) of the SEBI Regulations.

In terms of the provisions of section 62(1)(b) of the Companies Act, 2013 and the SEBI Regulations, consent of the shareholders is being sought by way of a Special Resolution(s) set out at Item No. 12 and Item No. 13 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is in any way concerned in the aforesaid Special Resolution(s), except to the extent of their entitlements, if any, under the Plan.

Your Directors recommend the Resolution(s) proposed at Item No. 12 and Item No. 13 of this Notice for your approval.

Item no. 14

The Company intends to implement Ramkrishna Forgings Limited- Employee Stock Option Plan 2015 ("RKFL ESOP 2015"/ "Plan") with a view to attract and retain key talents working with the Company by primary/secondary issue of shares and through trust route for its implementation. The SEBI Regulations govern share based employee benefit schemes/ plans being implemented by a Company. The SEBI Regulations permit trust route in implementation of the Plan.

The Board passed a resolution to set-up an Employee Welfare Trust namely Ramkrishna Forgings Limited Employees Welfare Trust ("Trust") and approved the proposal for sanction of loan by the Company to the Trust. This proposed amount of loan will be within the statutory limit of 5% of the aggregate of paid-up share capital and free reserves, as prescribed under the Companies Act read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 ("Companies Rules").

Relevant disclosures under Rule 16 of the Companies Rules and as per SEBI Regulations are as follows:

(a) The class of employees for whose benefit the Plan is being implemented and money is being provided for purchase and subscription of the shares

The Plan is being implemented and money is being provided for purchase and/or subscription of shares for the benefit of employees within the meaning of the Plan. The class/ classes of employees who are eligible subject to selection by the Board (as defined in the Notice) are as under:

- i. Permanent employees of the Company working with the Company in India;
- ii. Whole time directors of the Company.

Following class/classes of employees are not eligible:

- i. an employee who is a Promoter or belongs to the Promoter Group;
- ii. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- iii. an Independent Director within the meaning of the Companies Act, 2013.

(b) The particulars of the Trustee in whose favour such shares are to be registered

It is contemplated that one or more of the designated trustees shall acquire and hold the shares in due compliance of the relevant provisions of the SEBI Regulations and other applicable provisions. The trustees shall transfer the shares in favour of the employees on exercise of the Employee Stock Options after realisation of exercise price.

(c) **The particulars of the Trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any**

The Trust is proposed to be set-up in the nature of an irrevocable Employee Welfare Trust with the name Ramkrishna Forgings Limited Employees Welfare Trust having its registered office at Ramkrishna Chambers, 72 Shakespeare Sarani, Kolkata 700017.

Particulars of the Trustees :

SN	Name	Address	Occupation	Nationality	PAN
1.	Mr. Dilip Patodia	238, Lake Town, Swagatam Apartment, Kolkata – 700089	Service	Indian	AGOPP4294P
2.	Ms. Ramya Hariharan	Cascade, 39 Sardar Shankar Road, 2nd Floor, Kolkata – 700029	Lawyer	Indian	ABMPH5112M
3.	Mr. Milesh Gandhi	Ashirwad, Flat 4C, 8/1 Sarat Bose Road, Kolkata – 700020	Service	Indian	AFIPG3760Q

The Trustees are neither promoters, directors nor key managerial personnel of the Company nor are they related to the promoters, directors or key managerial personnel in their personal capacity.

(d) **Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof**

Promoters are not eligible to be covered under the Plan. However, key managerial personnel and directors may be covered under the Plan as provided in the Plan in due compliance with the SEBI Regulations. Any key managerial personnel, director or promoter are not related to the Trust.

(e) **The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan**

The eligible employees shall be granted employee stock options under the Plan which would vest subject to the vesting conditions prescribed by the Board. After vesting and on exercise of the Options, the Trust/ Trustees shall transfer corresponding number of Equity Shares to the employees. The employees may deal in the shares by way of selling /holding or otherwise deal in their absolute discretion subject to applicable laws and regulations immediately after exercise or may hold and sell after a definite period of time at his/ her discretion. The employees would get the benefit on sale of shares depending on sale price of such Shares.

(f) **The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the Plan would be exercised**

As per SEBI Regulations, the Trustees shall not vote in respect of equity shares held in the Trust. In these circumstances, the voting rights can be exercised by an employee only when the equity shares are transferred to them after due process of exercise of Options.

(g) **Details of loan, tenure, utilization and terms of repayment**

Any loan provided by the Company shall be utilized by the Trust for subscription or purchase of the shares of the Company in one or more tranches, subject to the ceiling limit of equity shares as may be prescribed under the Plan or any other employee plan/ share based employee benefit plan as may be introduced by the Company from time to time, provided that the quantum of loan shall not exceed 5% (five percent) of the paid up capital and free reserves of the Company. The loans shall be valid for the term of the Plan and shall be repayable to and recoverable by the Company from time to time during the term of the Plan or the Employee Benefit Plan as the case may be, subject to the exercise price being paid by the employee on the exercise of the Employee Stock Option under the respective Employee Benefit Plan.

In term of the provisions of Regulation 3(8) of the SEBI Regulations read with Rule 16 of the Companies Rules, consent of the Shareholders is being sought by way of a Special Resolution set out at Item No. 14 of this Notice.

Copy of the Plan and the Trust Deed will be available for inspection on all working days (Monday to Friday) between 10.00 a.m. and 6.00 p.m. at the registered office of the Company.

Your Directors recommend the Resolution proposed at Item No. 14 of this Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is in any way concerned or in the Trust or the aforesaid Special Resolution, except to the extent of their entitlements, if any, under the Plan.

By order of the Board

Place : Kolkata

Dated : 7th August 2015

Rajesh Mundhra
Company Secretary

Details of Directors Seeking Appointment/Re-Appointment at the Annual General Meeting:

Name of the Director	NARESH JALAN	SATISH KUMAR MEHTA	AMITABHA GUHA	ADITI BAGRI
Date of Birth	04.10.1975	10.05.1944	10.11.1948	27.02.1986
Expertise in Specific Functional Area	<p>He possesses more than 20 years of experience in Forging industry. Under his leadership, the Company has achieved high growth in turnover.</p>	<p>He has about 40 years of Industrial Experience with various companies who are manufacturing Closed Die Forgings, Machined Crankshafts and Non- Traditional machine Tools.</p> <p>He has developed India's first Electrical Discharge machine with electro Hydraulic Servo mechanism. He has won a National Award in 1977 for his contribution in the field of Mechanical Engineering.</p> <p>He has won the Jaycee Award for outstanding young person in 1978</p> <p>He is:</p> <p>i) Chairman-Technical Committee of Association of the Indian Forging Industry for past 20 Years.</p> <p>ii) Member - Institute of Forging Technology, U.K.</p> <p>iii) Member- Institute of Engineers – India & Chartered Engineer.</p> <p>iv) Providing Technical Assistance to Price Waterhouse Coopers (P) Ltd and ICICI Bank and other Forging companies.</p> <p>He had several professional Training both in India and Overseas and has written several Papers in the field of Non- Traditional Machining Processes & Metal forming.</p>	<p>He has been a Banker throughout his life. He was appointed as Chief Manager (Personal Administration) in July 1987 in State Bank of Saurashtra. Thereafter he served various banks from the post of Asst. General Manager in State Bank of Saurashtra in 1992 to Managing Director in State Bank of Travancore in 2004.</p> <p>He finally retired as Deputy Managing Director of State Bank of India in November, 2008. He is presently the Non – Executive Chairman of South Indian Bank. He has been member of the undermentioned Institutions:</p> <p>i) Indian Banks' Association (IBA) - Served as a Member of the Management Committee from December 2003-May 2008.</p> <p>ii) Personnel Committee of IBA - Served as the Alternate Chairman for one term.</p> <p>iii) Finance Committee of IBA- Served as a Member of the Committee.</p> <p>iv) Indian Institute of Banking&Finance - Served as a Member of the Governing Body.</p> <p>v) Advisory Board of ICFAI Business School, Hyderabad - Served as a Member for two years.</p> <p>vi) Hyderabad Management Association- Served as a co-opted Member.</p> <p>vii) School Board of the School of Management Studies, University of Hyderabad - Served as a member of the Board of Trustees.</p>	<p>She has created a dissertation as part of the curriculum on the criteria for Patentability analysed with respect to reported UK and Indian Cases.</p> <p>She started her career as intern in Pangea 3 in July, 2007, worked as Attorney Associate in Integreon Managed Solutions from January, 2010 to December, 2013 and is presently working as Senior Associate in Juris Corp.</p>

Name of the Director	NARESH JALAN	SATISH KUMAR MEHTA	AMITABHA GUHA	ADITI BAGRI
Qualification	Graduate in commerce stream and also an MBA from Symbiosis, Pune.	He is B.E (Mech), Diploma in Non- Traditional Machining Processors from Easco Sparcatron School, USA, Diploma in Production Management from Jamnalal Bajaj Institute of Management, Mumbai	He has a qualification of M.Sc	She has completed her : <ul style="list-style-type: none"> • LLB is the year 2009 from Mumbai University • Certificate course on General IP from World Intellectual Property Organisation in 2009. • Diploma in Intellectual Property rights from Mumbai University in 2009.
Board Membership of other Companies as on 31st March, 2015	Globe Forex and Travels Ltd Eastern Credit Capital Pvt Ltd Ramkrishna Rail and Infrastructure Pvt Ltd Clifftop Infrabuild Pvt Ltd Northeast Infra Properties Pvt Ltd Chaitanya Aviation Pvt Ltd	Nil	1) The South Indian Bank Ltd 2) X Pro (I) Ltd 3) Gangavaram Port Ltd 4) Power Mech Projects Ltd	M/s. 'The Rai Saheb Rekhchand Spinning and Weaving Mills
Chairman/ Member of the Committee of the Board of Directors of the Company as on 31st March, 2015	Member: 1. Finance and Management Committee 2. Corporate Social Responsibility Committee	Chairman: 1. Stakeholders Relationship Committee Member: 1. Nomination and Remuneration Committee	Member: 1. Audit Committee	1. Audit Committee
Chairman/ Member of the Committee of Directors of other Public Companies of which he is a director as on 31st March, 2015	Nil	Nil	Nil	Nil
Shareholding	285750	Nil	Nil	Nil
Inter-se Relationship between Directors	Naresh Jalan and Mahabir Prasad Jalan are related to each other as father and son	Not related	Not related	Not related

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules 2014]

CIN No. : L74210WB1981PLC034281
Name of the Company : **RAMKRISHNA FORGINGS LIMITED**
Registered Office : "Ramkrishna Chambers", 72, Shakespeare Sarani, Kolkata - 700 017

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No / Cliend ID	
DP ID	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name _____
Address _____

E-mail ID _____
Signature _____, or falling him/her
2. Name _____
Address _____

E-mail ID _____
Signature _____, or falling him/her



RAMKRISHNA FORGINGS LIMITED

CIN No: L74210WB1981PLC034281

Registered Office : "Ramkrishna Chambers", 72, Shakespeare Sarani, Kolkata - 700 017

ATTENDANCE SLIP

Regd. Folio/DP ID & Client ID	
Name & Address of the Shareholder	

- I hereby record my presence at the 33rd Annual General Meeting of the Company, to be held on the 12th day of September, 2015 (Saturday) at 10.45 A.M. at Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata - 700 071.
- Signature of the Shareholder/Proxy Present.
- Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.

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3. Name _____
 Address _____
 E-mail ID _____
 Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the 12th day of September, 2015 (Saturday) at 10.45 A.M. at Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata - 700 071 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl No	Resolutions	Sl No	Resolutions
1	Adoption of Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended on that date together with the Director's Report and Auditor's Report thereon.	9	Resolution u/s 180(1)(a) of Companies Act, 2013 to increase the limit to ₹ 2500 crore from ₹ 1300 crore.
2	Declaration of dividend for the year 2014-15.	10	Resolution u/s 180(1) (c) of Companies Act, 2013 to increase the limit to ₹ 2500 crore from ₹ 1300 crore.
3	Appoint a Director in place of Mr. Naresh Jalan who retires by rotation and being eligible offers himself for reappointment.	11	Amendment of Articles of Association of the Company.
4	Appoint a Director in place of Mr. Satish Mehta who retires by rotation and being eligible offers himself for reappointment.	12	Approval of Ramkrishna Forgings Limited employee stock option plan 2015, formation of esop trust, grant of employee stock options to the employees of the company thereunder and issue of equity shares to the esop trust.
5	Ratification of the appointment of M/s. Singhi & Co., Chartered Accountants, Chartered Accountants as Statutory auditors from the conclusion of this AGM until the conclusion of the next AGM of the Company.	13	Approval to ESOP Trust for secondary acquisition of shares for implementing the ESOP scheme.
6	Appointment of Mr. Amitabha Guha as an Independent Director for a term of 5 years.	14	Approval to provide money by the Company for purchase and/or subscription of its own shares by the trust/trustees for implementation of the ESOP scheme of the Company.
7	Appointment of Ms. Aditi Bagri as an Independent Director for a term of 5 years.		
8	Ratification of the Remuneration to be paid to M/s. U. Sharma & Associates, Cost Accountants, as the Cost Auditors for the financial years ending March 31, 2015 and March 31, 2016 of ₹ 3,25,000 for the year 2014-2015 and ₹ 3,50,000 for the year 2015-2016 plus service tax and Travelling, Local Conveyance and Out of pocket expenses not exceeding 20% of the remuneration respectively.		

Signed this _____ day of _____ 2015

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILLED WITH
THE STOCH EXCHANGES

1.	Name of the Company	Ramkrishna Forgings Ltd
2.	Annual Financial Results for the year ended	31 st March, 2015
3.	Type of observation	Matter of Emphasis
4.	Frequency of observation	The Observation of similar nature was observed in 2012-13 & 2013-2014
	To be signed by CEO/Managing Director	<p>RAMKRISHNA FORGINGS LTD.</p> <p><i>[Signature]</i></p> <p>MANAGING DIRECTOR</p>
	CFO	<p>Ramkrishna Forgings Limited</p> <p><i>[Signature]</i></p> <p>CFO</p>
	Auditor of the company	<p>For SINGHI & CO.</p> <p>Chartered Accountants</p> <p>Firm Registration No. 302049E</p> <p><i>[Signature]</i></p> <p>RAJIV SINGHI</p> <p>Partner</p> <p>Membership No. 053518</p>
	Audit Committee Chairman	<i>[Signature]</i>