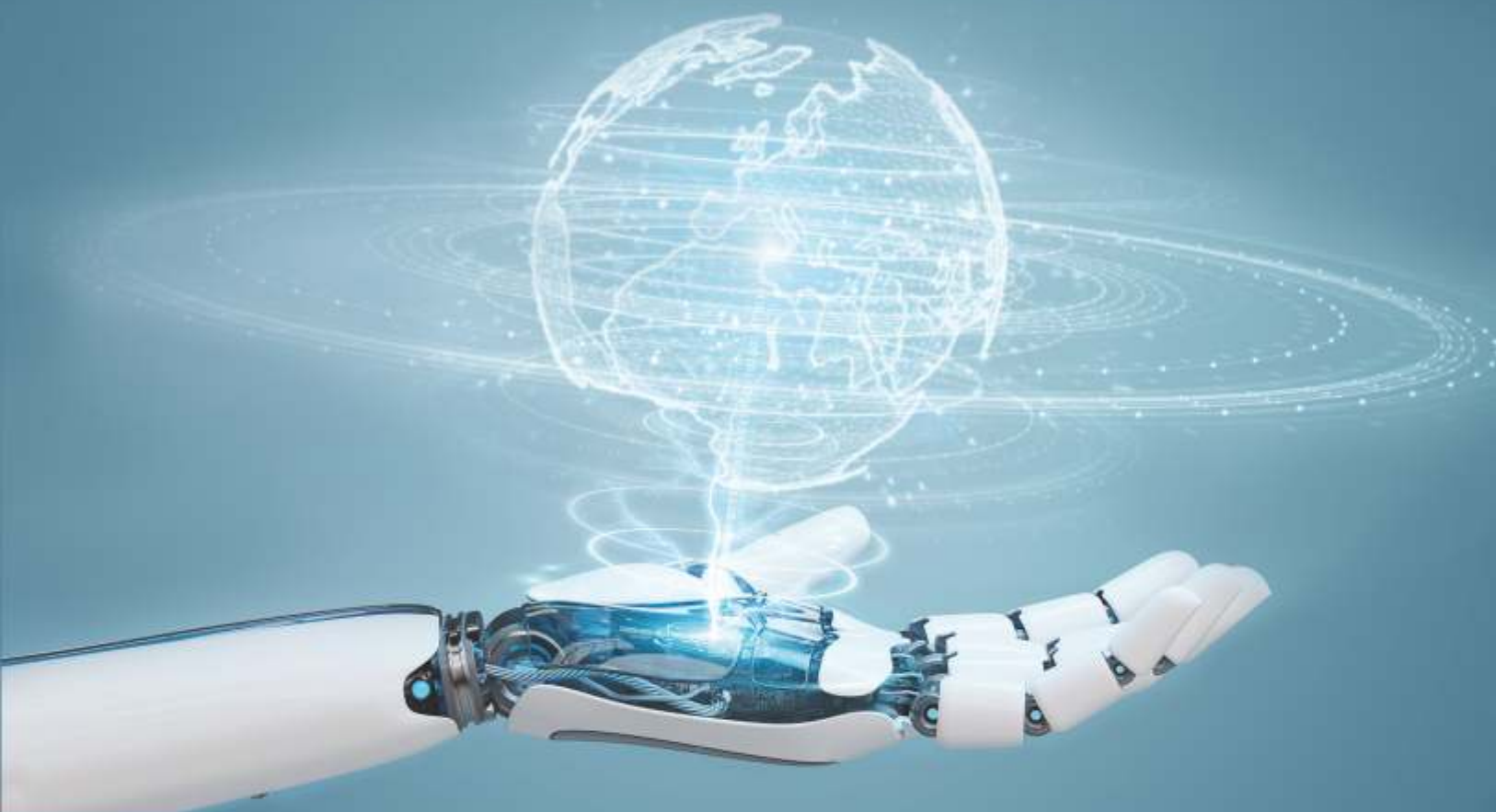


Focused



Ramkrishna Forgings Limited

ANNUAL REPORT 2017-18



For more information
Log on to www.ramkrishnaforgings.com

Corporate Information

CIN

L74210WB1981PLC034281

DIRECTORS

Mr. Mahabir Prasad Jalan	- <i>Chairman</i>
Mr. Naresh Jalan	- <i>Managing Director</i>
Mr. Pawan Kumar Kedia	- <i>Director (Finance)</i>
Mr. Padam Kumar Khaitan	- <i>Non-Executive, Independent Director</i>
Mr. Ram Tawakya Singh	- <i>Non-Executive, Independent Director</i>
Mr. Yudhisthir Lal Madan	- <i>Non-Executive, Independent Director</i>
Mr. Amitabha Guha	- <i>Non-Executive, Independent Director</i>
Ms. Aditi Bagri	- <i>Non-Executive, Independent Director</i>
Mr. Sandipan Chakravorty	- <i>Non-Executive, Independent Director</i>
Mr. Partha Sarathi Bhattacharyya	- <i>Non-Executive, Independent Director</i>

COMPANY SECRETARY

- **Mr. Rajesh Mundhra**

CHIEF FINANCIAL OFFICER (CFO)

- **Mr. Lalit Kumar Khetan**
(Appointed w.e.f. 25.05.2018)

REGISTERED AND CORPORATE OFFICE

"Ramkrishna Chambers"
72, Shakespeare Sarani,
Kolkata - 700 017
Telephone: 033-39840900
Fax: 033-39840998
Email id - neha.gupta@ramkrishnaforgings.com
Website: www.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. S. R. Batliboi & Co. LLP
22, Camac Street, 3rd Floor, Block 'B'
Kolkata- 700016

INTERNAL AUDITORS

M/s. Singhi & Co.
161, Sarat Bose Road, Kolkata-700026

COST AUDITORS

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

SECRETARIAL AUDITORS

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

PRINCIPAL BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Karvy Computershare (P) Ltd
Karvy Selenium Tower B,
Plot No. 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad- 500 032
tel: +91 40 6716 1565
E mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

FOCUS ON UPCOMING PAGES

Directors' Report **1** Annexure to Directors' Report **9** Management Discussion and Analysis **34** Corporate Governance Report **46**
Independent Auditors' Report **74** Balance Sheet **80** Statement of Profit and Loss **81** Cash Flow Statement **82**
Statement of Changes in Equity **84** Notes to Financial Statement **85** Consolidated Accounts **134**

Report of the Directors

Dear Shareholders

Your Directors are pleased to present the Thirty Sixth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2018.

Financial Highlights 2017-18

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Sales and Operating Income (Net)	143546.89	88090.81	149089.95	92072.19
Other Income	419.36	815.40	435.50	737.37
Profit before Interest, Depreciation & Tax (incl. Exceptional Item)	28843.36	16597.41	29223.33	16910.70
Finance Cost	6982.03	7497.98	7251.83	7723.47
Depreciation	8440.21	7472.81	8465.49	7502.06
Profit Before Tax (before Exceptional Items)	13421.12	1626.62	13506.01	1685.17
Exceptional Items	-	-	-	-
Profit Before Tax	13421.12	1626.62	13506.01	1685.17
Provision for taxation:				
- Current Tax	2865.59	531.00	2865.59	531.00
- Deferred Tax	1119.36	3.18	1172.05	32.33
-Tax adjustments for earlier years (Net)	(29.85)	0.13	(24.23)	0.13
Profit After Tax	9466.02	1092.31	9492.60	1121.71
Other Comprehensive Income (Net of Tax)	(9.95)	18.19	(7.09)	13.04
Total Comprehensive Income for the year	9456.07	1110.50	9485.51	1134.75

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Financial Performance.

- Net Sales increased by 62.95 % from ₹ 88,090.81 lakhs in 2016-17 to ₹ 143,546.89 lakhs in 2017-18.
- Export Sales increased by 60.41 % from ₹ 25,725.13 Lakhs in 2016-17 to ₹ 41,265.66 Lakhs in 2017-18.
- EBITDA (excluding other income) increased by 80.10 % from ₹15,782.01 lakhs in 2016-17 to ₹ 28,424.00 lakhs in 2017-18.
- PAT showed an increase of 766.61 % from ₹ 1,092.31 Lakhs in 2016-17 to ₹ 9,466.02 Lakhs in 2017-18.

FY18 was a bumper year for the commercial vehicle segment with strong double-digit growth after nearly six long years. The huge infrastructure push by the government towards road projects, rural development and smart cities has increased demand for larger multi-axle trucks, long-haul trucks and tippers. In fact, the trend reversal in commercial vehicle sales this time around has seen a higher growth in tonnage capacity of vehicles than in number of vehicles.

Moreover, the introduction of the Goods and Services Tax has improved the speed of transport and forced faster migration of the commercial vehicle fleets to higher tonnage vehicles to improve economic viability. This, in turn, has triggered demand growth for replacements.

On an overall basis, M&HCV Production increased by 0.35 % from 3,42,761 vehicles in 2016-17 to 3,43,951 vehicles in 2017-18. The sales of M&HCV increased 12.48 % from 3,02,567 vehicles in 2016-17 to 3,40,313 vehicles in 2017-18. However, the exports of the M&HCV vehicles registered an increase of 0.86 % from 43,719 vehicles in 2015-16 to 44,095 vehicles in 2017-18.

Operational Highlights

Forgings and Machining facility

The Company derives the major share of its revenues from the commercial vehicle segment. Your Company produced 45,451 tons during the year under review as compared to 36,098 tons last year registering an increase of about 25.90%. The Company has the state-of-art of CNC Machining and Gear Cutting Facilities in which it has achieved accuracies of DIN 3962 (Class 8 to 9) in Hobbing Stage, DIN 3962 (Class 7) in Shaving Stage. The Company has made 84 new product development in the CNC Turning, 7 new product development in Gear cutting and 11 new products in HMC/VMC Machining centre which has helped to enhance the product basket with existing clients and add new clients in the domestic market and export.

Ring Rolling Line

The Company has produced 28,605 tons during the year as compared to 22,799 tons last year thus registering an increase of about 25.46%. It has achieved full capacity utilisation during the year as compared to 95% capacity utilisation last year. The Company has developed 38 new products during the year.

Press Facility

During the year the company has achieved a production of 47,611 tons as compared to 23,498 tons last year thus registering an increase of 102.62%. The Company has achieved an average capacity utilisation of around 59.50% during the year.

The Company has developed 35 products during the year.

Future Outlook:

With India being the fastest-growing major economy in the world, the CV industry is expected to cross 1 million units in domestic sales by 2022 making India the 4th largest market. India commercial vehicle market is projected to exhibit a CAGR of over 10% to reach US\$21.9 billion by FY 2023, on account of increasing infrastructure development projects, growing logistics sector, ease of financing, etc.

Besides, a big domestic market, better regulations and cost economics make India an ideal destination for a production hub. This emerging reality is also expected to drive demand for commercial vehicles in India. Moreover, commercial vehicles market is anticipated to become more lucrative, as new models and brands are rolled out in the coming years.

In the U.S., the available leading indicators point toward a continuation of the economy's solid upswing. As a result, there is a sense of optimism for this industry in CY 2018 .

Deposits

The Company has not accepted any deposits from the public

and consequently, there are no outstanding deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended.

Transfer to Reserves

Your Company proposes to transfer ₹ 500 lakhs to General Reserve out of the amount available for appropriation and an amount of ₹ 27,560.83 lakhs is proposed to be carried over to Balance Sheet.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 1 per share for the Financial Year 2017-18.

The Register of Members and the Share Transfer books will remain closed from 15th September to 22th September, 2018 (both days inclusive) for the purpose of payment of Dividend and Annual General Meeting.

Qualified Institutional Placement (QIP)

During the Financial Year 2017-18, the Company has raised ₹ 199.99 Crore through a Qualified Institutional Placement (QIP) for the purpose of capital expenditure for ongoing and future expansion of projects, acquisition, working capital, repayment of loans and for general corporate purposes.

The Company has issued and allotted 39,21,568 equity shares to Qualified Institutional Buyers at a price of ₹ 510 each on 20th July 2017.

The QIP proceeds has been used for the above mentioned purpose.

Share Capital

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

During the Financial Year 2017-18, the Authorised Share Capital of the Company has been increased from Rs. 29,75,00,000 (Rupees Twenty Nine Crores Seventy Five Lakhs only) divided into 2,97,50,000 (Two Crores Ninety Seven Lakhs and Fifty Thousand) equity shares of ₹ 10 each to ₹ 33,25,00,000 (Rupees Thirty Three Crores Twenty Five Lakhs only) divided into 3,32,50,000 (Three Crores Thirty Two Lakhs and Fifty Thousand) equity shares of ₹ 10 each.

The Issued, Subscribed and Paid up Share Capital has been increased from ₹ 28,66,99,400 consisting of 2,86,69,940 shares equity shares of ₹ 10 each to ₹ 32,59,15,080 consisting of 3,25,91,508 equity shares of ₹ 10 each on account of issuance of shares through Qualified Institutional Placement.

Employees Stock Option Scheme

The Company has an ESOP Scheme in place titled Ramkrishna Forgings Limited – Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015) for the grant upto 7,00,000 stock option, to its permanent employees working in India and wholetime

Directors of the Company (employees), in one or more tranches. RKFL ESOP Scheme 2015 provides an incentive to attract, retain and reward the employees and enable them to participate in future growth and financial success of the Company. In accordance with the scheme the employees are eligible of conditional right to receive one fully paid-up equity share of ₹ 10 against each option. However, the Options will vest only upon achievement of certain performance criteria as laid down by the Nomination and Remuneration Committee.

During the year under review, the Company has granted 20,044 stock options to eligible employees. Further, 17,626 options have been forfeited /cancelled during the financial year 2017-18. There are only 2,61,217 outstanding options as on 31st March, 2018.

The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and weblink of the same is <http://www.ramkrishnaforgings.com/notice.html>.

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

A Certificate from the Statutory Auditors with regard to the implementation of ESOP Scheme 2015 shall be available for inspection at the Registered Office of the Company during working hours before the Annual General Meeting and also at the Annual General Meeting.

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

During the year under review your Company's long term rating from ICRA has been upgraded from A-(Stable outlook) to A-(Positive Outlook). Further during the year the Company has voluntarily discontinued the rating from CRISIL.

As on the date of this report, your Company's long term rating has been further upgraded by ICRA from A-(Positive outlook) to A (Stable Outlook) and the short term rating has been upgraded from A2+(A two plus) to A1 (A one).

Details of Directors and Key Managerial Personnel:

(a) Appointment of Independent Directors

During the year under review, no new Independent Director were appointed by the Company.

(b) Statement on Declaration given by Independent Directors under Sub- Section (7) Of Section 149

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Section 149 (6) of the Companies Act and

Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(c) Familiarization Programme Undertaken for Independent Directors

The details of programmes imparted by the Company during the year pursuant to Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <https://www.ramkrishnaforgings.com/investors/familiarization-program-2017-18.pdf>

(d) Resignation of Director(s) During the Year:

During the Financial Year ended 31st March 2018, none of the Directors resigned from the Company.

(e) Re-Appointment of Directors Retiring by Rotation

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

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

(f) Key Managerial Personnel

Mr. Sikandar Yadav, was appointed as the Chief Financial Officer of the Company w.e.f 2nd June 2017. He subsequently resigned w.e.f 14th December 2017.

Your Company has appointed Mr. Lalit Kumar Khetan as the Chief Financial Officer of the Company w.e.f 25th May 2018.

Remuneration Policy

The policy of the Company on Directors and Senior Management appointment and remuneration, including the criteria for determining qualifications, positive attributes

independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, read with Regulation 19 (4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the Company at the following link: <https://ramkrishnaforgings.com/policies>.

During the year, there have been no changes to the Policy.

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

Pursuant to the provisions of Section 134 (3) (p) and other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the performance evaluation of its own performance and that of its committee as well as evaluation of performance of the Directors including Independent Directors. A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance for evaluation.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Chairman of the Company and the Board as a whole was evaluated.

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

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, 2018, 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 2017-18 and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- iv) they have prepared the annual accounts for 2017-18 on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively;
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Subsidiaries

The Company has two wholly owned subsidiaries i.e. Globe Forex & Travels Limited (CIN: U63040WB1994PLC062139) and Ramkrishna Aeronautics Private Limited (formerly known as Ramkrishna Aviation Land Systems Maritime Private Limited) CIN (U62100WB2016PTC216705). A brief highlight of the consolidated performance and its contribution to the overall performance of the Company for the Financial Year 2017-18 is as below:

(₹ in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company)	Globe Forex & Travels Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Total Gross Revenues from operation	1,50,875.72	5,543.05	3.67
Profit before Taxation (PBT)	13,506.01	85.33	0.63
Profit/(Loss) after Taxation (PAT)	9,492.60	27.01	0.31

(₹ in Lakhs)

Particulars	Ramkrishna Forgings Limited (Holding Company)	Ramkrishna Aeronautics Private Limited (Subsidiary Company)	% of contribution to the overall performance of the Holding Company
Turnover	1,50,875.72	0.00	0.00
Profit before Taxation (PBT)	13,506.01	(0.44)	(0.00)
Profit/(Loss) after Taxation (PAT)	9,492.60	(0.44)	(0.00)

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its Subsidiaries prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of the subsidiary are available at our website at <http://www.ramkrishnaforgings.com/subsidiaries.html>.

In addition the financial data of the subsidiary has been furnished under note 43 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.

Your Company does not have any 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 2017-18.

During the year there has been no change in the nature of the business carried by the subsidiary companies.

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

Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder, the tenure of M/s. Singhi & Co, Chartered Accountants, (Firm Registration No. 302049E) as the Statutory Auditors of the Company concluded at the 35th Annual General Meeting of the Company as per section 139 of the Companies Act, 2013.

During the year, the Company received the resignation from M/s Jitendra K Agarwal & Associates, Chartered Accountants, (Firm Registration No. 318086E) as the Joint Statutory Auditors of the Company which has been duly accepted by the Board on 12th August, 2017.

M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) were appointed as the Statutory Auditors of the Company for a term of 5 years from the conclusion of the 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors.

Since, the first proviso of Section 139 has been omitted w.e.f from 7th May, 2018 by the Companies (Amendment) Act, 2017 which requires companies to place the appointment of Statutory Auditors for ratification before the members at every Annual General Meeting of the Company, the ratification of appointment of M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) as the Statutory Auditors of the Company will not be placed before the Members at the ensuing Annual General Meeting of the Company.

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

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

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 2017-18. The Secretarial Audit Report is given as "Annexure B" forming part of this Report.

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

The Board has re-appointed M/s. MKB & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2018 – 19.

Cost Auditors

As per Section 148 (3) and other applicable provisions of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee has appointed M/s. U. Sharma and Associates, Cost Accountants, as Cost Auditors to carry out the audit of the cost records of the Company for the Financial Year 2018-19.

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

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. Singhi & Co, Chartered Accountants, (Firm Registration no. 302049E) are appointed as the Internal Auditor of the Company who also evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting.

Corporate Social Responsibility

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

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

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

Your Company has spent the requisite percentage of the

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

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

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

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is 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 web link: <http://ramkrishnaforgings.com/policy-for-transactions-with-related-parties.pdf>.

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year were in the ordinary course of business and on an arms-length basis. There are no material related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

All Related Party Transactions are placed before the Audit Committee for its approval. In accordance with Ind AS-24, the related party transactions are disclosed under Note No. 37 of the Standalone Financial Statements.

Stock Exchange(s)

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

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

The annual listing fees for the year 2018-19 are paid to both the stock exchanges where the shares of your Company are listed.

Management's Discussion And Analysis Report

Management's Discussion and Analysis Report for the year under review under Regulation 34 (2) (e) read with

Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in India is presented in the separate section and forms part of the Annual Report.

Corporate Governance

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

The report of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

The requisite certificate from the Statutory Auditors of the Company, confirming the compliance with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached with the Corporate Governance Report.

Disclosures

a) Meetings of Board of Directors

During the year under review, 4 (Four) meetings of the Board of Directors were held. The details of the meetings and the attendance of the Directors are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the statutory laws and the necessary quorum were present at all the meetings.

b) Meeting of Independent Directors

In accordance with the requirement of the statutory laws a separate meeting of the Independent Directors was held on 17th February, 2018. In the meeting, the Directors among other things reviewed the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board and found it satisfactory.

c) Particulars of Loan & Investment:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement. The details of Investments, loans

and guarantees have been provided in Note no. 6, 33 and 43 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

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Act read with rule 5(1)(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, 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. The status of the complaints received, under the whistle blower policy is also placed before the Board. During the year under review, no employee was denied access to the Audit Committee. The Vigil Mechanism / Whistle Blower Policy of the Company can be accessed at the website of the Company at the following link: <http://www.ramkrishnaforgings.com/whistle-blower-policy.pdf>

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

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

Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 45,572 for the Financial Year 2009-10 to the IEPF Fund. Further, 1671 corresponding shares were transferred as per the IEPF Rules. The details are provided at the website of the Company at the following link: <https://www.ramkrishnaforgings.com/unpaid-dividend.html>

Committees:

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

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

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

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

GENERAL –

- i. During the year under review, there has been no change in the nature of business of the Company.
- ii. No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended 31st March, 2018 till the date of this Report.
- iii. There have been no significant or material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.
- iv. During the year under review, the Company has not issued sweat equity shares.

- v. During the year under review, the Company has not issued shares with differential voting rights.
- vi. 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.
- ix. The Company has complied with the applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Prevention of Sexual Harassment at Workplace

Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company an Internal Complaints Committee in all its workplace. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Green Initiatives

Electronic Copies of the Annual Report 2017-18 and Notice of the 36th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in permitted mode.

Acknowledgement

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

Place: Kolkata
Dated: 28th Day of July, 2018

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

ANNEXURE - A**Form AOC-1**

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A" Subsidiaries**

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

	Name of the subsidiary	Globe Forex & Travels Limited	Ramkrishna Aeronautics Private Limited (formerly known as Ramkrishna Aviation Land Systems Maritime Private Limited)
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
3.	Share capital	478.77	10.00
4.	Reserves & surplus	871.61	(3.55)
5.	Total assets	5672.55	6.95
6.	Total Liabilities (excluding shareholders' fund)	4322.17	0.50
7.	Investments	-	-
8.	Total Revenues (Net)	5,543.05	-
9.	Profit before taxation	85.33	(0.44)
10.	Provision for taxation	58.32	-
11.	Profit after taxation	27.01	(0.44)
12.	Proposed Dividend	-	-
13.	% of shareholding	100.00	100.00

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

NIL

Place: Kolkata
Dated: 28th Day of July, 2018

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

ANNEXURE - B**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
RAMKRISHNA FORGINGS LIMITED

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, according to the provisions of:

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

- a) Indian Explosive Act, 1884
- b) The Gas Cylinders Rules, 2004
- c) Standards of weights & Measures (Enforcement) Act, 1985
- d) Petroleum Act, 1934 and Rules thereunder
- e) Indian Electricity Act and Rules
- f) Hazardous Wastes (Management and Handling) Rules, 1989
- g) Jharkhand Municipal Corporation Act
- h) Environment Protection Act, 1986 and Environment Impact Assessment Notification S.O 60(E), dated 27-01-1994.
- i) Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982.
- j) Water (Prevention & Control of Pollution) Act, 1974 & Water (Prevention and Control of Pollution) Rules, 1975.
- k) Jharkhand Fire Services Act, 2007

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that :

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

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

We further report that during the audit period the following Special Resolutions has passed by the Company by of a Postal Ballot(s):

- a) Approval of payment of Minimum Remuneration to Mr. Mahabir Prasad Jalan (DIN 00354690) as the Wholetime Director designated as Chairman of the Company for a period of 3 (Three) years pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and other applicable provisions of the Companies Act, 2013.
- b) Approval of payment of Minimum Remuneration to Mr. Naresh Jalan (DIN 00375462) as the Managing Director of the Company for a period of 3 (Three) years pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and other applicable provisions of the Companies Act, 2013
- c) Approval for raising fund by issuing equity shares in the course of Qualified Institutional Placement for an amount not exceeding ₹ 200 Crore pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (ICDR) Regulations, 2009, FEMA Act, 1999 as amended.
- d) Approval for increase the limit of Foreign Institutional Investor and Foreign Portfolio Investor provided that the equity Shareholding of all FIIs and sub accounts put together shall not exceed 49% and each FII, on its own account and on behalf of each of the SEBI approved sub account shall not exceed 10% of the total paid up Equity Share Capital of the Company pursuant to the applicable provisions of Foreign Management Act, 1999 and other applicable rules and regulations.

We further report that during the audit period the company has increased its Authorised Share Capital from ₹ 29,75,00,000 divided into 2,97,50,000 equity shares of ₹ 10 each to ₹ 33,25,00,000 divided into 3,32,50,000 equity shares of ₹ 10 each and also issued and allotted 39,21,568 equity shares of face value of ₹ 10 each at an issue price of ₹ 510 per equity share by way of an Qualified Institutional Placement.

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

For **MKB & Associates**
Company Secretaries

Raj Kumar Banthia
[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 20/07/2018

Place: Kolkata

Annexure- I

To

The Members,

RAMKRISHNA FORGINGS LIMITED

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

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

For **MKB & Associates**
Company Secretaries

Raj Kumar Banthia
[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 20/07/2018

Place: Kolkata

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

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

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

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

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. The CSR activities and programs are intended to be initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development. The Company understands the need for promoting education, health, growth and development of the lower socio-economic sections of society including children and had drawn up various activities to promote education, health, growth and development of society during the Financial Year 2017-18.

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

2. Corporate Social Responsibility Committee (CSR Committee):

The CSR Committee consists of three directors, out of which the Chairman of the Committee is an Independent Director. The composition of the committee as on 31st March 2018 is as follows:

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

3. Average Net Profit of the Company for the last three Financial Years: ₹ 5628.03 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above): ₹ 112.56 Lakhs

5. Details of CSR spent during the Financial Year:

- a) Total Amount to be spent for the Financial Year: ₹ 112.56 Lakhs
- b) Amount unspent, if any: N.A.
- c) Manner in which the amount spent during the financial year is detailed below:

S No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs was undertaken	Amount outlay (budget) Project or Program wise (₹ in Lakhs)	Amount spent on the Projects or Programs (1) Direct Expenditure (2) Over heads (₹ in Lakhs)	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
1.	Jankalyan Yojana	Availability of safe Drinking Water	Installation of tanks for providing drinking water Sariekela Region, Jharkhand	25.00	0.45	9.05	Through IA- Ramkrishna Foundation Trust
2.	Swastya Yojana	Promoting Health Care including preventive health care	Medical Centre Sariekela Region, Jharkhand	80.00	20.33	74.08	Through IA- Ramkrishna Foundation Trust

3.	Shiksha Yojana	Promoting Education, vocational training and enhancement of vocational skill	To provide Technical education to students/improving infrastructures in school and colleges Sariekela Region, Jharkhand	25.00	41.00	49.66	Through IA- Ramkrishna Foundation Trust
4.	Sanskriti Yojana	Protection of art and culture	Repair and Renovation of temple Bholadih, Kolabira & Jugsalai Region, Jharkhand	20.00	-	9.13	-
5.	Jankalyan Yojana	Eradication of poverty	Saree distribution among poor women, sports and welfare activities Sariekela Region, Jharkhand	25.00	4.96	15.43	Through IA- Ramkrishna Foundation Trust
6.	Swastya Yojana	Promoting healthcare including preventive healthcare	Free medical treatment for weaker section of society Liluah, Howrah Chutia, Ranchi Jamshedpur	40.00	-	7.20	-
7.	Shiksha Yojana	Promoting Education	Establishment of Recreational activities for Children at School. Jamshedpur, harkhand	11.95	1.20	13.15	Through IA- Ramkrishna Foundation Trust
8.	Jankalyan Yojana	Promoting Health Care including preventive health care	Blood/Free Health Camp Sariekela Region, Jharkhand	20.00	2.65	5.92	Through IA- Ramkrishna Foundation Trust
9.	Swastya Yojana	Promoting healthcare including preventive healthcare	Contribution for Setting up of Hospital Ghorabanda Jamshedpur	200.00	50.00	100.00	Through IA- Ramkrishna Foundation Trust
10	Jankalyan Yojana	Rural development projects	Infrastructural Improvement for Installation of street Lights Sariekela Region, Jharkhand	20.00	-	2.17	-

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report: Not Applicable
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company

Sd/-

Mr. Ram Tawakya Singh

(Chairman of the Committee)

(DIN: 00276330)

Dated : 28th July, 2018

Place : Kolkata.

Sd/-

Mr. Naresh Jalan

(Managing Director)

(DIN: 00375462)

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

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

The Company did not had any material related party transaction during the financial year 2017-18 and thus Form AOC-2 is not applicable to the Company.

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

Place: Kolkata

Dated: 28th Day of July, 2018

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

Annexure - E

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

Pursuant to Section 134 (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules 2014

A. CONSERVATION OF ENERGY**(i) Energy conservation measures taken.**

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

1. Modification of the coils of Induction furnace resulting in uniformity of heat and conservation of power.
2. Introduction of light and hooter signal system .
3. Increasing the loading capacity of the furnace.
4. Automation in CNC Machines to reduce wastage of power for idle time.
5. Regular inspection undertaken for all electrical installations .
6. Installation of 400 KVR power factor panel to improve the power factor
7. Use of R.O. Water as per need, and utilization of waste water.
8. Converting the HPMV lights to LED lights.

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

The company is reviewing and evaluating the usage of roof top solar plant in the factory.

(iii) Capital Investment on energy conservation equipment's:

₹ 3.70 lakhs

B. TECHNOLOGY ABSORPTION**(i) Efforts made towards technology absorption:**

Innovation and Technology are synonymous with the Company. Your company continues to invest in research and development and better technology equipment for manufacturing products to meet customer requirements. The Company has been able to develop new components and has also made continuous efforts for conservation of the raw material by making improvement in the die design.

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

The Company has been able to reduce the heating length of the products. The Company has been able to improve raw material procurement to avoid generation of end cuts. It has also implemented checking of the chemistry of the billets at the raw material bed itself to avoid scrapping of the end cuts. It has been able to develop new products which enhanced the product portfolio of the company, created new business opportunities and enhanced customer satisfaction. The Company has also undertaken activities for improving the handling of the raw materials.

(iii) Technology imported during the last 3 years: Nil**(iv) Expenditure incurred in Research and Development:**

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

Revenue : ₹ 673.15 Lakhs

Capital : ₹ 269.00 Lakhs

C. FOREIGN EXCHANGE EARNING AND OUTGO

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

(₹ in Lakhs)

Particulars	2017-18	2016-17
Earned	38,208.36	25,880.80
Used	8,947.37	7,253.06

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

Place: Kolkata
Dated: 28th day of July, 2018

Annexure - F**Form MGT-9**

Extract of Annual Return as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74210WB1981PLC034281
ii)	Registration Date	12/11/1981
iii)	Name of the Company	Ramkrishna Forgings Limited
iv)	Category of the Company	Public Limited 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	040 - 2342 0814
	Email Address	shyam.kumar@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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
2.	Ramkrishna Aeronautics Private Limited Address: Ramkrishna Chambers, 72, Shakespeare Sarani, Kolkata West Bengal 700 017	U62100WB2016PTC216705	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013

I. 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 Share	
A. Promoters*									
(1) Indian									
a) Individual/ HUF	1546327	0	1546327	5.39	1551925	0	1551925	4.76	-0.63
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	12906819	0	12906819	45.02	12911919	0	12911919	39.62	-5.40
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	14453146	0	14453146	50.41	14463844	0	14463844	44.38	-6.03
(2) Foreign	0	0	0	0.00	0	0	0	0.00	0.00
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other –Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	14453146	0	14453146	50.41	14463844	0	14463844	44.38	-6.03
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3006470	0	3006470	10.49	4475514	0	4475514	13.73	3.24
b) Banks / FI	23130	0	23130	0.08	38468	0	38468	0.12	0.04
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00

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 Share	
e) Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	330598	0	330598	1.01	1.01
g) FIIs/FPI	2523251	0	2523251	8.80	5782031	0	5782031	17.74	8.94
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	1044215	0	1044215	3.64	861185	0	861185	2.64	-1.00
INSTITUTION OTHERS (includes International Finance Corporation)	1044215	0	1044215	3.64	861185	0	861185	2.64	-1.00
Sub-total (B)(1):-	6597066	0	6597066	23.01	11487796	0	11487796	35.25	12.24
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2264192	0	2264192	7.90	1870168	0	1870168	5.74	-2.16
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1919636	136	191972	6.70	1823143	135	1823278	5.59	-1.10
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3029732	0	3029732	10.57	2546080	0	2546080	7.81	-2.76
c) NBFCs Registered with RBI	14598	0	14598	0.05	6790	0	6790	0.02	-0.03
d) Others (specify)									
(i) NRI/ Non Resident Repatriation	159083	0	159083	0.55	196851	0	196851	0.60	0.05
(ii) Trust	440	0	440	0.00	400	0	440	0.00	0.00
(iii) Clearing Member	14531	0	14531	0.05	42130	0	42130	0.13	0.08
(iv) Alternative Investment Fund	217380	0	217380	0.76	152500	0	152500	0.47	-0.29
(v) IEPF	0	0	0	0.00	1671	0	1671	0.01	0.01
Sub-total (B)(2):-	7619592	136	7619728	26.58	6639733	135	6639868	20.37	-6.21
Total Public Shareholding (B)=(B)(1)+(B)(2)	14216658	136	14216794	49.59	18127529	135	18127664	55.62	6.03
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	28669804	136	28669940	100.00	32591373	135	32591508	100.00	0.00

* The Change in Shareholding percentage is principally due to increase in share capital of the Company

ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Riddhi Portfolio Private Ltd	7288319	25.42	0.00	7293419	22.38	2.32	-3.04
2	Eastern Credit Capital Private Limited	5618500	19.60	8.36	5618500	17.24	0.94	-2.36
3	Ramkrishna Rail And Infrastructure Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
4	Mahabir Prasad Jalan	451000	1.57	0.00	451000	1.38	0.00	-0.19

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
5	Rashmi Jalan	418750	1.46	0.00	418750	1.28	0.00	-0.18
6	Naresh Jalan	285750	1.00	0.00	285750	0.88	0.00	-0.12
7	Naresh Jalan (Huf)	268750	0.94	0.00	268750	0.82	0.00	-0.12
8	Mahabir Prasad Jalan (Huf)	120000	0.42	0.00	120000	0.37	0.00	-0.05
9	Chaitanya Jalan	2077	0.00	0.00	7675	0.02	0.00	0.02
		14453146	50.41	8.36	14463844	44.38	3.26	-6.03

* The Change in Shareholding percentage is principally due to increase in share capital of the Company

iii) Change in Promoters' Shareholding

Riddhi Portfolio Private Limited

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	7288319	25.42		
01-01-2018	Date wise Increase/Decrease in Share holding during the Year	5100	0.02	7293419	22.38
31-03-2017	At the End of the year	7293419	22.38*	7293419	22.38*

* The percentage is on the increased share capital of the Company.

Eastern Credit Capital Private Limited

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	5618500	19.60		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the End of the year	5618500	17.24*	5618500	17.24*

* The percentage is on the increased share capital of the Company.

Mahabir Prasad Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	451000	1.57		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the End of the year	451000	1.39*	451000	1.39*

* The percentage is on the increased share capital of the Company.

Rashmi Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	418750	1.46		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the End of the year	418750	1.28*	418750	1.28*

* The percentage is on the increased share capital of the Company.

Naresh Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	285750	1.00		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the End of the year	285750	0.88*	285750	0.88*

* The percentage is on the increased share capital of the Company.

Naresh Jalan (HUF)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	268750	0.94		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the End of the year	268750	0.82*	268750	0.82*

* The percentage is on the increased share capital of the Company.

Mahabir Prasad Jalan (HUF)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	120000	0.42		
	Date wise Increase/Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the End of the year	120000	0.37*	120000	0.37*

* The percentage is on the increased share capital of the Company.

Chaitanya Jalan

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	2077	0.01		
26.05.2017	Purchase	23	0.00	2100	0.00
31.08.2017	Purchase	5000	0.02	7100	0.02
05.01.2018	Purchase	575	0.00	7675	0.02
31-03-2018	At the End of the year	7675	0.02	7675	0.02*

* The percentage is on the increased share capital of the Company.

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

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	AMANSA HOLDINGS PRIVATE LIMITED	0	0.00	01/04/2017	-	-	-	-
				21/07/2017	Purchase	50000	50000	0.17
				28/07/2017	Purchase	1960700	2010700	6.17
				29/09/2017	Purchase	63070	2073770	6.36
				13/10/2017	Purchase	128750	2202520	6.76
				20/10/2017	Purchase	27420	2229940	6.84
				31/10/2017	Purchase	142500	2372440	7.28
				31/03/2018			2372440	7.28
2	LATA BHANSHALI	1058975	3.69	01/04/2017			1058975	3.69
				31/03/2018			1058975	3.25
3	INDIA MIDCAP (MAURITIUS) LTD.	958733	3.34	01/04/2017			958733	3.34
				31/03/2018			958733	2.94
4	FRANKLIN INDIA SMALLER COMPANIES FUND	0	0.00	01/04/2017			0.00	0.00
				28/07/2017	Purchase	1176472	1176472	3.61
				13/10/2017	Sale	-20000	1156472	3.55
				24/11/2017	Sale	-7744	1148728	3.52
				01/12/2017	Sale	-9381	1139347	3.50
				08/12/2017	Sale	-100000	1039347	3.19
				22/12/2017	Sale	-2544	1036803	3.18
				29/12/2017	Sale	-7456	1029347	3.16
				23/03/2018	Sale	-100000	929347	2.85
				31/03/2018			929347	2.85
5	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER (ELSS) FUND	1080000	3.77	01/04/2017			1080000	3.77
				16/06/2017	Sale	22859	1057141	3.69
				21/07/2017	Sale	21141	1036000	3.61
				08/12/2017	Sale	100000	936000	2.87
				15/12/2017	Sale	36000	900000	2.76
				31/03/2018			900000	2.76
6	INTERNATIONAL FINANCE CORPORATION	1044215	3.64	01/04/2017			1044215	3.64
				12/01/2018	Sale	-19320	1024895	3.14
				19/01/2018	Sale	-269	1024626	3.14
				26/01/2018	Sale	-58733	965893	2.96
				02/02/2018	Sale	-104708	861185	2.64
				31/03/2018			861185	2.64

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
7	ADITYA BIRLA MUTUAL FUND	29960	0.10	01/04/2017			29960	0.10
				19/05/2017	Sale	-12300	17660	0.06
	• BIRLA SUN LIFE SMALL AND MIDCAP FUND			28/07/2017	Purchase	323571	341231	1.05
				29/12/2017	Sale	-17660	323571	0.99
	• ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND			16/02/2018	Purchase	63400	386971	1.19
				02/03/2018	Purchase	18000	404971	1.24
				16/03/2018	Purchase	194167	599138	1.84
	• BIRLA SUN LIFE MIP II-WEALTH 25 PLAN			23/03/2018	Purchase	105700	704838	2.16
				30/03/2018	Purchase	32000	736838	2.26
	• ADITYA BIRLA SUN LIFE MIP II-WEALTH 25 PLAN			31/03/2018			736838	2.26
8	ICG Q LIMITED	700000	2.44	01/04/2017			700000	2.44
				05/01/2018	Sale	-12405	687595	2.11
				12/01/2018	Sale	-26365	661230	2.03
				31/03/2018			661230	2.03
9	PRINCIPAL TRUSTEE CO. PVT LTD. - PRINCIPAL MUTUAL FUND	192900	0.67	01/04/2017			192900	0.67
				12/05/2017	Purchase	4883	197783	0.69
	• PRINCIPAL PERSONAL TAX SAVER FUND			19/05/2017	Purchase	2771	200554	0.70
				26/05/2017	Purchase	1046	201600	0.70
				16/06/2017	Purchase	9000	210600	0.73
	• PRINCIPAL GROWTH FUND			04/08/2017	Sale	-3315	207285	0.64
				11/08/2017	Sale	-5685	201600	0.62
	• PRINCIPAL BALANCED FUND			18/08/2017	Purchase	4340	205940	0.63
				29/09/2017	Purchase	4755	210695	0.65
	• PRINCIPAL TAX SAVINGS FUND			06/10/2017	Purchase	5305	216000	0.66
				31/10/2017	Sale	-10075	205925	0.63
	• PRINCIPAL EMERGING BLUECHIP FUND			03/11/2017	Sale	-4325	201600	0.62
				08/12/2017	Purchase	214160	415760	1.28
				15/12/2017	Purchase	55840	471600	1.45
				02/02/2018	Purchase	863	472463	1.45
				09/02/2018	Purchase	14437	486900	1.49
				16/02/2018	Purchase	100000	586900	1.80
				02/03/2018	Purchase	9501	596401	1.83
				09/03/2018	Purchase	666	597067	1.83
				16/03/2018	Purchase	8020	605087	1.86
				23/03/2018	Purchase	3815	608902	1.87
				31/03/2018			608902	1.87

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
10	BNP PARIBAS MUTUAL FUND	807092	2.82	01/04/2017			807092	2.82
				14/04/2017	Sale	-8500	798592	2.79
				28/04/2017	Purchase	18500	817092	2.85
	• BNP PARIBAS MONTHLY INCOME PLAN			02/06/2017	Purchase	20017	837109	2.92
				16/06/2017	Purchase	2000	839109	2.93
	• BNP PARIBAS DIVIDEND YIELD FUND			30/06/2017	Sale	-12000	827109	2.88
				11/08/2017	Purchase	8000	835109	2.56
				18/08/2017	Purchase	10000	845109	2.59
	• BNP PARIBAS LONG TERM EQUITY FUND			08/09/2017	Purchase	9960	855069	2.62
				15/09/2017	Purchase	5000	860069	2.64
				13/10/2017	Sale	-5000	855069	2.62
	• BNP PARIBAS MID CAP FUND			23/02/2018	Sale	-20088	834981	2.56
				02/03/2018	Sale	-59443	775538	2.38
	• BNP PARIBAS MUTUAL FUND A/C BNP PARIBAS ENHANCED ARBITRAGE FUND			16/03/2018	Sale	-202436	573102	1.76
				23/03/2018	Sale	-7646	565456	1.73
11				30/03/2018	Sale	-2128	563328	1.73
				31/03/2018			563328	1.73
	KOTAK MAHINDRA BALANCE UNIT SCHEME 99	648670	2.26	01/04/2017			648670	2.26
				28/04/2017	Purchase	9211	657881	2.29
				05/05/2017	Purchase	11292	669173	2.33
	KOTAK EMERGING EQUITY SCHEME			19/05/2017	Purchase	42512	711685	2.48
				26/05/2017	Purchase	37180	748865	2.61
				02/06/2017	Purchase	67696	816561	2.85
				09/06/2017	Purchase	25000	841561	2.94
				16/06/2017	Purchase	25019	866580	3.02
				04/08/2017	Sale	-6709	859871	2.64
				01/09/2017	Sale	-120249	739622	2.27
				08/09/2017	Sale	-626	738996	2.27
				15/09/2017	Sale	-13815	725181	2.23
				22/09/2017	Sale	-11626	713555	2.19
				29/09/2017	Sale	-42468	671087	2.06
				06/10/2017	Sale	-27955	643132	1.97
				13/10/2017	Sale	-119753	523379	1.61
				22/12/2017	Sale	-11703	511676	1.57
				05/01/2018	Sale	-267	511409	1.57
				31/03/2018			511409	1.57

v) Shareholding of Directors and Key Managerial Personnel:

Mahabir Prasad Jalan – Chairman Cum Whole Time Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	451000	1.57		
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	451000	1.39*	451000	1.39*

* The change in shareholding percentage is due to increase in share capital of the Company.

Naresh Jalan – Managing Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-017	At the beginning of the year	285750	1.00		
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	285750	0.88*	285750	0.88*

* The change in shareholding percentage is due to increase in share capital of the Company.

Pawan Kumar Kedia – Whole Time Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-017	At the beginning of the year	13629	0.05		
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	13629	0.04*	13629	0.04*

* The change in shareholding percentage is due to increase in share capital of the Company.

Yudhisthir Lal Madan – Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-017	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	NIL	NIL	NIL	NIL

Ram Tawakya Singh - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	NIL	NIL	NIL	NIL

Padam Kumar Khaitan - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	NIL	NIL	NIL	NIL

Amitabha Guha - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	NIL	NIL	NIL	NIL

Aditi Bagri - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	NIL	NIL	NIL	NIL

Sandipan Chakrovortty - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	NIL	NIL	NIL	NIL

Partha Sarathi Bhattacharyya - Independent Director

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	NIL	NIL	NIL	NIL

Sikander Yadav- Chief Financial Officer (Appointed w.e.f 02.06.2017 & Resigned w.e.f. 14.12.2017)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
02-06-2017	At the beginning of the year	115	0.00	0	0
14-09-2017	Purchase	25	0.00	140	0.00
12-12-2017	On date of resignation	140	0.00	140	0.00

Rajesh Mundhra – Company Secretary

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1-04-2017	At the beginning of the year	15230	0.05	NIL	NIL
	Date wise Increase /Decrease in Share holding during the Year	NIL	NIL	NIL	NIL
31-03-2018	At the end of the year	15230	0.04*	15230	0.04*

* The change in shareholding percentage is due to increase in share capital of the Company.

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	92,519.96	1,947.20	–	94,467.16
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not Due	–	–	–	–
Total (i+ii+iii)	92,519.96	1,947.20	–	94,467.16
Change in Indebtedness during the financial year				
• Addition	23,042.03	4,069.65	–	27,111.68
Exchange Difference	1,901.71	–	–	1,901.71
IND AS Adjustment	(844.27)	–	–	(844.27)
• Reduction	38,397.99	1,916.82	–	40,314.81
Net Change	(14,298.51)	2,152.83	–	(11,301.41)
Indebtedness at the end of the financial year				
i) Principal Amount	78,221.45	4,100.03	–	82,321.49
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not Due	–	–	–	–
Total (i+ii+iii)	78,221.45	4,100.03	–	82,321.49

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A - Remuneration to Managing Director, Whole Time Directors

Mahabir Prasad Jalan – Chairman cum Whole Time Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	195.36	195.36
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	44.89	44.89
	(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 - others, specify...	NIL	50.00
5	Others, please specify	NIL	NIL
	Total		290.25
	Ceiling as per the Act		1385.32

Naresh Jalan – Managing Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	117.53	117.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	42.45	42.45
	(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 - others, specify...	NIL	50.00
5	Others, please specify	NIL	NIL
	Total		209.98
	Ceiling as per the Act		1385.32

Pawan Kumar Kedia – Whole Time Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.88	36.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.94	1.94
	(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 - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total		38.82
	Ceiling as per the Act		1385.32

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

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	3.05	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		3.05

Ram Tawakya Singh – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	3.35	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		3.35

Padam Kumar Khaitan – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	● Fee for attending board / committee meetings	2.95	
	● Commission	NIL	
	● Others, please specify	NIL	
	Total		2.95

Amitabha Guha – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	• Fee for attending board / committee meetings	3.30	
	• Commission	NIL	
	• Others, please specify	NIL	
	Total		3.30

Aditi Bagri – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	• Fee for attending board / committee meetings	3.50	
	• Commission	NIL	
	• Others, please specify	NIL	
	Total		3.50

Sandipan Chakravorty – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	• Fee for attending board / committee meetings	2.00	
	• Commission	NIL	
	• Others, please specify	NIL	
	Total		2.00

Partha Sarathi Bhattacharyya – Independent Director

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
	• Fee for attending board / committee meetings	2.00	
	• Commission	NIL	
	• Others, please specify	NIL	
	Total		2.00

Sikander Yadav – Chief Financial Officer (Appointed on 02.06.2017 & Resigned w.e.f. 14.12.2017)

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39.07	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.60	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	
2	Stock Option	NIL	
3	Sweat Equity	NIL	
4	Commission - as % of profit - others, specify...	NIL	
5	Others, please specify	NIL	
	Total		40.67

Rajesh Mundhra – Company Secretary

Sl. No.	Particular of Remuneration	Amount (₹ in Lakhs)	Total Amount (₹ in Lakhs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.72	35.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.07	1.07
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	
2	Stock Option	NIL	
3	Sweat Equity	NIL	
4	Commission - as % of profit - others, specify...	NIL	
5	Others, please specify	NIL	
	Total		36.79

VII. Penalties/ Punishment/Compounding of Offences:

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

Annexure - 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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the Performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2017-18 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Mahabir Prasad Jalan	290.25	27.14	99.06:1
2	Mr. Naresh Jalan	209.98	22.09	71.66:1
3	Mr. Pawan Kumar Kedia	38.82	13.01	13.24:1
4	Mr. Padam Kumar Khaitan	2.95*	18.00	1.00:1
6	Ms. Aditi Bagri	3.50*	0.00	1.19:1
7	Mr. Yudhisthir Lal Madan	3.05*	(27.38)	1.04:1
8	Mr. Ram Tawakya Singh	3.35*	0.00	1.14:1
9	Mr. Amitabha Guha	3.30*	(5.71)	1.12:1
10	Mr. Sandipan Chakravorty	2.00*	33.33	0.68:1
11	Mr. Partha Sarathi Bhattacharyya	2.00*	33.33	0.68:1
12	Mr. Rajesh Mundhra	36.79	9.46	12.55:1
13	Mr. Sikander Yadav*	40.67	N.A.*	13.88:1

* Appointed w.e.f 2nd June 2017 and resigned w.e.f 14th December, 2017.

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

- II. The median remuneration of employees of the Company during the Financial Year was ₹ 2.93 Lakh. In the Financial Year 2017-18, the median remuneration of employees was 16.73% higher compared to previous year.
- III. There were 1,655 permanent employees on the rolls of Company as on 31st March, 2018.
- IV. Average percentage increase made in the salaries of employees other than the Managerial Personnel in the Financial Year 2017-18 was 10.72% over previous year. There were no exceptional circumstances for increase in Managerial Remuneration.
- V. Affirmation that the Remuneration is as per the Remuneration Policy of the Company it is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

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

Sl No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (₹ in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
A. Details of top ten Employees in terms of remuneration drawn for the financial year ended 31st March 2018								
1.	Mr. Kasi Nath	66	Executive Vice President	284.55	MBA, Master of Technology (M.Engg), Bachelor of Engineering (Hons.) Diploma in Business Administration	31	01.07.2012	Director Global Purchasing Meritor Inc
2	Mr. Sridhar Kulkarni	54	Chief Operating Officer (North America)	93.55	Bachelor of Engineering (Mechanical)	32	01.12.2015	Dana Corporation

SI No.	Name	Age (years)	Designation/ Nature of Duties	Gross Remuneration (₹ in lakhs)	Qualification	Total Experience (years)	Date of commencement of employment	Previous Employment
3	Mr. Victor Manuel Martinez Gijon	47	Sales Lead-Mexico	62.86	Bachelor Degree in Mechanical Engineering	26	04-04-2015	Dana Corporation
4	Mr. Kanchan Chaudhuri	60	Plant Head	60.46	Bachelor Equivalent	36	09-10-2012	Ahmednagar Forgings Limited
5	Mr. Rajat Subhra Datta	53	Vice President IT	57.96	M.Sc	23	01-02-2010	Adhunik Metaliks Ltd.
6	Mr. Sakti Prasad Senapati	46	Chief People Officer	54.56	MBA	21	01-04-2016	NRB Bearings Ltd.
7	Mr. Vijay Kumar Mishra	57	Plant Head	48.35	M.Tech	28	05-05-2006	NA
8	Mr. Miles Gandhi	39	Vice President Marketing	43.17	Diploma	18	01.02.2000	NA
9	Mr. Kali Kumar Ghosh	54	General Manager	39.53	M.Tech	32	08-05-2012	Hitech Gears Limited
10	Mr. Jayadev Patasani	47	Plant Head	38.32	B.Tech	26	11-10-2010	NA
B Details of Employee employed throughout the year and in receipt of remuneration not less than ₹ 1,02,00,000/- p.a.								
1.	Mr. Mahabir Prasad Jalan	69	Chairman cum Wholetime Director	290.25	B.Tech	52	12.11.1981	NA
2.	Mr. Kasi Nath	66	Executive Vice President	284.55	MBA, Master of Technology (M.Engg), Bachelor of Engineering (Hons.) Diploma in Business Administration	31	01.07.2012	Director Global Purchasing, Meritor Inc.
3.	Mr. Naresh Jalan	42	Managing Director	209.98	MBA	21	05.11.2001	NA
C Details of Employee employed part of the year and in receipt of remuneration not less than ₹ 8,50,000/- p.m.								
1.	Mr. Sridhar Kulkarni	54	Chief Operating Officer (North America)	93.55	Bachelor of Engineering (Mechanical)	32	01.12.2015	Dana Corporation

Notes:

- Gross Remuneration includes Basic Pay, Allowances, Monetary value of Perquisites, Lease Rent, Commissions, Retirement benefits and Healthcare Insurance, if any.
- All the employees as mentioned above are under permanent roll of the Company except Victor Manuel Martinez Gijon who is under contractual basis.
- 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/agreements/appointment letter.
- Mr. Mahabir Prasad Jalan holds 4,51,000 equity shares and Mr. Naresh Jalan holds 2,85,750 equity shares representing 1.39% and 0.88% of the paid up share capital respectively as on 31st March, 2018.

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

Sd/-

Mahabir Prasad Jalan

(Chairman)

(DIN: 00354690)

Place: Kolkata

Dated: 28th day of July, 2018

Management Discussion And Analysis



Global Economy

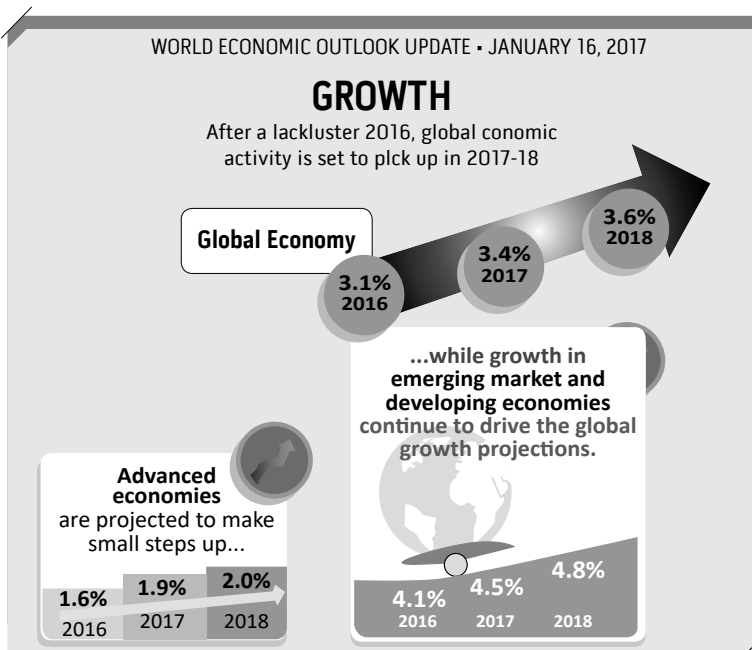
The global recovery that began in mid-2016 has become broader and stronger.

Economic activity in CY 2017 ended on a high note. The upswing in global investment and trade continued in the CY 2017. Growth in the second half of the year was above 4%, the strongest since the second half of 2010, supported by a recovery in investment. At 3.8%, global growth in 2017 was the fastest since 2011.

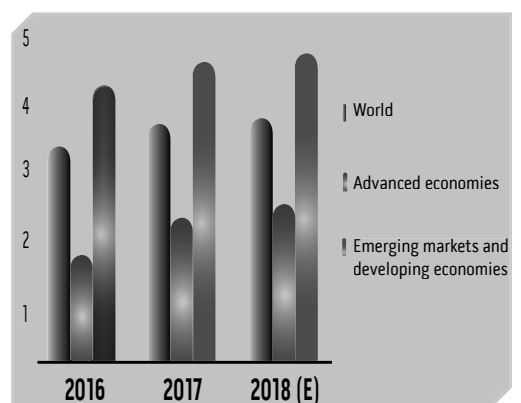
It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe and signs of recovery in several commodity exporters. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year.

Growth this broad based and strong has not been seen since the world's initial sharp 2010 bounce back from the financial crisis of 2008-09. The synchronised expansion will help to dispel some remaining legacies of the crisis by speeding the exit from unconventional monetary policies in advanced economies, encouraging investment, and healing labour market scars.

About tomorrow: With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9% for 2018.



Growth numbers



(Source: IMF Report, April 2018)

Indian Economy

Fiscal 2017-18 was a defining year for the Indian economy.

India took the bold step of completely resetting its indirect tax system to a comprehensive GST regime while continuing to experience the impact of the demonetisation shock of November 2016.

While this path-breaking change led to a short-term decline in India's economic progress, the nation bounced back aggressively to report a 7%-plus growth in the second half of the year - 7.7% in the three months ended 31 March 2018, the fastest pace in seven quarters, signaling a strong turnaround and reclaiming its position as the fastest growing major economy of the world.

The turnaround in the economy was led by robust agriculture (4.5%) and manufacturing growth (9.1%) as well as double-digit growth in construction activities (11.5%) in the March quarter.

The economy, also received a boost from higher government spending (13.3%) in the March quarter. Gross fixed capital formation, a proxy for investment demand in the economy, expanded at a double-digit pace (14.4%) after a gap of seven quarters, signaling a revival in investment activities.

The latest quarterly corporate earnings data suggest that consumer demand too is reviving.

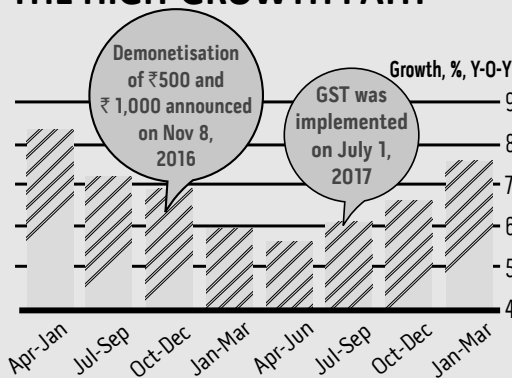
The high points for India in 2017-18

- It emerged as the most competitive country in South Asia, appearing at No. 40 in the global competitiveness ranking of 137 countries by the World Economic Forum.
- It jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, consequent to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit.
- It topped management consulting firm AT Kearney's 2017 Global Services Location Index for the eighth consecutive year and extended its lead over other countries from 0.47 last year to 0.76 in 2017.

RETURN TO THE HIGH-GROWTH PATH

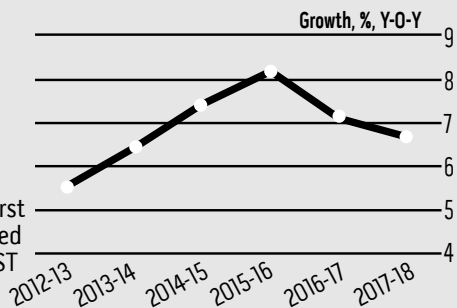
Quarterly growth

In Jan-Mar 2018, India's economy recorded its best quarterly growth since Apr-June 2016, as the effects of demonetisation waned. Growth was also aided by the low base of Jan-Mar 2017

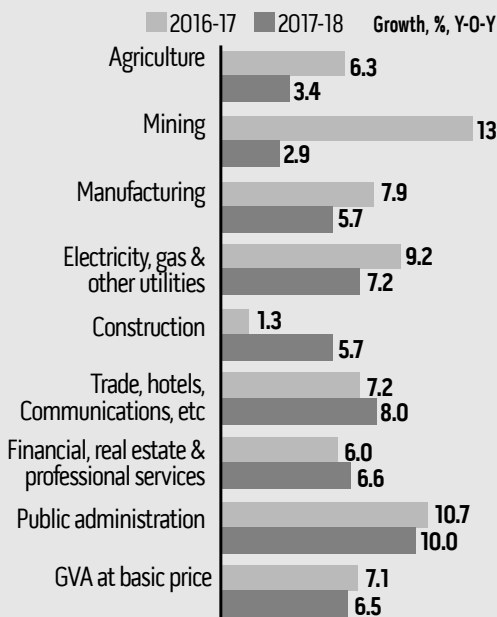


Annual growth

Despite the pick up of growth in the fourth quarter, the economy grew at its slowest pace since 2013-14 due to the lingering effects of demonetisation in the first half and disruption caused by implementation of GST in July 2017



Primary sector proved to be a drag on growth, while the services sector held it up



The Forging Industry in India:

Forging is traditionally considered as the back bone of the manufacturing industry. It is a major input to the sectors which support economic growth of the nation, such as, automobile, industrial machinery, power, construction & mining equipment, railways and general engineering.

The Indian forging industry is well recognised globally for its technical capabilities. With an installed capacity of around 38.5 lakh MT, the forging industry has the capability to forge variety of raw materials like carbon steel, alloy steel, stainless steel, super alloy, titanium, aluminium and so forth, as per the requirements of user industry.

Since the automobile industry is the main customer for forgings (more than 70%) the industry's continuous efforts in upgrading technologies and diversifying product range has enabled it to expand its base of customers to foreign markets.

As a result, the Indian forging industry, over the years, has evolved from being a labour-intensive sector to capital-intensive manufacturing sector.

Opportunities :

The forging industry is expected to register healthy growth going forward. The expectation of the industry hinges on the hope of good and stable governance, strong policy reforms coupled with an improvement in the overall economic sentiment

The Indian Government's thrust on the manufacturing sector with favourable policies like 'Make in India' and 'Skill India' have created a positive sentiment in the business community. Many global OEMs and Tier-I players are setting up purchasing offices in India and looking at procuring high standard quality products. This should improve the offtake of forgings over the coming years.

Moreover, the domestic forging industry, which supplies more than 70% of its production to the auto sector, expects an improved demand in the coming quarters. The recent Government announcement of increasing the Minimum Support Price for crops is also expected to contribute to an increase in auto demand from rural India.

In addition, considerable forging industries in the US and UK are closing down owing to several reasons and that has opened up an opportunity for Indian forging industry. If utilized, the opportunity could further catalyse the growth of this sector over the medium term.

Global commercial vehicle space :

Global medium-duty (MD) and heavy-duty (HD) trucks sales grew 29% in 2017 from 2016 because of 62.8% year-on-year (y-o-y) growth in China crossing the 1 million mark, along with 55.1% growth in Russia, 41.1% growth in Next 11, and 23% growth in India.

In 2017, HD trucks sales share increased by 5.5% to 66.6% of global MD-HD trucks sales. This was a reversal of the trend of growing share of MD trucks in the past few years on account of recovery of HD truck demand in markets of China, North America, and Europe.

In terms of new technology, electric powertrain and autonomous driving have emerged hot favourites. With prototype launches from a slew of conventional and new OEMs, full electric powertrain development is gathering industry

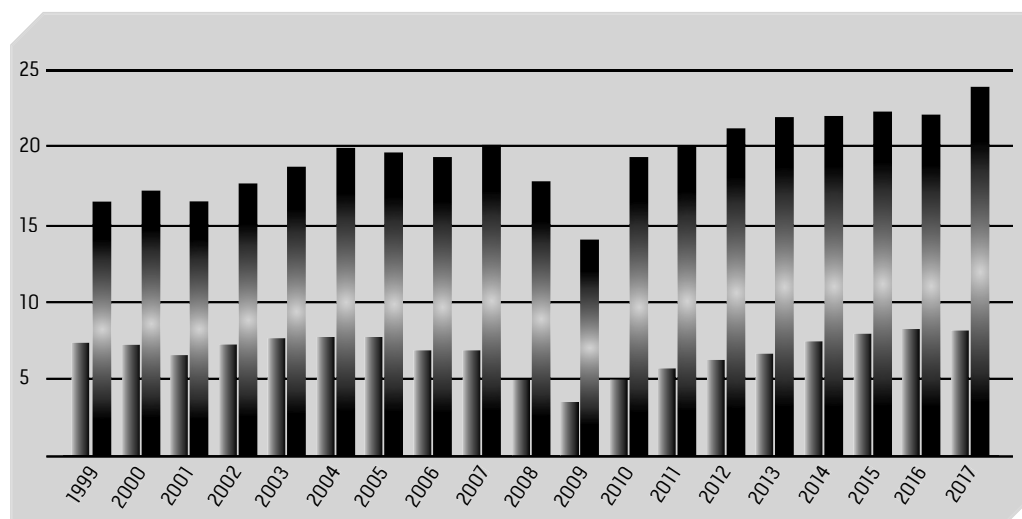
Forging – the process :

Forging is the process of applying compressive forces for giving shape to various metals. On a broader level there are three types of forging – hot, warm and cold forging.

Hot forging is performed at extreme high temperatures as it fills the complicated parts like crankshafts and connecting rods, and such components can be made only by hot forging. Cold forging is performed at room temperature. In India, close to 80% of the forging units adopt the hot forging process.

attention. Daimler launched its Fuso eCanter MD truck and showcased its Urban e-truck concept. Volvo tested its hybrid vehicle for long haul applications. Cummins and Tesla showcased battery electric Class 7 and 8 prototypes respectively. Nikola and Toyota showcased fuel cell architectures for HD applications. Platooning is set to be commercialized in developed countries in 2018.

Commercial vehicle production of the United States and worldwide from 1999 to 2017 (in million units)



In 2017, some 8.2 million commercial vehicles were produced in the United States, and about 23.9 million commercial vehicles were produced worldwide.

Source: Statista

Truck and Bus in USA :

Truck and Bus manufacturers experienced heightened demand for their products as the economy improved in response to higher trade and freight volumes.

GDP is a pretty accurate predictor of the truck market in the U.S. The reason being is that two-thirds of the GDP is determined by private consumption. Whatever consumers are buying needs to be transported, so therefore there is a truck relationship.

Likewise, trucking serves as a barometer of the U.S. economy, representing nearly 71% of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods.

Additionally, the Environmental Protection Agency (EPA) enacted a second phase of emissions standards in 2017. As a result, truck manufacturers experienced increased demand for vehicles that are compliant with these standards. The next five years are expected to be brighter for the industry.

The American Trucking Associations reported its advanced seasonally adjusted for-Hire Truck Tonnage Index - it rose by 3.7% in 2017 over 2016, marking the largest annual gain since 2013, when it increased 6.1%.

Outlook :

In the U.S., the available leading indicators point toward a continuation of the economy's solid upswing. As a result, there is a sense of optimism for this industry in 2018.

Domestic factors: a pickup in factory activity, better housing construction, solid retail sales and an expected shot in the arm from the new tax law – promise a healthy increase in demand.

Other factors: Strengthening global growth will likely lead to higher trade and freight volumes and, in turn, increased demand for trucks to carry goods, creating greater demand for new truck purchases.

The economy is the driving force behind commercial vehicles. What the economy does, the trucking market also does

- In 2009 there was a decline in both the GDP and the truck market.
- 2015 became a peak year for Class 8 truck sales due to a surge in fleet investment in new tractors, causing 2016 sales to drop as a reaction to the intense buying the year before. The fleets overinvested in on-highway trucks at a time when the U.S. dollar was so strong that exports were on a decline, and manufacturing was struggling with a slow resurgence.
- In 2017, the market experienced a renewed upswing with sales picking up for straight trucks due to a boon in the construction market.

(Source: Rubber and Plastics News, April 23, 2018)

Projected truck sales in the United States from 2017 to 2019 of class -8 trucks.

Particulars	CY2017	CY2018	CY2019
US	194,162	239,550	267,500
(Y/Y % Change)	11.2	23.4	11.7
Canada	26,085	32,844	29,400
(Y/Y % Change)	27.0	25.9	(10.5)
Mexico	23,357	26,382	29,600
(Y/Y % Change)	(5.3)	14.9	10.3
Export	6,550	5,774	8,500
(Y/Y % Change)	(1.8)	(11.8)	47.2
Total	250,154	305,000	335,000
(Y/Y % Change)	10.5	21.9	9.8

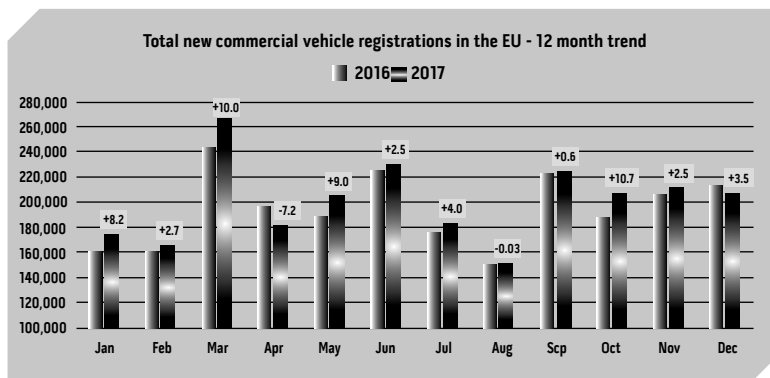
Source: FTR outlook 29/6/2018.

European commercial vehicle space :

In 2017, demand for new commercial vehicles remained positive throughout the EU, counting 2.4 million units registered or 3.2% more than in 2016. Spain drove this growth with the highest percentage increase (+13.5%), followed by France (+6.9%) and Germany (+3.3%). By contrast, demand in Italy (2.3%) and the United Kingdom (4.4%) fell in 2017.

New light commercial vehicles (LCV) up to 3.5 tonnes: Overall in 2017, some 2 million new light commercial vehicles were registered across the European Union, 3.9% more than in 2016. Spain (+15.5%), France (+7.1%) and Germany (+4.9%) saw the strongest growth, but demand for vans declined in the United Kingdom (3.6%) and Italy (3.4%).

New heavy commercial vehicles (HCV) of 16 tonnes and over: In 2017, HCV demand only saw a modest increase (+0.5%), counting 297,171 new vehicles. The Italian market showed the strongest gains (+8.4%), followed by France (+6.9%) and Germany (+1.4%). On the other hand, demand for heavy commercial vehicles declined in the United Kingdom (7.9%) and Spain (0.6%).



(Source: European Automobile Manufacturers Association)

New medium and heavy commercial vehicles (MHCV) over 3.5 tonnes: Overall in 2017, 367,102 new trucks were registered in the European Union – more or less the same number (0.2%) as in 2016. France (+6.5%) and Italy (+4.5%) performed well in 2017, but truck registrations fell in the UK and Germany (7.1% and 0.9% respectively).

New medium and heavy buses & coaches (MHBC) over 3.5 tonnes: In 2017, the EU bus and coach market contracted slightly (0.5%), totalling 40,515 units. The UK and France saw demand fall by 18.8% and 4.0% respectively, but registrations of new buses and coaches increased substantially in Italy (+20.3%) and Spain (+6.9%).

Outlook

The economic growth of the region has a direct impact on the sales of commercial vehicles. Demand for commercial vehicles is also expected to surge across the region, driven by recovering economic conditions in major markets. In particular, growth in construction activity in major markets will drive the demand for heavy trucks, buses and other commercial vehicles.

(Source: The "2018 Europe Automotive Market - Emerging Dynamics and Future of Europe Passenger Cars and Commercial Vehicles)

Indian commercial vehicle sector :

Changing dynamics of the Indian commercial vehicle (CV) industry, better and newer products, entry of global players and implementation of emission norms and other regulations over the past few years have made India the 5th biggest CV market in the world.

Performance:

FY18 was a bumper year for the commercial vehicle segment with strong double-digit growth after nearly six long years. Commercial vehicle manufacturers and sector experts agree that the heightened demand is a response to strict implementation of overloading restrictions across several states. Besides, the shift towards BS-IV emission compliance spurred demand for these vehicles.

Performance in 2017-18

	2016-17	2017-18	Growth (%)
Production			
M&HCV			
Passenger carrier	49,585	37,619	(24.13)
Good carrier	293,176	306,332	4.49
TOTAL (A)	342,761	343,951	0.35
LCV			
Passenger carrier	50,707	51,069	0.71
Good carrier	416,785	499,531	19.85
TOTAL (B)	467,492	550,600	17.78
TOTAL (A + B)	810,253	894,551	10.40

(Source: SIAM)

	2016-17	2017-18	Growth (%)
Domestic sales			
M&HCV			
Passenger carrier	47,310	35,649	(24.65)
Good carrier	255,257	304,664	19.36
TOTAL (A)	302,567	340,313	12.48
LCV			
Passenger carrier	50,750	49,009	(3.43)%
Good carrier	360,765	467,131	29.48
TOTAL (A + B)	714,082	856,453	19.94

(Source: SIAM)

Skew towards higher tonnage :

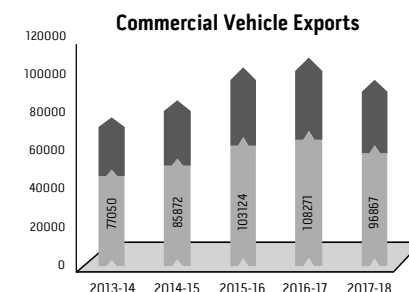
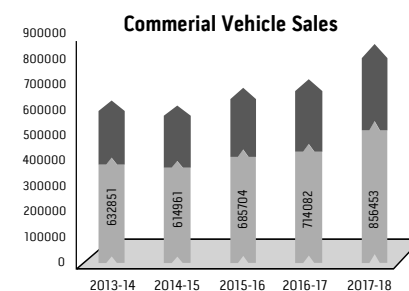
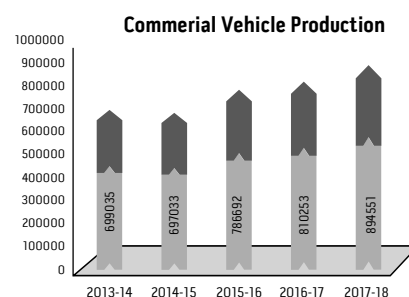
Improving road conditions clubbed with government policies enforcing a ban on overloading of trucks in key states like Rajasthan, Uttar Pradesh and Madhya Pradesh has driven the recent strong volume growth in MHCVs, which led to an increase in demand for higher tonnage vehicles. Higher tonnage vehicles have witnessed an improvement in overall share of the MHCV segment since the past few years.

An analysis of the capacity mix since 2016 shows that the demand has been shifting to higher tonnage trucks. Those with over 35 tonnes (tractor trailer) now account for 28 per cent of the demand, up from 22 per cent in the first

quarter of 2015-16. The demand for trucks of more than 25 tonnes now stands at 30 per cent.

Moreover, the introduction of the Goods and Services Tax has improved the speed of transport and forced faster migration of the commercial vehicle fleets to higher tonnage vehicles to improve economic viability. This, in turn, has triggered demand growth for replacements.

The huge infrastructure push by the government towards road projects, rural development and smart cities has increased demand for larger multi-axle trucks, long-haul trucks and tippers. In fact, the trend reversal in commercial vehicle sales this time around has seen a higher growth in tonnage capacity of vehicles than in number of vehicles.



quarter of 2015-16. The demand for trucks of more than 25 tonnes now stands at 30 per cent.

(Source: The Telegraph, August 27, 2017)

This trend is expected to gain further momentum with the launch of the path-breaking GST regime which has transformed the nation into a single market place. This fiscal has abolished checkposts between state borders which has improved travel time. Trucks are now saving at least 20-25 per cent on the time taken for the movement of goods.

Post GST, companies are moving towards larger warehouses with their location driven by logistical efficiencies rather than tax concerns. This is increasing the demand for higher tonnage trucks.

Changes in the logistics industry driven by the Goods and Services Tax (GST) will keep demand for large (>25 tonne) heavy commercial vehicles (HCVs) buoyant, with their tonnage growth expected to be at 10% over the next 2-3 years compared to 3-4% growth foreseen for their lighter counterparts (<25 tonne).

Compliance with BS-VI norms :

The Government will be enforcing BS-VI norms by April 2020 which will provide impetus to push for cleaner fuel technologies and hasten replacement of older and lesser efficient trucks/buses. This will serve as tailwinds in driving sectoral volume growth on account of pre-purchases.

Outlook :

With India being the fastest-growing major economy in the world, the CV industry is expected to cross 1 million units in domestic sales by 2022 making India the 4th largest market.

India commercial vehicle market is projected to exhibit a CAGR of over 10% to reach US\$21.9 billion by FY2023, on account of increasing infrastructure development projects, growing logistics sector, ease of financing, etc.

Besides, a big domestic market, better regulations and cost economics make India an ideal destination for a production hub. This emerging reality is also expected to drive demand for commercial vehicles in India.

Moreover, commercial vehicles market is anticipated to become more lucrative, as new models and brands are rolled out in the coming years.

15 LAKH PRE-2000 VEHICLES

End of road for polluting commercial vehicles

- Deregistration of 20 yrs plus commercial vehicles
- Approx 15 lakh vehicles are pre-2000
- Approx 7 lakh of vehicles plying on road
- Old vehicle are 15 times more polluting than new ones

EXPECTED INCENTIVES FOR SCRAPPING

- GST Council to consider tax relief for sale of old vehicle as scrap
- GST discount for buying new vehicle
- Automobile manufacturers to offer discount



Indian Railways

The national carrier, Indian Railways, with the fourth largest railways network in the world is poised for significant improvement funded by increasing budgetary support from the Government.

The Government has provided the much needed thrust to the Indian Railways through the ever increasing budgetary support – ₹ 1.21 trillion in 2017-18, ₹ 1.3 trillion in 2017-18 which was further increased in the current year.

Opportunity canvass: The Union budget has allocated a record ₹ 1.48 trillion for Indian Railways to raise its carrying capacity and improve the train travel experience, a large part of the capital expenditure is for capacity creation.

In addition, 12,000 wagons, 5,160 coaches and 700 locomotives are on the way. A major programme has also been initiated by the government to strengthen infrastructure at the goods sheds and fast track commissioning of private sidings.

Old is not Gold

The government is at an advanced stage of finalizing a policy to cap the life of commercial vehicles to 20 years beginning 2020. This mean, vehicles such as taxis, three-wheelers, trucks and buses that were registered before 2000 cannot ply on road from April 1, 2020 and subsequently any commercial vehicle reaching the 20-year age limit will be automatically de-registered.

New Trends in Indian Railways:

Finance Minister Arun Jaitley in his Union Budget 2018 speech announced that modern world-class train sets will be rolled out by Indian Railways in the coming years. The first such train set – Train 18 – is being manufactured at the Integral Coach Factory (ICF) in Chennai and will be rolled out some time in 2018-19. ICF on its part has already committed to a roll-out timeline for Train 18 which is a self-propelled semi-high speed train capable of attaining speeds of up to 160 kmph.

Adding to the good news for passengers is the fact that in 2020, Indian Railways is planning to roll out Train 20, which will also be an EMU with a maximum speed of less than 180 kmph. This will have sleeper-class coaches as well and will be manufactured in India in collaboration with a foreign player.

The Indian Railways has decided to phase out ICF coaches in favour of the safer and superior Linke Hofmann Busch (LHB) coaches. For the first time, Indian Railways has rolled out 100% 'Make in India' LHB coaches manufactured at ICF (Integral Coach Factory) at Chennai. While this is just a start, a sharp increase in production of LHB coaches in India is expected over the coming years.

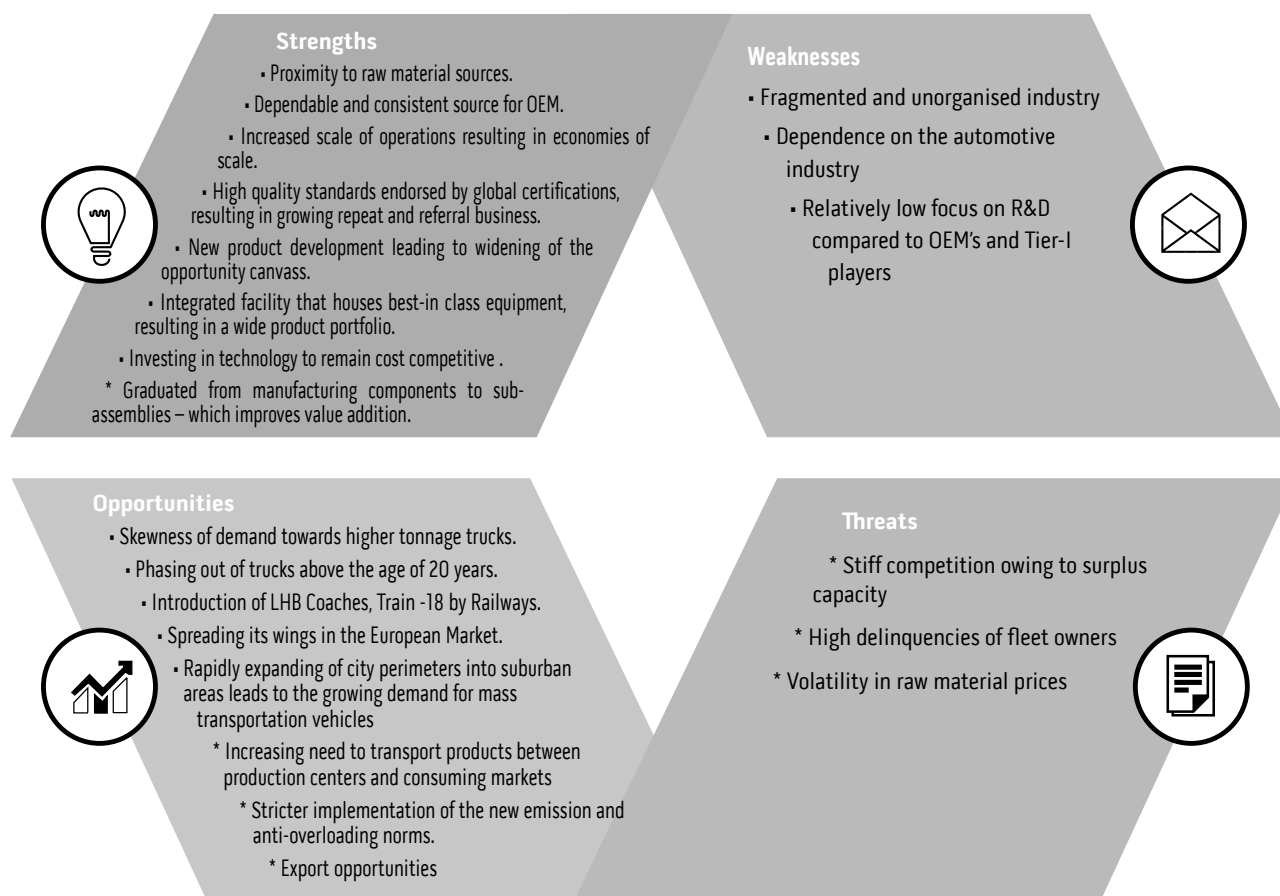
Corporate overview

Ramkrishna Forgings is one of India's leading forging companies that has earned it the respect of leading corporates in India and across the globe for being a reliable supplier of quality forgings.

As a progressive organisation, the Company has made timely investments in capacity augmentation and upgradation enabling it to stay at the cutting-edge of technology. In addition, the Company's expertise in developing customised products has created a huge product basket – widening its opportunity canvass. These capabilities have earned the Company a preferred supplier status with leading globally-respected OEMs operating in India.

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

SWOT analysis



Performance Highlights:

- Net Sales increased by 62.95% from ₹ 88,090.81 lakhs in 2016-17 to ₹ 1,43,546.89 lakhs in 2017-18.
- Export Sales increased by 60.41% from ₹ 25,725.13 Lakhs in 2016-17 to ₹ 41,265.66 Lakhs in 2017-18.
- EBIDTA (excluding other income) increased by 80.10% from ₹15,782.01 lakhs in 2016-17 to ₹ 28,424.00 lakhs in 2017-18.
- PAT showed an increase of 766.61% from ₹ 1,092.31 Lakhs in 2016-17 to ₹ 9,466.02 Lakhs in 2017-18.

Initiatives 2017-18.

In keeping with the growing demand, production volumes increased from 82395 tons in 2016-17 to 121667 tons in 2017-18. This increase in production was owing to the untiring efforts of its team in improving man-machine productivity, minimising wastages and reducing employee fatigue. In addition, the team worked on optimising the consumption of utilities (including dies). This helped in optimising operational costs. In addition, the team also implemented important process improvements which helped in improving product quality.

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

- Modification of the coils of Induction furnace resulting in uniformity of heat and conservation of power.
- Introduction of light and hooter signal system .
- Increasing the loading capacity of the furnace in heat treatment.
- Automation in CNC Machines to reduce wastage of power for idle time.
- Regular inspection undertaken for all electrical installations .
- Installed 400 KVR power factor panel to improve the power factor
- Use of R.O. Water as per need, and utilization of waste water.
- Conversion of HPMV lights to LED lights.
- Reduced the heating length of the products.
- Improve raw material procurement to avoid generation of end cuts.
- Implemented checking of the chemistry of the billets at the raw material bed itself to avoid scrapping of the end cuts

At the R&D centre, the team comprising metallurgist experts continued to develop new products aligned to customer specifications – critical for widening business horizon. In addition, the team also facilitated process changes for improving asset utilisation.

Going forward, the operations and marketing teams have developed the contours of a blueprint that promises to make profitable growth sustainable. While the operational team will continue to focus on streamlining shopfloor operations for superior return on assets, the marketing team will continue to explore new demand havens.

Human resource:

Ramkrishna Forgings believes that its intellectual capital represents its most valuable asset, from the top floor to the shop floor. In line with this, the Company has positioned employee engagement as a key priority

The Company has implemented various initiatives to create a worker friendly organisation that motivates its employees to improve business performance.

Training: Even as the Company increased its team strength, the management focused on enhancing the knowledge capital resident within the organization by enriching their capability matrix aligned to the dynamic business realities. In addition to an institutionalized training calendar, the Company encouraged its team members to participate in external knowledge-sharing forums to gain and collaborate with sector experts to gain insights into industry best-practices and a governance-driven working culture. It also facilitated in gaining insights into prevailing trends and emerging opportunities.

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

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

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

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

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

The Company implemented an ESOP scheme for the senior management – under which 323675 esop options were issued to the senior management team -- strengthening the bond between the Company and its decision makers.

Analysis of financial statements

Statement of Profit and Loss :

Revenue from operations: The net revenues for the FY17-18 was ₹ 1,43,546.89 Lakhs as compared to ₹ 88,090.81 Lakhs, showing an increase of 62.95% . Revenue from exports increased to ₹ 41,265.66 Lakhs in 2017-18 from ₹ 25,725.13 lakhs in 2016-17 showing an increase of 60.41% on account of uptick in demand of class 8 trucks in North American market. The revenue in the domestic segment grew to ₹ 1,02,281.23 lakhs in 2017-18 from ₹ 62,365.68 lakhs in 2016-17 showing an increase of 64% on account of new product development undertaken by the Company thus improving the product basket and improved domestic market.

Revenue mix (by user segment)

User segment	2017-18 (%)	2016-17 (%)
Automotive	57.04	54.51
Railways	2.02	4.33
Mining	2.58	3.56
Exports	28.74	29.38
Exports Incentive	1.28	1.51
Others (incl. scrap)	8.34	6.71

Operating expenses: Operating expenses (total expenses less interest and depreciation and stock variation) increased by 50.46% from ₹ 77,707.48 Lakhs in 2016-17 to ₹ 116,917.95 Lakhs in 2017-18. Operating expenses as a percentage of net sales stood at 81.45% in 2017-18 against 88.21% in 2016-17.

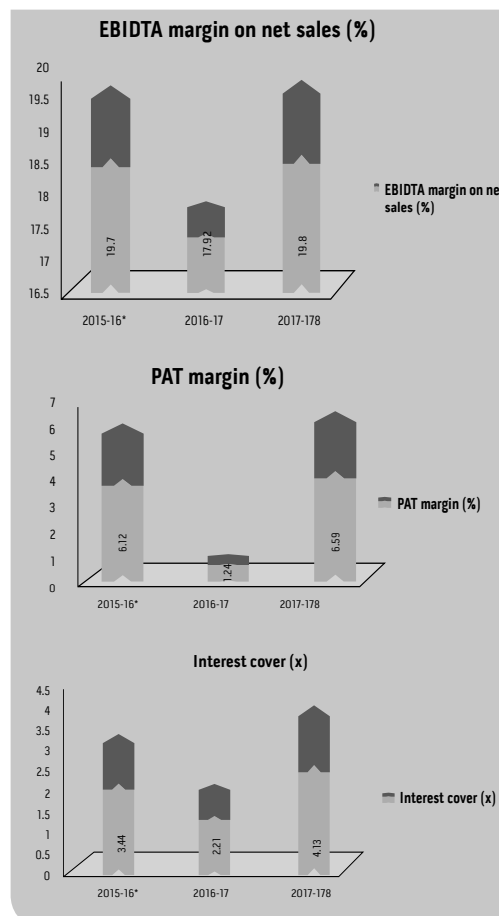
Cost of material consumed: Material costs increased by 73.43% from ₹ 42,192.33 lakhs in 2016-17 to ₹ 73,173.10 lakhs in 2017-18. This increase was owing to an increase in production volumes from 82,395 tons in 2016-17 to 1,21,667 tons in 2017-18 an increase by 47.6% and an increase in the raw material prices

Employee expenses: It increased by 10.64% from ₹ 7,898.08 lakhs in 2016-17 to ₹ 8,738.65 lakhs in 2017-18.

Finance cost: The interest liability decreased by 6.88%, from ₹ 7,497.98 lakhs in 2016-17 to ₹ 6,982.03 lakhs in 2017-18. This decrease was primarily due to more utilisation of export finance in the last financial year and deployment of the QIP proceeds for reduction of the utilisation of bank limits. The interest cover stood at 4.13 x in 2017-18 against 2.21x in 2016-17.

Profitability and margins: The EBITDA (EBIDTA item less other income) increased by 80.10% from ₹ 15,782.02 lakhs in 2016-17 to ₹ 28,424.00 lakhs in 2017-18. The EBITDA margin on net sales increased by 188 bps,

from 17.92% in 2016-17 to 19.80% in 2017-18. The net profit after tax stood at ₹ 9,466.02 lakhs in 2017-18 as compared to ₹ 1,092.31 lakhs in 2016-17 showing an increase of 766.61%. The net margin stood at 6.59% in 2017-18 as against 1.24% in 2016-17.



The Figures for 2015-16 is as per IGAAP

Balance Sheet :

Capital employed: The capital employed in the business increased by 28.67%, from ₹ 94,656.84 lakhs as on March 31, 2017 to ₹ 1,21,796.07 lakhs as on March 31, 2018. The return on capital employed stood at 16.75% in 2017-18 as against 9.64 % in 2016-17.

Shareholders' funds: The balance under this head increased by 61.68%, from ₹ 46,954.76 lakhs as on March 31, 2017 to ₹ 75,917.87 lakhs as on March 31, 2018. This increase was on account of QIP and ploughback of business profits for the year. The total outside liabilities / networth stood at 1.65 x

as on March 31, 2018 as against 1.99 x as on March 31, 2017.

External funds: The Company's debt portfolio decreased by 12.00%, from ₹ 93,551.88 lakhs as on March 31, 2017 to ₹ 82,321.22 lakhs as on March 31, 2018. The debt-equity ratio stood at 1.08x as on March 31, 2018 against 1.99x as on March 31, 2017. The Debt/EBIDTA stood at 2.90 x as on March 31, 2018 as against 5.93 x as on March 31, 2017. The long term debt /net worth stood at 0.51 x as on March 31, 2018 as against 0.90 x as on March 31, 2017.

Gross block: The Gross Block increased by 12.36% to ₹ 1,09,513.62 lakhs as on March 31, 2017 to ₹ 1,23,047.49 lakhs as on March 31, 2018.

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.

Managing business uncertainties :

At Ramkrishna Forgings, risk management is an integral part of its business model, focusing to mitigate adverse impact of risks on business objectives. The Company leverages its rich experience to de-risk the business against perceived risks to sustain its growth momentum and ability to deliver shareholder value.

Will the Company be able to sustain its growth over the coming years?

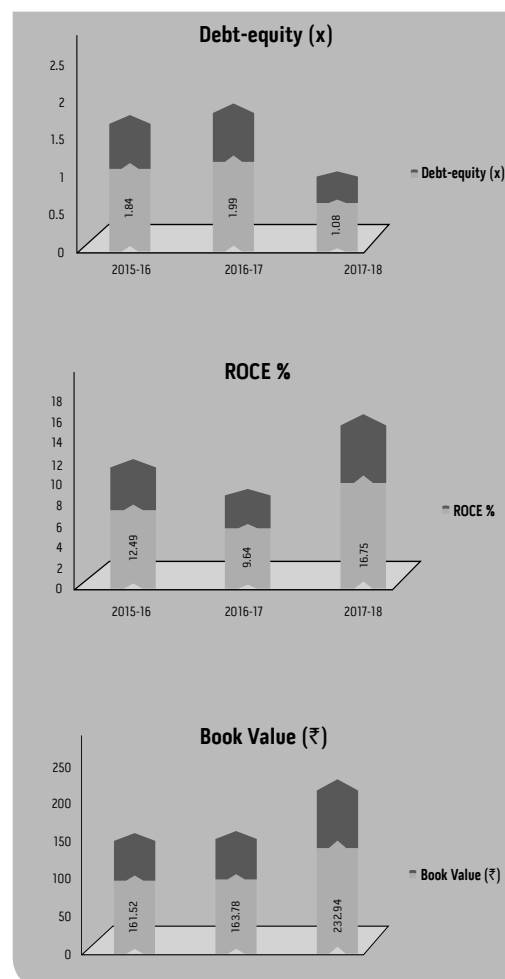
Mitigation: India's automobile industry, especially the commercial vehicle sector, is expected to grow at a brisk pace owing to policy-led transformation. In addition, improving fortunes of the commercial vehicles sector in international geographies of the Company's presence promise a healthy uptick in demand. In addition, the preference towards newer rolling stock by the Indian Railways is expected to generate healthy demand.

How will the Company de-risk business and profitability growth in the face of intensifying competition?

Mitigation: The Company's rich experience in the forging industry has enabled it to proactively draw and implement strategies to stay ahead of the competitive curve. Over the years, the Company has strengthened its competitive advantage by progressive investments in cutting-edge technology. This has improved product quality and product development capabilities strengthening its ties with existing customers and adding new customers to its client list. In addition, the Company has strategized to establish a strong presence in complex components which has positioned it as a partner of choice with leading automobile component manufacturers.

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

Mitigation: The Company's business operations are aligned to stringent global benchmarks (ISO 9001:2008, TS-16949:2009, OHSAS 18001:2007 and ISO14001:2004 certified). In addition, the Company's world-class quality assurance laboratory with best in class equipment which ensure that its product consistently match customer specifications. This has cemented greater trust



between the Company and its clients.

How does the Company de-risk business operations from a geographic concentration?

Mitigation: From a complete India-centric business, the Company has successfully established a strong presence in the US markets. As a further de-risking, the Company is focusing its energies on entering the European markets – significantly widening its opportunity canvass.

Does the Company have sufficient manufacturing infrastructure to capitalise on increasing demand?

Mitigation: The Company has state of the art fully robotic 12500 ton Press Line which is fully complemented by world class machining lines for machining of the front Axle beams.

The Company has the best process fully robotic press line for making of the bevel gears. The Company has state of the art machining centres and have taken further steps to expand its machining facilities and heat treatment facilities. The Company has strong in-house engineering capabilities for tooling & forgings design utilising processes including 2D drawing and 3D modelling, reverse engineering. It has state-of-the-art hardening and tempering furnaces and furnace run by SCADA whereby the heat treatment is automatic. The Company is also having advanced machining centres for its own die making facility.

Cautionary statement

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

Corporate Governance Report

for the Financial Year 2017-18

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

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. 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 mind-set of the organisation. We are committed to meet the aspirations of all our stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability at all levels of the Company in general and at higher echelon of the management. 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 and low attrition of our personnel. It being a continuous journey, the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the eco-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, inducting competent professionals across the organisation and putting in place a robust system, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

The Company's business objective is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. The Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

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:

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

- Board Diversity Policy;
- Policy of Preservation of Documents of the Company;
- Material Subsidiary Company Policy;
- Archival Policy of the Company.

Role of the Company Secretary in overall governance process.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management including the agenda 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 attends all the meetings of the Board/ Committee(s) in the capacity of Secretary and advises /assures the Board on compliances. He interfaces between the management and regulatory authorities for governance matters. The Compliance Officer is also responsible for:

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

Board of Directors

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations. The 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.

Appointment and Tenure

The Directors of the Company are appointed by members at the General Meetings. In accordance with the Articles of Association of the Company, requisite Directors, except Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-appointment. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 2013 and serve in accordance with the terms of their service with the Company.

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

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.
- The Independent Directors can serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and Listing Regulations.

As on 31st March 2018 the Company's Board consists of ten Directors out of which seven 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 seven Independent Directors. None of the Directors serve as Independent Director in more than seven listed Companies and no Wholtime Director of the Company serve as Independent Director in any of the other listed companies. Further, none of the Directors is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed companies in which he is a Director. Necessary disclosures regarding Committee positions in other Companies as on 31st March, 2018 have been made by the Directors. The composition of the Board is in conformity with the Listing Regulations.

The Board meets regularly to review among other things the strategic, operational and financial matters of the Company. The Board has also delegated its powers to the Committees. The Agenda of the meeting is circulated to all the Directors in advance and all material information is provided to facilitate meaningful and focussed discussion at the meeting. The Board reviews the compliance of the applicable laws in the Board meeting. The Budgets for the Financial Year is discussed with the Board at the commencement of the Financial Year and the comparison of the quarterly/annual performance of the Company vis-a-vis the budgets is presented to the Board before taking on record the quarterly /annual financial results of the Company. The Board is also given presentation covering the financial and other aspects of the Company before taking on record the quarterly /annual financial results of the Company. The Board has unrestricted access to all the Company related information including that of our employees. At Board Meetings, managers and representatives who are capable of additional insights into the items being discussed are invited. The requisite information as required is provided to the Board.

The information that is normally placed before the Board includes:

- General notices of interest of Directors.
- Appointment/Resignation and Remuneration of Directors, including Commission payable, if any.
- Declaration received from Directors for any change in their directorship.
- Annual declaration by Directors about their qualification/disqualification (if any).
- Declaration by Independent Directors at the time of appointment/annually.
- Formation/Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of the meetings of the Board, Audit Committee and other Committees of the Board.
- Consider the formation of Subsidiary Company.
- Minutes of the Board Meetings of unlisted Subsidiary Companies.
- Appointment/resignation and remuneration of Key Managerial Personnel (KMP).
- Appointment of Internal, Cost & Secretarial Auditors and fixing their remuneration.
- Appointment/Reappointment of Registrar/Share Transfer Agent.
- Status of all the Legal cases pertaining to the Company.
- Significant changes in accounting policies and internal controls, if any.
- Status of the Statutory Payments made by the Company.
- Annual operating plans of businesses, budgets and any updates.
- Capital budgets and any updates.
- Any change in the banking limits of the Company.
- Annual Financial Statements, Auditor's Report and Board's Report alongwith the annexures.
- Quarterly results of the Company.
- Dividend declaration.
- Sale of material nature, investments, subsidiaries and assets, if any, which is not in the normal course of the business.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- Quarterly Reconciliation of Share Capital Audit certificate.
- Annual Secretarial Audit Report as issued by the Secretarial Auditors.
- Issue of Securities.
- Recommending appointment/ratification of and fixing of the remuneration of the statutory auditors as recommended by the Audit Committee.
- Review of the functioning of the subsidiary.
- Related party transactions.
- Borrowing of the money, giving guarantees or providing security in relation to the loan.

- Compliance certificate certifying compliance with all the laws as applicable to the Company.
- 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, shareholder service, statutory or listing requirements, if any.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Significant labour problems and their proposed solutions, if any.
- 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, if any.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- Any significant development in human resources/ industrial relations front like implementation of Voluntary Retirement Scheme etc., if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Framing and approval of different policies that are required under various Acts, Rules and Regulations.
- Evaluation of performance of Directors and Board as a whole.
- Authorising personnel for communicating with the external shareholders.
- Quarterly Investor complaints.
- Complaints, if any, received under whistle blower policy.
- To consider the annual disclosures received of the code of conduct for Directors and Senior Management.
- To consider status of the violation of the code of conduct for Directors and Senior Management.

Meetings, Attendance, Directorships/Chairmanships-

During the Financial Year 2017-18, 4(four) board meetings were held i.e. on 19.05.2017, 12.08.2017, 28.10.2017 and 29.01.2018. The gap between two consecutive board meetings did not exceed one hundred and twenty days. The details of the composition of the Board, category of Directors, attendance of each Director at the Board Meeting, last Annual General Meeting and the number of Directorship and Chairmanship / Membership of Committee of each Director in other Public Companies are as follows:-

Name of the Director	Category	Attendance particulars		No. of Directorship and other Committee Membership/Chairmanship (excluding RKFL)		
		Board Meeting	Last AGM	Directorship	Committee membership	Committee Chairmanship
Mr. Mahabir Prasad Jalan	Chairman, Executive	4	No	2	0	0
Mr. Naresh Jalan	Managing Director, Executive	4	Yes	2	0	0
Mr. Pawan Kumar Kedia	Wholetime Director, Executive	4	No	1	0	0
Mr. Padam Kumar Khaitan	Non-Executive, Independent	3	Yes	8	3	2
Ms. Aditi Bagri	Non-Executive, Independent	4	Yes	0	0	0
Mr. Amitabha Guha	Non-Executive, Independent	3	Yes	4	5	0
Mr. Ram Tawakya Singh	Non-Executive, Independent	4	Yes	0	0	0
Mr. Yudhisthir Lal Madan	Non-Executive, Independent	3	No	2	1	1
Mr. Partha Sarathi Bhattacharyya	Non-Executive, Independent	3	No	6	2	0
Mr. Sandipan Chakravorty	Non-Executive, Independent	3	No	3	1	0

Notes:

- a) For the purpose of considering the limit of the Companies on which a Director can serve, all Public Limited Companies, whether listed or not, has been included and all other Companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 has been excluded.
- b) For reckoning the limit of Public Limited Companies in which a person can be appointed as Director, directorship in Private Companies that are either holding or subsidiary company of a public limited company has been included.
- c) Chairmanship/Membership of only Audit Committee and Stakeholder Relationship Committee has been considered of other Public Limited Companies.
- d) None of the Directors except Mr. Mahabir Prasad Jalan and Mr. Naresh Jalan are related to any other Director.
- e) None of the Directors have any business relationship with the Company.
- f) None of the Directors received any loans and advances from the Company during the year.
- g) All the Directors have certified that the disqualifications mentioned under Section 164(2) of the Companies Act, 2013 are not applicable to them.
- h) None of the Independent Directors hold any shares or convertible instruments in the Company.

Familiarisation Programme of the Directors

RKFL has an on-going familiarization programme for all its Directors including Independent Directors. The details of familiarisation programmes to Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at: www.ramkrishnaforgings.com/investors/familiarization-program-2017-18.pdf

Board Meetings

During the Financial Year 2017-18 the Company has held four (4) Board meetings. The details of the Board meetings are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	19.05.2017	10	8
2	12.08.2017	10	9
3	28.10.2017	10	9
4	29.01.2018	10	9

Independent Directors

The Independent Directors play an important role in deliberations and decision making at the Board Meeting and bring to the Company wide experience in their respective fields. They also contribute in significant measure to Board Committees. Their Independence other 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 and in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Meeting of Independent Directors

The Company's Independent Directors met once in the Financial Year 2017-18 on 17th February, 2018 without the presence of Executive Directors or Management Personnel. Such meetings are conducted to enable Independent Directors to discuss matters

pertaining to the Company's affairs and put forth their views before the Board. The Chairman of the meeting of Independent Directors take appropriate steps to present the views of the Independent Directors to the Chairman of the Board.

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

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

COMMITTEES OF THE BOARD

At present, there are five Board Committees viz.

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

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

A) Audit Committee

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

Composition

The Audit Committee consists of three Non-Executive, Independent Directors namely:

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

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

Meetings and Attendance

During the year 2017-18 the Committee has met four(4) times.

1. The details of the Audit Committee meetings held during the Financial Year 2017-18 are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	18.05.2017	3	3
2	11.08.2017	3	3
3	27.10.2017	3	2
4	28.01.2018	3	3

2. Attendance record at the Audit Committee meeting:

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

The necessary quorum was present at all the meetings.

Terms of Reference

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

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position, sufficient and credible.
- b) Recommending to the Board the appointment, reappointment, ratification and, if required, replacement or removal of the statutory auditors and the fixation of audit fees.
- c) Approval of the payment to statutory auditors for any other service rendered by them.
- d) Reviewing with the management the annual financial statement before submission to the Board focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgement by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statement.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report, if any.
 - The going concern assumption.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
- h) Approval or any subsequent modification of transactions of the Company with related parties.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the Company, wherever it is necessary.
- k) Evaluation of internal financial controls and risk management systems.

- l) Reviewing with the management, performance of Statutory and Internal auditors and adequacy of internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with the Internal Auditors about any significant findings and follow-up thereon.
- o) Reviewing the findings of the internal investigations by the Internal Auditors into the matters where there is a suspected fraud or irregularity or the failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with the Statutory Auditors before the audit commences, nature and the scope of the audit as well as post – audit discussions to ascertain any area of concern.
- 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, if any.
- 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. Recommend the appointment/ratification of the Statutory Auditors to the Board.
5. Discussion on the Internal Audit report and the appointment, scope, terms of remuneration and removal of the Internal Auditors.
6. Review of the annual/quarterly financial statements and the Auditors report thereon.
7. Review of the annual financial statements of the Subsidiary Company.
8. Review of the financial statements vis-a vis of the approved budgets of the Company.
9. Review of the status of the applicable statutory compliances 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. Review of the adequacy of the internal financial control and risk management systems of the Company.
13. Scrutiny of the inter corporate loans and investments and corporate guarantees.
14. Recommend the appointment, terms of remuneration of the Cost Auditors to the Board.
15. Appointment of the Chief Financial Officer of the Company after assessing the qualification, experience, background etc.
16. Review and recommend to the Board amended Policy for determining Material Subsidiary and Policy for Transaction with Related Parties.
17. Approval of related party transactions.

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

B) Nomination and Remuneration Committee

In terms of Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015, the Board has constituted a Nomination & Remuneration Committee ("NRC") to oversee the Company's nomination (appointment) process for the Directors & Senior Management and to decide the compensation within the broad frame-work of the group policy, merit and Company's performance. The Committee also monitors the implementation, administration and superintendence of the ESOP scheme(s) of the Company through a trust.

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

Composition

The NRC comprises of three Independent Non-Executive Directors.

- 1) Mr. Padam Kumar Khaitan - Chairman
- 2) Mr. Yudhisthir Lal Madan - Member
- 3) Mr. Ram Tawakya Singh - Member

Meetings and Attendance

1. During the Financial Year 2017-18, the Committee met thrice (3) as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	19.05.2017	3	3
2	12.08.2017	3	3
3	28.10.2017	3	2

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

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Padam Kumar Khaitan, Chairman	Independent	3	3
2	Mr. Ram Tawakya Singh	Independent	3	3
3	Mr. Yudhisthir Lal Madan	Independent	3	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 Listing Regulation 2015. It is also responsible for the implementation, administration and superintendence of the ESOP scheme(s) of the Company through a trust. It also comprises decision for remuneration payable to managerial personnel from time to time, deciding remuneration policy of the Company.

The Committee is responsible to:

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

- xi) Determine the grant, vest and exercise of option in case of employees who are on long leave.
- xii) Determine the pricing/re-pricing of the stock options.
- xiii) 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 to carry out annual evaluation of every Director's performance.
- xiv) 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.
- xv) 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.
- xvi) Ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- xvii) 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.
- xviii) Devise and review the policy on Board diversity.
- xix) Formulate criteria for evaluation of performance of Independent Directors and the Board of Directors.
- xx) Determine whether to extend or continue the term of appointment of the Independent Directors.

Details of Remuneration of Directors

The details of the remuneration paid to the Executive Directors for the Financial Year 2017-18 are as follows: (₹ in Lakhs)

Sl. No.	Name of Director	Salary	Others	Commission	Total
1	Mr. Mahabir Prasad Jalan	122.40	117.85	50.00	290.25
2	Mr. Naresh Jalan	101.76	58.22	50.00	209.98
3	Mr. Pawan Kumar Kedia	17.67	21.15	0	38.82
	Total				434.62

Note:

- (a) Mr. Mahabir Prasad Jalan is the father of Mr. Naresh Jalan. Apart from them, no other Directors are in any way related to each other.
- (b) Salary represents Basic Salary. Others include House Rent Allowance and other Allowances, Medical Reimbursement, Bonus, Leave Travel Allowance/Re-imbursements, Perquisites, Lease Rent, Contribution to National Pension Scheme, Leave encashment 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.
- (c) The appointment of Executive Directors is governed, in general, by resolution passed by the Board & Shareholders of the Company which covers the terms and conditions of such appointment. No separate service contract is being/has been entered with the Company. There are no specific provisions prevailing regarding severance fee in the resolution for the appointment. The notice period is governed by the applicable provisions and guidelines.
- (d) Mr. Mahabir Prasad Jalan and Mr. Naresh Jalan, being the promoters of the Company are not eligible for grant of Options under the ESOP Scheme 2015 of the Company.
- (e) Mr. Pawan Kumar Kedia has been granted 9635 stock options at the Board Meeting held on 7th November, 2015. The options have been initially granted at 90% to the market price prevailing on the date of grant. The exercise price was changed to ₹ 400 per share by a special resolution of the shareholders in the Annual General Meeting held 24th September, 2016. The grants as determined by the Nomination and Remuneration Committee will be vested as per the performance matrix determined by the Nomination and Remuneration Committee in the 3rd, 4th and 5th year from the date of the grant and can be exercised over a maximum period of 4 years from the date of vesting of such options.

Details of Sitting Fees to Non-Executive Directors

The Non-Executive Directors of the Company have not been paid any other remuneration apart from the eligible sitting fees for attending the meetings. The Non-Executive Independent Directors do not have any material pecuniary relationship or transaction with the Company. The details of the Sitting fees paid to the Non-Executive Directors for attending Board & Committee Meetings for the Financial Year 2017-18 are as follows:

(₹ in Lakhs)

Sl. No.	Name of Director	Sitting Fees for Board Meeting	Sitting Fees for Committees (incl. Independent Directors Meeting)	Total Sitting fees
1	Mr. Ram Tawakya Singh	2.00	1.35	3.35
2	Mr. Padam Kumar Khaitan	1.50	1.45	2.95
3	Mr. Amitabha Guha	1.50	1.80	3.30
4	Ms. Aditi Bagri	2.00	1.50	3.50
5	Mr. Yudhisthir Lal Madan	1.50	1.55	3.05
6	Mr. Sandipan Chakravorty	1.50	0.50	2.00
7	Mr. Partha Sarathi Bhattacharyya	1.50	0.50	2.00
	Total			20.15

Details of Shareholding of Directors in the Company.

Details of shares of the Company held by the Directors as on 31st March, 2018 are as below:-

Sl. No.	Name of Director	No. of shares held	% of Total Holding
1	Mr. Mahabir Prasad Jalan	4,51,000	1.38
2	Mr. Naresh Jalan	2,85,750	0.88
3	Mr. Pawan Kumar Kedia	13,629	0.04

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

C. Stakeholders Relationship Committee

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

The composition of the Stakeholders Relationship Committee is given below:

Name	Category
Mr. Ram Tawakya Singh, Chairman	Independent Director
Mr. Yudhisthir Lal Madan, Member	Independent Director

Meetings and Attendance

During the Financial Year 2017-18, the Stakeholders Relationship Committee met thrice (3) as follows.

Sl. No.	Dates	Strength	No. of Directors Present
1	19.05.2017	2	2
2	12.08.2017	2	2
3	29.01.2018	2	2

Attendance record at the Stakeholders Relationship Committee meeting:

Sl. No.	Name	Category	No. of Meetings held during the year	No. of Meetings Attended
1	Mr. Ram Tawakya Singh	Independent	3	3
2	Mr. Yudhisthir Lal Madan	Independent	3	3

Compliance Officer

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

Ramkrishna Forgings Limited.

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

Details of complaints received and redressed:

The details regarding complaints received and resolved during the Financial Year 2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	11	11	Nil

D. Management and Finance Committee**Composition**

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

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

The Company Secretary acts as the secretary of the Committee.

Meetings and Attendance

During the year 2017-18 the Committee has met thrice (3) as follows:

The details of the Management and Finance Committee meetings held during the Financial Year 2017-18 are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	01.04.2017	3	3
2	13.09.2017	3	3
3	17.02.2018	3	3

Attendance record at the Management and Finance Committee meeting:

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

Terms of Reference

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

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

1. To borrow monies (Secured and/or Unsecured) from Bank(s)/NBFC(s)/Financial Institution(s) within the limits as approved by the Board and to take working capital loan of any amount within the Maximum Permissible Bank Finance (MPBF) and Non-Fund based facilities within the limit as assessed by the respective Banks/Financial Institutions from time to time and car loans for employees/Directors.
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.
11. To authorise the Committee to deal with such matters which has been specifically been delegated to the Committee.

E. Corporate Social Responsibility (CSR) Committee

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

- 1) Ramkrishna Shiksha Yojana,
- 2) Ramkrishna Swastha Yojana,
- 3) Ramkrishna Jankalyan Yojana,
- 4) Ramkrishna Sanskriti Yojana,

The Company Secretary acts as the secretary of the Committee.

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

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

Meetings and Attendance

During the Financial Year 2017-18, the Committee met four (4) times, the details of which are as follows:

Sl. No.	Dates	Strength	Presence of Directors
1	19.05.2017	3	3
2	12.08.2017	3	3
3	28.10.2017	3	3
4	29.01.2018	3	3

Attendance record at the Corporate Social Responsibility Committee meeting:

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

Terms of Reference

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

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

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

General Body Meetings:

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

Financial Year	Details of Location	Date	Time	No. of Special Resolutions Passed
2016-2017	"Satyajit Ray Auditorium" Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata-700071	16.07.2017	11.00 AM	NIL
2015-2016	"Kalakunj", 48, Shakespeare Sarani, Kolkata- 700017	24.09.2016	11.15 AM	1) Reappointment of Mr. Mahabir Prasad Jalan (DIN: 00354690), as Wholetime Director of the Company for a period of 5 years w.e.f 5 November, 2016. 2) Re-pricing the exercise price for the outstanding options issued pursuant to the Initial Grant under the RKFL ESOP 2015, from 90% of the market price prevailing on the date the options were granted to ₹ 400/- per option.
2014-2015	"Satyajit Ray Auditorium" Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata-700071	12.09.2015	10.45 AM	1) To finalize with the lending agencies / trustees, the documents for creating the mortgages, charges and/or hypothecations and to accept any modifications to the terms and conditions of the documents under section 180(1)(a) of the companies act, 2013. 2) To increase the limit under section 180(i)(c) to ₹ 2500 crores. 3) Amendment of Articles of Association of the Company. 4) Formulation and implementation of the Ramkrishna Forgings Limited - Employee Stock Option Plan 2015. 5) Consent to secondary acquisition of shares for implementation of the Esop Plan 2015. 6) To grant loan to the Ramkrishna Forgings Limited Employee Welfare Trust, provide security or guarantee in connection with a loan granted within the limits.

Postal Ballot

During the year the Company has conducted two postal ballot. Details of which are mentioned below.

Postal Ballot Notice No. 1

During the year, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot on the undermentioned items the results of which were announced on 10th May 2017. Mrs. Asha M. Banthia, Practising Chartered Accountant (Membership No. 055643) was appointed as the Scrutinizer to conduct the Postal Ballot and e-voting procedure.

Item No. 1**Special Resolution**

Payment of minimum remuneration to Mr. Mahabir Prasad Jalan as the whole time director of the Company designated as the Chairman of the Company for a period of Three (3) years pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who Voted	No. of Votes cast	No. of Ballots	No. of Votes cast	No. of Members who Voted	No. of Votes cast	% of total number of valid votes cast
Votes in favour of the resolution	24	16071384	18	549	42	16071933	95.10%
Votes against the resolution	10	828658	1	56	11	828714	4.90%
Invalid Votes	0	0	2	13	2	13	N.A.
Abstained	2	648670	0	0	2	648670	N.A.

Resolution was passed with requisite majority.

Item No. 2**Special Resolution**

Payment of remuneration to Mr. Naresh Jalan as the Managing Director of the Company for a period of Three (3) years pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

Details of Voting Pattern are as under:

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who Voted	No. of Votes cast	No. of Ballots	No. of Votes cast	No. of Members who Voted	No. of Votes cast	% of total number of valid votes cast
Votes in favour of the resolution	24	16071384	18	548	41	16071932	95.10%
Votes against the resolution	10	828658	1	56	11	828714	4.90%
Invalid Votes	0	0	2	13	2	13	N.A.
Abstained	2	648670	1	1	3	648671	N.A.

Resolution was passed with requisite majority.

Postal Ballot Notice No. 2

During the year, the Company sought the approval of the shareholders through notice of postal ballot on the undermentioned items the results of which were announced on 4th July, 2017. Mrs. Asha M. Banthia, Practising Chartered Accountant (Membership No. 055643) was appointed as the Scrutinizer to conduct the Postal Ballot and e-voting procedure.

Item No. 1**Special Resolution**

Raising Fund by issuing Equity shares in the course of Qualified Institutional Placement (QIP) for an amount not exceeding Rs. 200 Crores. Details of Voting Pattern are as under:

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	37	16548174	23	1164	60	16549338	99.997
Voted against the resolution	3	327	1	40	4	367	0.003
Invalid votes	0	0	0	0	0	0	NA
Abstained	0	0	0	0	0	0	NA

Resolution was passed with requisite majority.

Item No. 2

Ordinary Resolution

Increase in the Authorized Capital from ₹ 29,75,00,000 divided into 2,97,50,000 equity shares of ₹ 10/- each to ₹ 33,25,00,000 divided into 3,32,50,000 equity shares of ₹ 10 each.

Details of Voting Pattern are as under:

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	37	16548174	23	1194	60	16549368	99.997
Voted against the resolution	3	327	0	0	3	327	0.003
Invalid votes	0	0	0	0	0	0	NA
Abstained	0	0	1	10	1	10	NA

Resolution was passed with requisite majority.

Item No. 3

Ordinary Resolution

Approval for amendment of Memorandum of Association of the company consequent to increase in the Authorized share capital pursuant to Section 61 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Details of Voting Pattern are as under:

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	37	16548174	23	1194	60	16549368	99.997
Voted against the resolution	3	327	0	0	3	327	0.003
Invalid votes	0	0	0	0	0	0	NA
Abstained	0	0	1	10	1	10	NA

Resolution was passed with requisite majority.

Item No. 4**Special Resolution**

Approval for increasing the limit of Foreign Institutional Investors and Foreign Portfolio Investors provided that the equity shareholding of all FIIs and sub-accounts put together shall not exceed 49% and each FII, on its own account and on behalf of each of the SEBI approved sub-accounts shall not exceed 10% of the total paid-up Equity Share Capital of the Company pursuant to the applicable provisions of Foreign Management Act, 1999 and other applicable rules and regulations.

	Voting through e-voting		Voting through Ballots		Consolidated Voting Results		
	No. of Members who voted	No. of votes cast	No. of Ballots	No. of votes cast	No. of Members who voted	No. of votes cast	% of total number of valid votes cast
Voted in favour of the resolution	37	16548174	23	1194	60	16549368	99.997
Voted against the resolution	3	327	0	0	3	327	0.003
Invalid votes	0	0	0	0	0	0	NA
Abstained	0	0	1	10	1	10	NA

Resolution was passed with requisite majority.

Procedure for Postal ballot

The Company conducted the Postal Ballots in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the despatch of the (**Postal Ballot Notice 1**) dated 11th February 2017 and (**Postal Ballot Notice 2**) dated 19th May 2017 along with the Explanatory Statement, postal ballot form and self-addressed postage pre-paid envelope on 5th April 2017 (**Postal Ballot Notice No. 1**) and 31st May 2017 (**Postal Ballot Notice No. 2**) respectively to all Members whose names appeared on the Register of Members / List of Beneficial Owners as on 24th March 2017 (**Postal Ballot Notice No. 1**) and 31st May 2017 (**Postal Ballot Notice No. 2**). The Notice was sent through electronic mode to those Members, whose e-mail addresses were registered with the Depository Participants and / or the Registrar and Share Transfer Agent and through physical mode alongwith a selfaddressed postage pre-paid envelope to those Members whose email ids were not registered. The Company also published notices in the newspaper declaring the details of completion of despatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Rules read with Regulation 44 of SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from 6th April, 2017 (9.00 a.m. IST) to 5th May, 2017 (5.00 p.m. IST) (**Postal Ballot Notice No. 1**) and from 1st June, 2017 (9.00 a.m. IST) to 30th June, 2017 (5.00 p.m. IST) (**Postal Ballot Notice No. 2**). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer i.e. Mrs. Asha M. Banthia submitted her reports to the Company and the results of the postal ballot were announced by the Company on 10th May, 2017 (**Postal Ballot Notice No. 1**) and on 4th July, 2017 (**Postal Ballot Notice No. 2**). The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.srei.com and on the website of Karvy Computershare Private Limited (Karvy), <https://evoting.karvy.com>.

There is no immediate proposal for passing any resolution through postal ballot. Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

Means of Communication:

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

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

Presentations to institutional investors / analysts: Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results through earnings call. The presentations made are also uploaded on the Company's website www.ramkrishnaforgings.com.

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

Annual Report: The Annual Report containing, inter alia, audited standalone financial statement, consolidated financial statement, director's report, auditor's report, corporate governance report and other important information is circulated to members and others entitled thereto.

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

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

Board Meetings and General Meetings Notices, etc: The Company also communicates the dates of Board Meetings and General Meetings, Notice of Postal Ballot and e-voting, etc. as per the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 through Stock Exchanges, newspaper publications and by posting it on the Company's website.

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

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

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

General Shareholders Information

a) Annual General Meeting :

Date & Time : 22nd day of September, 2018 (Saturday) at 11.15 A.M.

Venue : "Kalakunj", 48, Shakespeare Sarani, Kolkata- 700017.

b) Financial Calendar:

The Financial Year of the Company is April 2018 to March 2019.

The probable dates for the publication of the quarterly results for the Financial Year 2018-19 will be within the period as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof 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 or dividend will be paid within 30 days from the date of AGM.

c) Date of Book Closure : 15th September, 2018 to 22nd September, 2018 (both days inclusive).

d) Listing on Stock Exchange and Depositories:

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

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

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

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

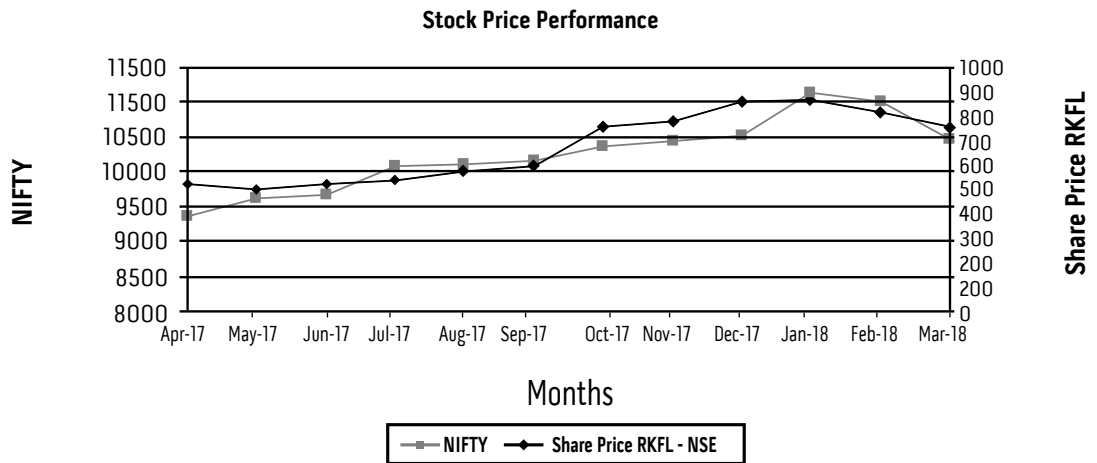
The ISIN no. as provided by the depositories is **INE399G01015**

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

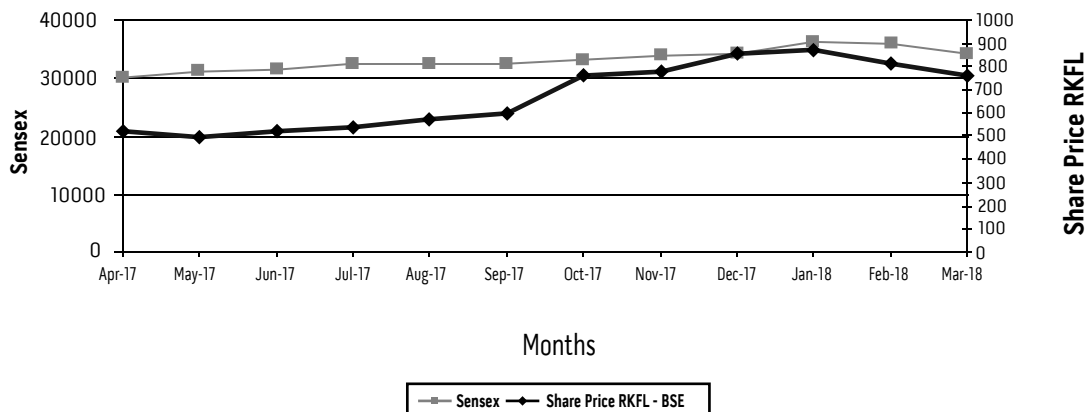
The high and low closing prices during each month of the year 2017-18 at NSE and BSE and the NSE NIFTY and Sensex are as given below:

Months	SHARE PRICE NSE		SHARE PRICE BSE		S & P CNX NIFTY		SENSEX	
	High Price	Low Price	High Price	Low Price	High	Low	High	Low
Apr, 17	522.25	482.60	522.45	481.30	9351.85	9103.50	30133.35	29319.10
May, 17	499.40	445.10	498.75	444.95	9624.55	9285.30	31159.40	29858.80
Jun, 17	520.65	443.30	520.10	443.70	9675.10	9491.25	31311.57	30834.32
Jul, 17	540.40	513.80	540.25	514.85	10077.10	9613.30	32514.94	31209.79
Aug, 17	573.50	525.85	572.80	521.80	10114.65	9710.80	32575.17	31213.59
Sep, 17	598.80	535.65	596.50	536.95	10153.10	9735.75	32423.76	31159.81
Oct, 17	760.65	620.80	761.45	618.20	10363.65	9859.50	33266.16	31497.38
Nov, 17	778.50	714.65	775.70	718.95	10452.50	10118.05	33731.19	32760.44
Dec, 17	860.30	746.05	857.95	748.55	10531.50	10044.10	34056.83	32597.18
Jan, 18	867.80	778.90	874.65	785.20	11130.40	10435.55	36283.25	33793.38
Feb, 18	813.95	730.45	810.80	734.30	11016.90	10360.40	35906.66	33703.59
Mar, 18	758.10	702.65	758.95	700.80	10458.35	9998.05	34046.94	32596.54

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



Comparison chart of price performance of the Company with Sensex



g) **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
Tel: +91 040 - 6716 1565
Fax : +91 40 2342 0814
E mail: mailmanager@karvy.com
Website: www.karvycomputershare.com

h) **Share Transfer System:**

The shareholders submit their share transfer related documents to the share Registrar and Transfer Agent whose address is mentioned in the record. The Board has delegated the power to transfer the shares to the Company Secretary, who in turn will provide report to the Stakeholder Relationship Committee.

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

Half –yearly certificate on compliance of Share Transfer formalities is obtained from Practising Company Secretary pursuant to Regulation 40 (9) & (10) of the Listing Regulations and a copy of the Certificate is filed with the Stock Exchanges in time.

i) **Distribution of shareholding as on 31st March, 2018**

Category (Shares)	No. of Holders	No. of Shares	% of Total Shares
0001 - 500	8023	716364	2.20
0501 - 1000	387	299270	0.92
1001 - 2000	193	290262	0.89
2001 - 3000	95	235145	0.72
3001 - 4000	39	139449	0.43
4001 - 5000	38	177802	0.55
5001 - 10000	68	525855	1.61
10001 and above	119	30207361	92.68
TOTAL	8962	32591508	100.00

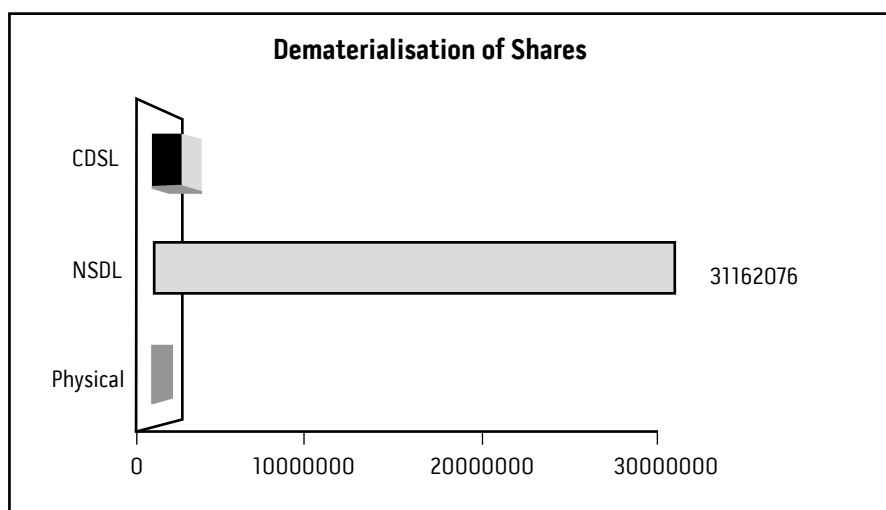
Pattern of Shareholding as on 31st March, 2018

Sl. No.	Category	No. of Shares Held	%
1	PROMOTERS GROUP	14463844	44.38
2	ALTERNATIVE INVESTMENT FUND	152500	0.47
3	BANKS & INDIAN FINANCIAL INSTITUTIONS	38468	0.12
4	CLEARING MEMBERS	42130	0.13
5	INSTITUTION OTHERS	861185	2.64
6	INSURANCE COMPANIES	330598	1.01
7	FOREIGN PORTFOLIO INVESTORS	5782031	17.74
8	IEPF	1671	0.01
9	BODIES CORPORATES	1870168	5.74
10	MUTUAL FUNDS	4475514	13.73
11	NBFC	6790	0.02
12	NON RESIDENT INDIANS	196851	0.60
13	RESIDENT INDIVIDUALS	4369358	13.41
14	TRUSTS	400	0.00
	Total	32591508	100.00

j) **Dematerialisation of Shares as on 31st March, 2018**

Description	No. of Shareholders	Shares	%
PHYSICAL	14	135	0.00
NSDL	5283	31162076	95.61
CDSL	3665	1429297	4.39
Total	8962	32591508	100.00

The shares of the Company are traded only in dematerialised form 3,25,91,373 Equity shares out of the total 3,25,91,508 Equity shares are held in a dematerialised form as on 31st March, 2018.



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

The details of unpaid dividend for last years as on 31.03.2018 are as follows:

Sl. No.	Dividend for the F.Y.	Unpaid Amount as on 31.03.2018 (in Rs.)	Due Date of transfer to the Investor Education & Protection Fund
1	2010-2011	21,216.00	05-08-2018
2	2011-2012	23,622.00	03-09-2019
3	2012-2013	9,243.00	25-08-2020
4	2013-2014	11,812.00	23-07-2021
5	2014-2015	20,108.00	18-10-2022
6	2015-2016	19,828.00	31-10-2023
7	2016-2017	9,477.00	22-10-2024

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

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as on 31st March, 2018.

n) Plant Locations:

- Plant I : Plot No.M-6, Phase VI, Gamaria, Jamshedpur-832108, Jharkhand.
- Plant II : 7/40, Duffer Street, Liluah, Howrah- 711204, West Bengal.
- Plant III & IV : Plot No. M-15,16 and NS-26, Phase – VII, Adityapur Industrial Area, Jamshedpur-832109, Jharkhand.
- Plant V : Baliguma, Kolabira, Saraikela – Kharsawan – 833220, Jamshedpur, 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
 Telangana, India.
 Tel: + 040 - 6716 1565
 Fax : +91 40 2342 0814
 E mail: shyam.kumar@karvy.com
 Website: www.karvycomputershare.com

ii) For General Information:

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

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

Your Company places the statement of the related party transactions at every Audit Committee Meeting. The Register of Contracts containing the transactions in which the Directors are interested is placed at the Board meetings. The disclosures of the related party transaction in compliance with the Ind AS-24 are set out in Note. 37 of the Notes to the Accounts. During the year the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from payment of the sitting fees.

There were no materially significant related party transactions and none of the transactions are likely to have any conflict with the Company's interest. All related party transactions are negotiated on arms length basis and are intended to further Company's interest.

The Related Party Transactions Policy is posted at <http://www.ramkrishnaforgings.com/policies.html>

b) Details of Non Compliance etc.

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations, and also with other regulatory requirements on capital markets during 2015-2016, 2016-2017 and 2017-2018.

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

c) Vigil Mechanism/ Whistle Blower Mechanism

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

d) Compliance of mandatory requirements

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

e) Policy on Material Subsidiary

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

f) Disclosure of commodity price risks and commodity hedging activities

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

g) Disclosures of the compliance With Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (B) To (I) of Sub-Regulation (2) of Regulation 46

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

h) Code of Conduct:

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

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

In accordance with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2018.

For Ramkrishna Forgings Limited

Sd/-

Naresh Jalan

(Managing Director)

DIN No. 00375462

i) Disclosure of Accounting Treatment

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

j) CEO / CFO Certification

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

k) 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.

l) Subsidiary Company

The Company has two (2) Subsidiary Companies, M/s. Globe Forex and Travels Limited and M/s. Ramkrishna Aeronautics Private Limited (Previously known as M/s. Ramkrishna Aviation Land Systems Maritime Private Limited).

None of them is a material subsidiary of the Company and hence the requirement of inducting an Independent Director on the Board of Directors of the Subsidiary Company in terms of Regulation 24 (1) of the Listing Regulation is not applicable.

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

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

m) Management Discussion and Analysis Report

It forms part of the Annual Report.

n) 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.

o) Annual Secretarial Audit

The Board appointed M/s. MKB & Associates, Practising Company Secretaries, to conduct secretarial audit of its records and documents. The Secretarial Audit Report forms a part of the Director's Report.

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

The details of Directors seeking 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 MBA. He possesses an experience of more than 22 years in Forging Industry.

He holds Directorship in the following companies:

- 1) Ramkrishna Rail & Infrastructure Pvt Ltd.
- 2) Clifftop Infrabuild Pvt Ltd.
- 3) North East Infra Properties Pvt Ltd.
- 4) Globe Forex & Travels Ltd.
- 5) Dove Airlines Pvt Ltd.
- 6) Ramkrishna Aeronautics Pvt Ltd.

He holds 2,85,750 equity shares of the Company.

q) Code of Conduct for Prevention of Insider Trading

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

r) Employee Stock Options

The information on Options granted by the Company during the financial year 2017-18 and other particulars with regard to Employees' Stock Options are set out in the Director's Report

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

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

Independent Auditor's Certificate on Corporate Governance

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

The members of Ramkrishna Forgings Limited
 "Ramkrishna Chambers",
 72, Shakespeare Sarani,
 Kolkata - 700017

1. The Corporate Governance Report prepared by Ramkrishna Forgings Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on 31st March 2018 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee meetings held 1st April 2017 to 31st March 2018:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Annual General meeting;

Independent Auditor's Certificate on Corporate Governance

- (d) Nomination and remuneration committee;
- (e) Stakeholders Relationship Committee; and
- (f) Independent directors meeting;
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: July 28, 2018

Standalone Financial Statements

Independent Auditor's Report

To the Members of
Ramkrishna Forgings Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **Ramkrishna Forgings Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 standalone Ind AS 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 Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

The Ind AS comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017 and May 21, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as

Independent Auditor's Report

adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) 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:
 - (h) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;
 - (i) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts;
 - (j) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 25, 2018

Annexure - I to the Independent Auditors' Report

ANNEXURE I REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR EVEN REPORT ON THE EVEN DATE

To the Members of **Ramkrishna Forgings Limited**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipments (fixed assets).
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of the Company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	52.37	F.Y. 2012-13 to 2015-16	Various Appellate Authorities
Service Tax under Finance Act, 1994	Service Tax	513.61	F.Y. 2007-08 to 2015-16	Various Forums
Income Tax Act, 1961	Income Tax	233.62	F.Y. 2011-12	Income Tax Appellate Tribunal, Kolkata
		32.67	F.Y. 2013-14 & 2014-15	CIT (Appeal), Kolkata

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank during the year. The Company did not had any outstanding loans or borrowing from Government or dues to debenture holders during the year.

Annexure - I to the Independent Auditors' Report

- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. There was no preferential allotment or private placement of fully or partly convertible debentures during the year.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 25, 2018

Annexure - II to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **Ramkrishna Forgings Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

Annexure - II to the Independent Auditors' Report

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 25, 2018

Standalone Balance Sheet

as at March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	1,06,548.30	1,01,306.95	97,844.05
(b) Capital work-in-progress		4,355.70	5,042.39	5,938.17
(c) Intangible assets	5	242.30	337.50	252.89
(d) Financial assets				
(i) Investments	6	1,930.32	1,930.32	670.32
(ii) Loans	8	1,222.24	1,257.51	2,064.49
(iii) Other financial assets	9	25.93	1,385.95	-
(e) Other non-current assets	12	2,045.82	513.74	2,424.88
		1,16,370.61	1,11,774.36	1,09,194.80
Current assets				
(a) Inventories	13	29,938.79	22,856.21	15,071.62
(b) Financial assets				
(i) Trade receivables	7	47,219.50	39,373.70	33,518.71
(ii) Cash and cash equivalents	14(a)	36.65	20.39	111.50
(iii) Other bank balances	14(b)	1.15	87.26	31.88
(iv) Loans	8	86.06	95.94	476.49
(v) Other financial assets	9	3,947.05	197.89	646.58
(c) Current tax assets (net)	11(a)	23.02	104.12	104.12
(d) Other current assets	12	3,817.48	6,645.91	6,144.93
		85,069.70	69,381.42	56,105.83
TOTAL ASSETS		2,01,440.31	1,81,155.78	1,65,300.63
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	3,259.15	2,866.99	2,866.99
(b) Other equity	16	72,658.73	44,087.78	43,441.76
TOTAL EQUITY		75,917.88	46,954.77	46,308.75
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	38,607.83	42,331.11	49,876.28
(ii) Other financial liabilities	19	-	1,017.48	1,045.29
(b) Deferred tax liabilities (net)	10	3,444.15	2,289.32	2,276.51
(c) Other non-current liabilities	21	3,826.22	2,064.17	2,302.12
		45,878.20	47,702.08	55,500.20
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	34,516.13	43,061.65	35,146.04
(ii) Trade payables	18	28,309.19	27,576.14	14,848.03
(iii) Other financial liabilities	19	15,471.55	14,862.77	12,782.55
(b) Provisions	20	290.83	235.85	205.71
(c) Current tax liabilities (net)	11(b)	411.07	-	-
(d) Other current liabilities	21	645.46	762.52	509.35
		79,644.23	86,498.93	63,491.68
TOTAL LIABILITIES		1,25,522.43	1,34,201.01	1,18,991.88
TOTAL EQUITY & LIABILITIES		2,01,440.31	1,81,155.78	1,65,300.63

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

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

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

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

Standalone Statement of Profit and Loss

for the Period ended 31st March, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	22	1,45,332.66	95,204.26
Other income	23	419.36	815.40
Total Income (i)		1,45,752.02	96,019.66
Expenses			
Cost of materials consumed	24	73,173.10	42,192.33
(Increase) in inventories of finished goods and work in progress	25	(1,795.06)	(5,398.69)
Excise duty on sale of goods (Refer note 22)		1,785.77	7,113.45
Employee benefits expense	26	8,738.65	7,898.08
Power & Fuel		12,167.99	8,665.05
Depreciation and amortisation expense	5A	8,440.21	7,472.81
Finance costs	27	6,982.03	7,497.98
Other expenses	28	22,838.21	18,952.03
Total Expenses (ii)		1,32,330.90	94,393.04
Profit before Tax (i-ii)		13,421.12	1,626.62
Tax expense			
- Pertaining to Profit for the current period		2,865.59	531.00
- Deferred tax charge *		1,119.36	3.18
- Tax adjustments for earlier years		(29.85)	0.13
Total tax expense (iii)		3,955.10	534.31
Profit for the year (iv = i - ii - iii)		9,466.02	1,092.31
* Includes credit of Minimum Alternate Tax of ₹ 2865.59 lakhs (₹ 531.00 lakhs)			
Other Comprehensive Income			
Other comprehensive income not to be reclassified to Profit or Loss in subsequent periods:			
i) Re-measurement gains/(losses) on defined benefit plans		(15.22)	27.82
ii) Income tax effect on above		5.27	(9.63)
Other Comprehensive Income for the year (net of tax) (v)		(9.95)	18.19
Total Comprehensive Income for the year (iv + v)		9,456.07	1,110.50
Earnings per equity share -	29		
(Nominal value ₹ 10 per share (March 31, 2017 ₹ 10 per share))			
1) Basic		30.15	3.81
2) Diluted		30.00	3.80

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

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

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

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Statement of Standalone Cash Flow Statement

for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAXES	13,421.12	1,626.62
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	8,440.21	7,472.81
Sundry Balances Written Off / (written back)	238.86	(85.25)
Allowance for bad and doubtful debts	28.52	-
Loss on sale of Fixed Assets/Discarded Assets	19.59	30.47
Employees Stock Option Expenses	223.40	228.90
Interest income	(160.95)	(181.06)
Net foreign exchange differences (Unrealised)	(715.60)	(731.82)
Amortisation of Government Grants	(223.51)	(108.05)
Finance Costs	6,982.03	7,497.98
Operating Profit before changes in operating assets and liabilities	28,253.67	15,750.60
Changes in operating assets and liabilities:		
Increase in trade receivables	(7,799.10)	(5,911.96)
Increase in trade inventories	(7,082.58)	(7,784.59)
Decrease/(Increase) in loans	45.14	(12.47)
Increase in other financial assets	(2,388.78)	(937.58)
Decrease in other assets	1,296.34	1,410.16
Increase in provisions	67.92	30.14
Increase in trade payables	1,027.23	13,092.52
Increase in other financial liabilities	(922.58)	(796.06)
(Decrease) / Increase in other liabilities	1,868.50	15.76
Cash generated from operations	14,365.76	14,856.52
Direct Tax paid (net of refunds)	(2,332.24)	(423.48)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	12,033.52	14,433.04
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances)	(11,275.06)	(10,939.76)
Proceeds from sale of property, plant & equipment and intangible assets	73.44	24.40
Investments in subsidiaries	-	(1,260.00)
Loan & Advances given to subsidiaries	-	1,200.00
Redemption / maturity of bank deposits (having original maturity of more than three months)	85.75	(55.06)
Interest Received	160.95	181.06
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(10,954.92)	(10,849.36)

Statement of Standalone Cash Flow Statement

for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Share Capital including Securities Premium (Net)	19,677.76	-
Dividend paid on equity shares	(325.92)	(573.40)
Tax on equity dividend paid	(68.20)	(119.98)
Interest Paid	(6,982.03)	(7,497.98)
Proceeds from Long Term Borrowings	3,681.79	7,859.90
Repayment of Long Term Borrowings	(8,500.22)	(11,478.32)
Short Term Borrowings (Net)	(8,545.52)	8,134.99
NET CASH OUTFLOW FROM FINANCING ACTIVITIES (C)	(1,062.34)	(3,674.79)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	16.26	(91.11)
Cash and cash equivalents at the beginning of the year (Refer note 14a)	20.39	111.50
Cash and cash equivalents at the end of the year (Refer note 14a)	36.65	20.39
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	16.26	(91.11)
Notes:		
	As at March 31, 2018	As at March 31, 2017
a) Cash and Cash Equivalents include:		
Cash and Cash Equivalents:		
i) Cash in hand	1.70	1.54
ii) Balances with banks		
- On Current Accounts	34.95	15.85
- Deposits with original maturity of less than 3 months	-	3.00
Cash and Cash Equivalents	36.65	20.39

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

As per our report of even date

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

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Standalone Statement of Changes in Equity

for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

A Equity Share Capital (Refer Note 15)					
Particulars	Balance as at April 1, 2016	Issued during the year ended March 31, 2017	Balance as at March 31, 2017	Issued during the year ended March 31, 2018	Balance as at March 31, 2018
Equity Share of ₹ 10/- each issued, subscribed and fully paid	2,866.99	-	2,866.99	392.16	3,259.15
Equity Share in numbers	2,86,69,940	-	2,86,69,940	39,21,568	3,25,91,508

The Company, during the year had issued and allotted 39,21,568 equity shares of face value ₹ 10/- at an issue price of ₹ 510/- per equity share to raise ₹ 1,99,99,99,680 by way of Qualified Institutional Placement ("QIP") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 thereby increasing the Issued, Subscribed and Paid-up Capital from ₹ 2,866.99 lakhs to ₹ 3,259.15 lakhs.

B Other Equity (Refer Note 16)						
Particulars	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	General reserve	Employee Stock Options Outstanding (ESOP)	Retained earnings	
Balance as at April 1, 2016	3,546.01	18,719.81	2,198.15	146.03	18,831.76	43,441.76
Profit for the year	-	-	-	-	1,092.31	1,092.31
Other comprehensive income (net of tax)						
- Re-measurement gains/(losses) on defined benefit plans	-	-	-	-	18.19	18.19
Total comprehensive income for the year	-	-	-	-	1,110.50	1,110.50
Transfer of Retained earnings to General reserve	-	-	250.00	-	(250.00)	-
ESOP cost amortized during the year	-	-	-	228.90	-	228.90
Equity Dividend for the year 2015-16 (Refer Note No. 16)	-	-	-	-	(573.40)	(573.40)
Tax on equity dividend (Refer Note No. 16)	-	-	-	-	(119.98)	(119.98)
Balance as at March 31, 2017	3,546.01	18,719.81	2,448.15	374.93	18,998.88	44,087.78
Profit for the year	-	-	-	-	9,466.02	9,466.02
Other comprehensive income (net of tax)						
- Re-measurement gains/(losses) on defined benefit plans	-	-	-	-	(9.95)	(9.95)
Total comprehensive income for the year	-	-	-	-	9,456.07	9,456.07
Transfer of Retained earnings to General reserve	-	-	500.00	-	(500.00)	-
ESOP cost amortized during the year	-	-	-	223.40	-	223.40
Security premium on issue of equity share during the year	-	19,607.86	-	-	-	19,607.86
Share issue expenses adjusted	-	(322.26)	-	-	-	(322.26)
Equity Dividend for the year 2016-17 (Refer Note No. 16)	-	-	-	-	(325.92)	(325.92)
Tax on equity dividend (Refer Note No. 16)	-	-	-	-	(68.20)	(68.20)
Balance as at March 31, 2018	3,546.01	38,005.41	2,948.15	598.33	27,560.83	72,658.73

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

As per our report of even date

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

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

Sd/-
Mahabir Prasad Jalan
Chairman
DIN: 00354690

Sd/-
Pawan Kumar Kedia
Finance Director
DIN: 00375557

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

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

Notes to the Financial Statements

as at and for the year ended March 31, 2018

1. Company Overview

Ramkrishna Forgings Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the companies act applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at 72, Shakespeare Sarani, Kolkata - 700 017, West Bengal, India.

The Company is primarily engaged in manufacturing and sale of forged components of automobiles, railway, wagons and engineering parts. The Company presently has manufacturing facilities at Jamshedpur, Gamaria, and Saraikela in Jharkhand and at Liluah in West Bengal.

These standalone financial statements were approved and authorised for issue with the resolution of the Board of Directors on May 25, 2018.

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

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company had prepared its Standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended, to the extent applicable) [Previous GAAP].

These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with "Ind-AS". Further, in accordance with the Rules, the Company has restated its Balance Sheet as at April 1, 2016 and financial statements for the year ended and as at March 31, 2017 also as per Ind-AS. For preparation of opening balance sheet under Ind-AS as at April 1, 2016, the Company has availed exemptions and first time adoption of policies in accordance with Ind-AS 101 "First-time Adoption of Indian Accounting Standards", the details of which have been explained thereof in Note 42.

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

2.2 Current v/s Non Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

Notes to the Financial Statements

as at and for the year ended March 31, 2018

2.3 Summary of Significant Accounting Policies

a) Property, Plant and Equipment

Under Previous GAAP, all the items of property, plant and equipment were carried at historical cost less accumulated depreciation, impairment loss, if any. The Company has elected to regard those values as deemed cost as at April 1, 2016 being the date of transition to Ind AS.

All items of property, plant and equipment are stated either at historical cost i.e. cost of acquisition / construction or at deemed cost less accumulated depreciation, impairment loss, if any. Such cost includes the cost of acquisition, construction and improvement made, which are inclusive of freight, duty (net of Cenvat / Goods and service tax), taxes, incidental expenses and borrowing costs if the recognition criteria are met.

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

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

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

Type of asset	Useful lives estimated by the management (years)
Plant and machinery	10 to 40
Furniture and fixtures	8 to 10
Air Conditioning Machines	10
Dies & Moulds	10

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

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

b) Intangible assets

Under Previous GAAP, all the items of intangible assets were carried at historical cost less accumulated depreciation, impairment loss, if any. The Company has elected to regard those values as deemed cost as at April 1, 2016 being the date of transition to Ind AS.

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

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

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

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

c) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognised for the amount by which the asset's

Notes to the Financial Statements

as at and for the year ended March 31, 2018

carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). 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.

d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales tax including goods and service tax and other indirect taxes excluding Excise Duty. The Company has concluded that it is the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax / value added tax (VAT) / goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

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

Sale of Products

- a. Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- b. Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Export incentives

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

Interest Income

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

Dividend Income

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

Die design and preparation charges

Revenues from die design and preparation charges are recognized as per the terms of the contract as and when the significant risks and rewards of ownership of dies are transferred to the buyers.

e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all

Notes to the Financial Statements

as at and for the year ended March 31, 2018

attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the Statement of Profit and Loss over the expected useful life of the asset(s) concerned.

Government grants such as for sales tax, export benefit scheme and other grants, for which related costs are recognised as expense, are recognised in the Statement of Profit and Loss as a part of other operating revenues.

f) Inventories

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

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

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

g) Financial Instruments

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

Financial Assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

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

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

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

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

i. Financial assets measured at amortized cost:

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

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

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer Note 38 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity

Notes to the Financial Statements

as at and for the year ended March 31, 2018

amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

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

ii. Financial assets measured at FVTOCI:

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

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

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

iii. Financial assets measured at FVTPL:

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

This is a residual category applied to all other investments of the Company excluding investments in subsidiary companies (Refer Note 38 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

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

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

Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has increased, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer an increase in credit risk since initial recognition, the Company reverses the impairment loss allowance.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (Refer Note 38 for further details).

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

Derecognition:

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

h) Fair Value

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

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

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

Notes to the Financial Statements

as at and for the year ended March 31, 2018

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

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

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

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

i) Investment in Subsidiary Companies

The Company has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 6. Impairment policy applicable on such investments is explained in the note above.

j) Foreign Currency Transactions and Balances

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

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

k) Income Taxes

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

Current Income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax:

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

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

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

Notes to the Financial Statements

as at and for the year ended March 31, 2018

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

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

Presentation of current and deferred tax:

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

l) Provisions and Contingencies

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

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

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

m) Cash and Cash Equivalents

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

n) Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined Contribution plans:

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

II. Defined Benefit plans:

- a. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.
- b. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that

Notes to the Financial Statements

as at and for the year ended March 31, 2018

have terms approximating to the terms of the related obligations.

- c. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employees Benefits Expense in the statement of profit and loss.
- d. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity.
- e. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

Other long-term employee benefit obligations

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

o) Employee Stock Options Scheme/ Share based payments

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

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

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

p) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

q) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not

Notes to the Financial Statements

as at and for the year ended March 31, 2018

meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

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

r) **Borrowing Cost**

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred.

s) **Events after Reporting date**

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

t) **Earnings Per Share**

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

3. **Key Accounting Estimates & Judgements**

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

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

a. **Income taxes**

Deferred tax assets are recognised for unused tax losses / MAT carry forward to the extent is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies including amount expected to be paid / recovered for uncertain tax positions (Refer Note 10).

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

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. **Defined Benefit Plans**

Post-employment benefits represents obligation that will be settled in future and require assumptions to project benefit obligations. Post-employment benefits accounting is intended to reflect the recognition of future benefits cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate, rate of

Notes to the Financial Statements

as at and for the year ended March 31, 2018

compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations, funding requirements and benefit costs incurred. Refer Note 41.

d. Fair value measurement of Financial Instruments

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

e. Provisions and Contingencies

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

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

4. Property, plant and equipment	Freehold Land (Including cost of Development)	Factory Shed and Building	Office Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Computer	Air Conditioning Machines	Dies & Moulds	Total
Cost											
As at April 01, 2016 (Refer Note below)	1,734.69	8,415.17	4,401.11	77,508.17	1,880.97	371.66	90.58	382.76	519.65	2,539.29	97,844.05
Additions	-	77.28	49.96	7,854.44	215.27	140.46	12.35	47.16	18.79	2,488.71	10,904.42
Disposals/ deductions	-	-	-	47.96	-	26.10	5.53	0.97	-	-	80.56
As at March 31, 2017	1,734.69	8,492.45	4,451.07	85,314.65	2,096.24	486.02	97.40	428.95	538.44	5,028.00	1,08,667.91
Additions	12.13	161.37	50.26	10,064.25	216.46	104.00	15.01	35.13	7.90	2,988.06	13,654.57
Disposals/ deductions	-	-	-	108.29	-	37.26	-	-	-	-	145.55
As at March 31, 2018	1,746.82	8,653.82	4,501.33	95,270.61	2,312.70	552.76	112.41	464.08	546.34	8,016.06	1,22,176.93
Depreciation											
As at April 01, 2016 (Refer Note below)	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	301.33	163.78	5,853.58	278.34	72.08	34.98	129.70	64.28	473.61	7,371.68
Disposals/ deductions	-	-	-	6.05	-	2.03	2.29	0.35	-	-	10.72
As at March 31, 2017	-	301.33	163.78	5,847.53	278.34	70.05	32.69	129.35	64.28	473.61	7,360.96
Charge for the year	-	296.16	157.00	6,792.25	279.83	76.21	20.55	119.24	63.33	515.60	8,320.17
Disposals/ deductions	-	-	-	32.13	-	20.37	-	-	-	-	52.50
As at March 31, 2018	-	597.49	320.78	12,607.65	558.17	125.89	53.24	248.59	127.61	989.21	15,628.63
Net Block											
As at April 01, 2016	1,734.69	8,415.17	4,401.11	77,508.17	1,880.97	371.66	90.58	382.76	519.65	2,539.29	97,844.05
As at March 31, 2017	1,734.69	8,191.12	4,287.29	79,467.12	1,817.90	415.97	64.71	299.60	474.16	4,554.39	1,01,306.95
As at March 31, 2018	1,746.82	8,056.33	4,180.55	82,662.96	1,754.53	426.87	59.17	215.49	418.73	7,026.85	1,06,548.30
a. The Company has availed the exemption under Ind AS 101 and has considered previous GAAP carrying amount as the deemed cost for the opening balance sheet as at April 1, 2016. Also refer Note 42. Accordingly the Gross block of each class of Property, plant and equipment has been netted off with their respective accumulated depreciation balances as at April 1, 2016 under Previous GAAP as given below to arrive at the deemed cost for the purpose of opening Ind AS balance sheet.											
Gross Block	1,734.69	9,320.66	4,621.52	95,767.06	2,608.82	517.94	239.41	933.59	631.06	2,539.29	1,18,914.04
Accumulated depreciation	-	905.49	220.41	18,258.89	727.85	146.28	148.83	550.83	111.41	-	21,069.99
Net Block	1,734.69	8,415.17	4,401.11	77,508.17	1,880.97	371.66	90.58	382.76	519.65	2,539.29	97,844.05

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

4. Property, plant and equipment	For the year ended	
	March 31, 2018	March 31, 2017
i) Details of expenditure on New / Expansion projects pending allocation and included in Capital work in progress		
Salaries, Wages & Allowances	669.11	124.38
Power and Fuel	155.97	88.34
Stores, Spares Consumed	949.17	81.92
Raw materials	-	416.08
Interest / Bank Charges *	197.32	90.86
Miscellaneous Expenses	71.34	19.24
Travelling Expenses	1.98	7.14
Net (gain) / loss on foreign currency transactions and translation	1,429.99	(824.12)
Professional Fees/ Consultancy	276.40	49.07
Total	3,751.28	52.92
Less: Preoperative Income & Stock of Scrap	-	218.54
	3,751.28	(165.62)
Add: Balance brought forward from previous year	155.12	279.60
	3,906.40	113.98
Less: Allocated to Property, Plant and equipment during the year **	3,042.82	(41.14)
Balance Carried forward	863.58	155.12

* Includes borrowing costs capitalised ₹ 52.95 lakhs (March 31, 2017 : ₹ 193.65 lakhs)

** Includes Net (gain) / loss on foreign currency transactions and translation costs capitalised ₹ 1,429.99 lakhs [March 31, 2017 : ₹ (824.12) lakhs]

ii) For lien / charge against property, plant and equipment, refer Note 17.

5. Intangible Assets	Computer Software
Cost	
As at April 01, 2016 (Refer Note below)	252.89
Additions	185.74
Disposals/ deductions	-
As at March 31, 2017	438.63
Additions	24.84
Disposals/ deductions	-
As at March 31, 2018	463.47
Depreciation	
As at April 01, 2016 (Refer Note below)	-
Charge for the year	101.13
Disposals/ deductions	-
As at March 31, 2017	101.13
Charge for the year	120.04
Disposals/ deductions	-
As at March 31, 2018	221.17
Net Block	
As at April 01, 2016	252.89
As at March 31, 2017	337.50
As at March 31, 2018	242.30

a. The Gross block of Intangibles has been netted off with their respective accumulated amortization balances as at April 1, 2016 under Previous GAAP as given below to arrive at the deemed cost for the purpose of opening Ind AS balance sheet. Also refer Note 42.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

5. Intangible Assets (Contd.)	Computer Software
Gross Block	659.97
Accumulated amortization	407.08
Net Block	252.89

5. (A) Depreciation and amortization expenses	For the year ended	
	March 31, 2018	March 31, 2017
Depreciation of Property, plant and equipment	8,320.17	7,371.68
Amortization of Intangible assets	120.04	101.13
Total	8,440.21	7,472.81

6. Investments (Non-current)	Face Value per share (₹)	Number of shares			Amount		
i. Investments in subsidiaries		March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
At cost *							
Unquoted equity instruments (fully paid)							
Investment in wholly owned subsidiaries							
- Globe Forex & Travel Ltd. [Refer Note (c) below]	10	47,87,650	47,87,650	8,81,400	1909.82	1909.82	659.82
- Ramkrishna Aeronautics Pvt. Ltd. (Formerly known as Ramkrishna Aviation Land Systems Maritime Pvt. Ltd.)	10	1,00,002	1,00,002	-	10.00	10.00	-
					1,919.82	1,919.82	659.82
ii. Investments (other body corporate) [Refer Note (a) below]							
At fair value through other comprehensive income							
Unquoted equity instruments (fully paid)							
- Adityapur Auto Cluster	1000	1,050	1,050	1,050	10.50	10.50	10.50
					10.50	10.50	10.50
Total					1,930.32	1,930.32	670.32
Aggregate value of unquoted investments					1,930.32	1,930.32	670.32

Additional Information:

- These investments in equity instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for long term investments, then reflecting changes in fair values immediately in statement of profit and loss. Based on the aforesaid election, fair value changes are accumulated within Equity under "Fair Value changes through Other Comprehensive Income - Equity Instruments". The Company transfers amounts from this reserve to retained earnings when relevant equity shares are derecognized.
- Refer Note 38 for information about fair value measurements.
- The Outstanding Loan of ₹ 1,250.00 Lakhs as on October 31, 2016 to M/s.Globe Forex and Travels Limited was converted into 39,06,250 equity shares of ₹ 10/- each at a premium of ₹ 22/- each during the financial year 2016-2017.

* Refer Note 42C for exemption availed for valuation of Investments for first time adopters under Ind AS 101.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

7. Trade receivables	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost			
Unsecured			
Considered good	47,248.02	39,373.70	33,518.71
Less: Allowance for expected credit loss	(28.52)	-	-
	47,219.50	39,373.70	33,518.71

7.1: Trade receivables are non-interest bearing and are generally received within 180 days.

7.2: The carrying amount of trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in Note 39A

7.3: No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

7.4: The carrying amount of trade receivables includes receivables which are discounted with bank on recourse basis. The Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Company has retained the late payment and credit risk. Accordingly, the Company continues to recognise the transferred assets in entirety in its balance sheet. The amount repayable under the bill discounting arrangement are presented as borrowings. The relevant carrying amounts are as follows:

7.5: For lien / charge against trade receivables, refer Note 17.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Transferred receivables	9,052.79	9,079.92	4,983.16
Associated borrowings (Refer Note 17)	9,052.79	9,079.92	4,983.16

8. Loans (Unsecured, considered good)	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost						
Loan to a subsidiary company [Refer Note 6(c)]	-	-	800.00	-	-	400.00
Security deposits	1,162.98	1,171.04	1,182.73	-	-	-
Loan to Employees	59.26	86.47	81.76	86.06	95.94	76.49
	1,222.24	1,257.51	2,064.49	86.06	95.94	476.49

8.1. No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person.

9. Other Financial Assets (Unsecured, considered good)	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost						
Accrued Interest	25.93	-	-	87.61	85.27	85.44
Government Grant receivable	-	-	-	2,000.00	-	-
Others #	-	1,385.95	-	1,828.24	112.62	13.85
At FVTPL						
Foreign - exchange forward contracts	-	-	-	-	-	547.29
Interest rate swaps	-	-	-	31.20	-	-
	25.93	1,385.95	-	3,947.05	197.89	646.58

Includes Claims receivable and Job Works receivable etc.

9.1. Refer note 38 for determination of fair value

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

10. Taxes	Non-current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Deferred Tax			
Deferred Tax Liabilities			
Depreciation and Amortization Expenses	12,250.13	10,554.52	7,854.06
On Others	-	358.03	421.05
Gross Deferred Tax Liabilities	12,250.13	10,912.55	8,275.11
Deferred Tax Assets			
On Retirement benefits expenses	209.44	71.99	71.19
Business loss including unabsorbed depreciation	1,976.36	4,776.71	2,561.04
MAT entitlement receivable [Refer Note (a) below]	6,604.66	3,774.53	3,243.53
On Others	15.52	-	122.84
Gross Deferred Tax Assets	8,805.98	8,623.23	5,998.60
Deferred Tax Liabilities (Net)	3,444.15	2,289.32	2,276.51

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

	Year ended	
	March 31, 2018	April 1, 2017
ii) Tax expenses		
a) Income-tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current tax on profits for the year	2,865.59	531.00
Adjustments for current tax for earlier years	(29.85)	0.13
Total current tax expense	2,835.74	531.13
Deferred Tax		
Origination and reversal of temporary differences	1,119.36	3.18
Total deferred tax expense (benefit)	1,119.36	3.18
Income-tax expense reported in the Statement of Profit and Loss	3,955.10	534.31
b) Income-tax expense on other comprehensive income		
Current Tax - Remeasurement of post employment defined benefit obligation	-	-
Total current tax expense	-	-
Deferred tax - Remeasurement of post employment defined benefit obligation	5.27	(9.63)
Total deferred tax (expense) / benefit recognised in Other Comprehensive Income	5.27	(9.63)
Income-tax expense recognised in other comprehensive income	5.27	(9.63)
c) Reconciliation of statutory rate of tax and the effective rate of tax		
Profit before income tax	13,421.12	1,626.62
Enacted Income tax rate in India applicable to the Company	34.608%	34.608%
Tax on Profit before tax at the enacted Income tax rate in India	4,644.78	562.94
Adjustments:		
Tax effect of amounts which are not deductible / (not taxable) in calculating taxable income:		
Items not deductible	59.66	37.94
Incentives / additional benefits allowable under Income-tax Act	(531.91)	-
Income tax (write back) / charge in respect of earlier years	(29.85)	0.13
Change in deferred tax balances due to change in income tax rate	45.10	-
Other items	(232.67)	(66.70)
Total Income tax expense	3,955.10	534.31

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

11. Current tax	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Current tax asset			
Income Tax Refundable	23.02	104.12	104.12
	23.02	104.12	104.12
b) Current tax liabilities			
Provision during the year	2,865.59	-	-
Less: Amount paid during the year	(2,454.52)	-	-
	411.07	-	-

12. Other assets (Unsecured, considered good)	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Capital advances	1,936.78	278.79	2,232.79	-	-	-
b) Advance other than capital advances						
- Advance to suppliers	-	-	-	568.02	1,460.98	726.32
c) Others						
- Prepaid expenses	52.83	178.74	135.80	289.00	364.97	260.60
- Export incentives receivable	-	-	-	750.20	804.40	1,280.39
- Balance with Government Authorities	51.81	51.81	51.81	2,139.02	3,939.91	3,754.75
- Leasehold prepayment	4.40	4.40	4.48	71.24	75.65	80.05
- Subsidy receivable	-	-	-	-	-	42.82
	2,045.82	513.74	2,424.88	3,817.48	6,645.91	6,144.93

13. Inventories (Valued at lower of cost and net realisable value)	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Raw Materials	8,367.23	3,695.59	2,644.05
Work in Progress	12,893.61	12,990.42	7,523.86
Finished Goods	415.03	240.27	81.32
Vendor Managed Inventories @	-	8.56	30.60
Stores & spares (including packing materials) #	6,996.99	5,405.91	4,284.34
Forgings Scrap	1,265.93	515.46	507.45
Total	29,938.79	22,856.21	15,071.62

@ Includes goods-in-transit Nil (March 31, 2017: ₹ 6.39 lakhs and April 1, 2016 Nil)

Includes goods-in-transit ₹ 123.19 lakhs (March 31, 2017: Nil and April 1, 2016 Nil)

Entire inventory has been hypothecated as security against certain bank borrowings of the Company as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively. For more details of lien / charge against inventories, refer Note 17.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

14. a) Cash and Cash Equivalents:	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
i) Cash in hand	1.70	1.54	4.29
ii) Balances with banks			
- On Current Accounts	34.95	15.85	17.17
- Deposits with original maturity of less than 3 months	-	3.00	90.04
Cash and Cash Equivalents	36.65	20.39	111.50
b) Other Bank Balances:			
- Earmarked balances (On unclaimed dividend accounts)	1.15	1.51	1.19
- Fixed deposits with original maturity of more than 3 months but less than 12 months	-	85.75	30.69
Other Bank Balances	1.15	87.26	31.88
Cash and Bank balances (a + b)	37.80	107.65	143.38

Changes in liabilities arising from financing activities

Particulars	April 01, 2017	Cash Flows	Changes in Fair value	Others*	March 31, 2018
Current borrowings	43,061.65	(8,545.52)	-	-	34,516.13
Non current borrowings (Current maturities of long term debts (Refer Note 19))	50,490.23	(4,818.43)	392.81	1,740.49	47,805.09
Total liabilities from financing activities	93,551.88	(13,363.95)	392.81	1,740.49	82,321.22

* Represents the impact of foreign exchange reinstatement on foreign currency borrowing as at March 31, 2018.

** Includes discounted trade receivable on recourse basis (refer Note 17.1.)

15. Equity share capital	Number of shares					
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised capital						
Equity shares of ₹ 10 each	3,32,50,000	2,97,50,000	2,97,50,000	3,325.00	2,975.00	2,975.00
				3,325.00	2,975.00	2,975.00
Issued, subscribed and fully paid-up						
Equity shares of ₹ 10 each	3,25,91,508	2,86,69,940	2,86,69,940	3,259.15	2,866.99	2,866.99
				3,259.15	2,866.99	2,866.99

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Equity Shares with voting rights	Number of shares			
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
At the beginning of the year	2,86,69,940	2,86,69,940	2,866.99	2,866.99
Issued during the year (refer Note e)	39,21,568	-	392.16	-
At the end of the year	3,25,91,508	2,86,69,940	3,259.15	2,866.99

b) Terms / Rights attached to Equity 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 March 31, 2018, the Board of Directors of the Company has recommended dividend of ₹ 1/- per share (Previous year ₹ 1/- per share) to equity shareholders aggregating to ₹ 325.92 lakhs (Previous year ₹ 286.70 Lakhs). Proposed

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

dividend is recognised in the year in which it is approved by the shareholders.

- c) The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries / associates. Details of shareholders holding more than 5% shares in the Company is given as below:

Equity shares of ₹ 10 each fully paid up	% holding			No of shares		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Riddhi Portfolio Private Limited.	22.38%	25.42%	25.42%	72,93,419	72,88,319	72,88,319
Eastern Credit Capital Private Limited.	17.24%	19.60%	19.60%	56,18,500	56,18,500	56,18,500
Amansa Holdings Private Limited.	7.28%	-	-	23,72,440	-	-

- d) The Company, during the year, had issued and allotted 39,21,568 equity shares of face value ₹ 10/- at an issue price of ₹ 510/- per equity share to raise ₹ 1,99,99,99,680 by way of Qualified Institutional Placement ("QIP") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 thereby increasing the Issued, Subscribed and Paid-up Capital from ₹ 2,866.99 lakhs to ₹ 3,259.15 lakhs.

The purpose of fund raising was for capital expenditure for ongoing and future expansion projects, acquisition, working capital, repayment of loans and for general corporate purposes.

The expenses incurred in relation to QIP amounting to ₹ 322.26 lakhs has been adjusted from Securities Premium Account during the year ended March 31, 2018. The balance proceeds of ₹ 19,677.73 lakhs has been utilized for the purpose as mentioned above.

- e) The Company during the preceding 5 years -
- has not allotted shares pursuant to contracts without payment received in cash.
 - has not allotted shares as fully paid up by way of bonus shares
 - has not bought back any shares
- f) There are no calls unpaid by Directors / Officers of the Company.
- g) The Company has not converted any securities into equity shares / preference shares during the above financial years.
- h) The Company has not forfeited any shares during the above financial years.

16. Other equity	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Capital reserves (Refer note a)	3,546.01	3,546.01	3,546.01
Securities Premium Account (Refer note b)	38,005.41	18,719.81	18,719.81
General reserve (Refer note c)	2,948.15	2,448.15	2,198.15
Employee's Stock Options Outstanding Account (Refer note d)	598.33	374.93	146.03
Retained earnings (Refer note e)	27,560.83	18,998.88	18,831.76
Total	72,658.73	44,087.78	43,441.76

a) Capital Reserve

This reserve had been created on Account of capital subsidy received in the form of sales tax refund under Jharkhand Industrial Policy, 2001 and on account of forfeiture of share warrants money.

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	3,546.01	3,546.01
Add: Changes during the year	-	-
Closing Balance	3,546.01	3,546.01

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

b) Securities Premium Reserve

Securities Premium Account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of The Companies Act, 2013.

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	18,719.81	18,719.81
Add: Received on allotment of equity shares by way of Qualified institutional placement	19,607.86	-
Less: Share issue expenses adjusted @ #	322.26	-
Closing Balance	38,005.41	18,719.81

@ Includes amount paid to erstwhile statutory auditors amounting to ₹ 8.00 Lakhs

Includes payment to a firm of solicitors in which a director is a partner amounting to ₹ 35.36 Lakhs

c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	2,448.15	2,198.15
Add: Amount transferred from Retained earnings	500.00	250.00
Closing Balance	2,948.15	2,448.15

d) Employee's Stock Options Outstanding Reserve (ESOP)

Employee's Stock Options Outstanding is a stock option guaranteed to specified employees of the Company. It offers option's holder the right but not an obligation to purchase shares of the Company on fulfilment of conditions mentioned in ESOP scheme at the price decided at the time of grant of options. (Refer Note 30)

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	374.93	146.03
Add: ESOP cost amortised during the year	223.40	228.90
Closing Balance	598.33	374.93

e) Retained earnings

	Year ended	
	March 31, 2018	March 31, 2017
Balance at the beginning of the year	18,998.88	18,831.76
Add: Profit for the year	9,466.02	1,092.31
Add: Other Comprehensive Income for the year (net of tax)	(9.95)	18.19
	28,454.95	19,942.26
Less: Transfer to General Reserve	(500.00)	(250.00)
Less: Final equity dividend of previous year	(325.92)	(573.40)
Less: Tax on final equity dividend of previous year	(68.20)	(119.98)
	27,560.83	18,998.88

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

17. Borrowings	Non-current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost			
Secured			
Term Loans From banks			
- Domestic currency loans	24,039.72	18,769.28	17,159.76
- Foreign currency loans	19,211.29	22,566.58	25,477.38
- Buyers line of credit	4,429.82	8,982.27	9,734.35
- Auto car loan	124.26	172.10	141.04
Unsecured			
Term Loans from banks			
- Domestic currency loans	-	-	2,500.00
Total	47,805.09	50,490.23	55,012.53
Less: Current maturities of long term debts (Refer Note 19)	9,197.26	8,159.12	5,136.25
Total	38,607.83	42,331.11	49,876.28

	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Working Capital facilities:			
Repayable on demand :			
From banks			
- Cash Credit	770.98	6,100.86	2,419.79
- Working Capital Demand / Short Term Loans	2,000.00	11,129.95	13,050.00
- Foreign Currency Non-Resident (FCNR) Loans	-	5,188.10	-
- Packing Credit	17,592.33	9,615.62	10,742.17
- Bill discounting (Refer Note 17.1)	9,052.79	9,079.92	4,983.16
Unsecured			
Repayable on demand :			
From banks			
- Working Capital Demand / Short Term Loans	2,532.20	1,530.38	1,500.00
- Packing Credit	-	416.82	2,450.92
- Bill discounting (Refer Note 17.2)	2,567.83	-	-
Total	34,516.13	43,061.65	35,146.04

17.1. The Company has discounted trade receivable on recourse basis of ₹ 9,052.79 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 9,079.92 lakhs and April 01, 2016: ₹ 4,983.16 Lakhs). Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. These are secured against the underlying debtors. Subsequent to the Balance sheet date, such balances have been fully realised by the bank. As on date the Company is not availing the above facility. Also refer Note 7.4.

17.2. Represents purchase bill discounted with bank ₹ 2,567.83 lakhs (March 31, 2017: ₹ Nil and April 01, 2016: ₹ Nil)

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

17.3 The Company has taken borrowings in domestic and foreign currencies towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprise funding arrangements from various banks. The Company's total secured borrowings and a summary of security provided by the Company are as follows -

Particulars			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured long term borrowings			47,805.09	50,490.23	52,512.53
Secured short term borrowings			29,416.10	41,114.45	31,195.12
Total secured borrowings			77,221.19	91,604.68	83,707.65

Facility Category	Security Details	Payment frequency	March 31, 2018	March 31, 2017	April 1, 2016
Rupee Term Loans	Term loans (except those which are having exclusive charge) are secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding those assets for which there is an exclusive charge of other bankers and subject to charges of the Company's bankers created / to be created in their favour for working capital loans. Collateral Security: It is further secured by the second charge on the current assets of the Company, both present and future, excluding hundies of a Customer discounted by State Bank of India.	Repayable in balance	18,748.55	17,817.28	17,159.76
Buyers Line of Credit *		177 quarterly instalments	4,429.82	8,982.27	9,734.35
Foreign Currency Term Loans		i) Repayable in balance 6 half yearly instalments ii) Repayable in balance 21 quarterly instalments.	11,057.69	14,642.13	15,726.86
Rupee Term Loan	Term loans (except those which are having exclusive charge) are secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Company excluding those assets for which there is an exclusive charge of other bankers and subject to charges of the Company's bankers created / to be created in their favour for working capital loans. It is also secured by exclusive charge on the office building at 72, Shakespeare Sarani, Kolkata-700017. Collateral Security: It is further secured by the second charge on the current assets of the Company, both present and future, excluding hundies of a customer discounted by State Bank of India.	Repayable in balance 18 quarterly instalments	4,942.58	-	-

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Rupee Term Loan	Exclusive charge on the assets financed by the bank.	Repayable in balance 4 quarterly instalments	348.59	952.00	-
Foreign Currency Term Loan	Term Loan is secured by the exclusive first charge on the 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line imported from SMS,Gmbh.	Repayable in balance 13 half yearly instalments	8,153.60	7,924.45	9,750.51
Auto Loans	Secured by the exclusive first charge on the asset financed by the banks.	Repayable in balance 134 monthly instalments	124.26	172.10	141.04
Cash Credit	Working capital loans from banks are secured by first pari-passu charge on current assets of the Company, both present and future ,excluding hundies of a customer discounted by State Bank of India, 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. Collateral Security : Second pari-passu charge over all immovable and moveable fixed assets ,both present and future, of the Company excluding assets which are exclusively charged to other lenders.	On demand	770.98	6,100.86	2,419.79
Packing Credit Loan in Foreign Currency		On demand	15,992.33	9,115.62	9,197.58
Packing Credit Loan in INR.		On demand	1,600.00	500.00	1,544.60
Foreign Currency Non-Resident (FCNR) Loans		On demand	-	5,188.10	-
Working Capital Demand Loan / Short term Loan		On demand	2,000.00	11,129.95	13,050.00
Bill Discounting	Exclusive Charge on bills of underlying customer for the hundies discounted by the Bank.	On demand	9,052.79	9,079.92	4,983.16
Total			77,221.19	91,604.68	83,707.65

* Buyers line of credit is a part of term loan facilities extended by the banks.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

17.4. Terms of repayment of total borrowings outstanding as of March 31, 2018 are provided below:

Borrowings	Range of Effective Interest Rate	<=1 year	1-3 years	3-5 Years	>5 years
Domestic Currency Term Loan*	9.00 - 11.50	3,698.52	7,626.84	10,195.42	7,125.72
Auto Loan	8.25 - 9.35	61.87	62.38	-	-
Foreign Currency Term Loan	1.25 - 6.53	5,436.87	9,651.70	2,645.39	1,984.04
Cash Credit	9.65 - 11.05	770.98	-	-	-
Working Capital Demand Loan/ Short term Loan	8.60 - 8.70	4,532.20	-	-	-
PCFC	1.80- 4.45	15,992.33	-	-	-
PCFC in INR	5.85	1,600.00	-	-	-
Bill Discounting - SBI	NA	9,052.79	-	-	-
Bill Discounting - IDFC	8.9	2,567.83	-	-	-
* It includes Buyer Credit		43,713.39	17,340.92	12,840.81	9,109.76

The above maturity is based on the total principal outstanding gross of the processing fees and charges.

18. Trade payables	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
At amortised cost	12.71	155.61	1.35
Total outstanding due of micro and small enterprises (Refer Note 34)	28,296.48	27,420.53	14,846.68
Total outstanding due of creditors other than micro and small enterprises	28,309.19	27,576.14	14,848.03

Trade payables are non- interest bearing and are normally settled within 90 days credit terms.

19. Other financial liabilities	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost						
Employee related dues	-	-	-	1,181.46	959.03	906.84
Interest accrued but not due on borrowings	-	-	-	387.48	312.82	320.62
Payable for capital goods	-	-	-	3,188.05	3,604.98	3,489.13
Current maturities of long-term borrowings (Refer Note.17)	-	-	-	9,197.26	8,159.12	5,136.25
Unpaid dividends @1	-	-	-	1.15	1.51	1.19
Other financial liabilities @2	-	-	-	1,471.75	1,633.27	2,400.57
At FVTPL						
Foreign - exchange forward contracts	-	1,017.48	1,045.29	44.40	117.00	-
Interest rate swaps	-	-	-	-	75.04	527.95
	-	1,017.48	1,045.29	15,471.55	14,862.77	12,782.55

@1 Appropriate transfers have been made by the Company to the Investor Education and Production Fund during the year. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

@2 Other financial liabilities includes liabilities for expenses, claims payable etc.

19.1. Refer Note 38 for determination of fair value

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

20. Provisions	Current		
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for gratuity (Refer Note No. 41)	85.93	59.15	56.98
Provision for compensated absences	204.90	176.70	148.73
	290.83	235.85	205.71

21. Other liabilities	Non-current			Current		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Advance from customers	-	-	-	153.54	25.19	21.67
Statutory dues payable	-	-	-	253.97	499.38	379.63
	-	-	-	407.51	524.57	401.30
Government grants						
Opening balance #	2,064.17	2,302.12	-	237.95	108.05	-
Reclassified from non-current to current	(237.95)	(237.95)	-	237.95	237.95	-
Accrued during the year	2,000.00	-	-	-	-	-
Released to Statement of Profit and Loss	-	-	-	(237.95)	(108.05)	-
Closing balance	3,826.22	2,064.17	2,302.12	237.95	237.95	108.05
	3,826.22	2,064.17	2,302.12	645.46	762.52	509.35

Represents Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as Government grant and being amortised over the useful life of such assets.

22. Revenue from operations	For the year ended	
	March 31, 2018	March 31, 2017
Sale of products **	1,42,306.01	91,239.13
Sale of services		
- Job Work	11.37	204.94
Other operating revenues		
- Die design and preparation charges	288.04	1,615.18
- Export incentives	1,844.24	1,321.01
- Foreign exchange difference on operating assets and liabilities	659.49	715.95
- Subsidies	223.51	108.05
	1,45,332.66	95,204.26

** Post the applicability of Goods and Service Tax (GST) with effect from July 1, 2017, Revenue from Operations are required to be disclosed net of GST in accordance with the requirements of Ind AS. Accordingly sales of products of the Company for the year ended March 31, 2018 include excise duty collected on sales for the period from April 1, 2017 to June 30, 2017 and sale of products for the previous year ended March 31, 2017 includes excise duty collected on sale for the whole year. Revenue for the period upto June 30, 2017 was inclusive of Excise Duty of ₹ 1,785.77 lakhs (March 31, 2017: ₹ 7,113.45 lakhs).

23. Other income	For the year ended	
	March 31, 2018	March 31, 2017
Interest Income recognised on Financial assets, recognised at amortised cost	160.95	181.06
Foreign exchange difference on non-operating assets and liabilities	179.71	343.45
Miscellaneous Income	78.70	290.89
	419.36	815.40

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

24. Cost of material consumed	For the year ended	
	March 31, 2018	March 31, 2017
Inventory at the beginning of the year (Refer Note 13)	3,695.59	2,644.05
Add: Purchases	77,844.74	43,243.87
	81,540.33	45,887.92
Less: Inventory as at end of the year (Refer Note 13)	8,367.23	3,695.59
Cost of Raw Materials consumed	73,173.10	42,192.33

25. (Increase) in Inventories of Finished Goods and Work in Progress	For the year ended	
	March 31, 2018	March 31, 2017
Inventory at the beginning of the year (Refer Note 13)		
Work-in-progress	12,990.42	7,523.86
Forging scrap	515.46	507.45
Finished goods	240.27	81.32
Vendor managed inventories	8.56	30.60
	13,754.71	8,143.23
Inventory at the end of the year (Refer Note 13)		
Work-in-progress	12,893.61	12,990.42
Forging scrap	1,265.93	515.46
Finished goods	415.03	240.27
Vendor managed inventories	-	8.56
	14,574.57	13,754.71
Add: Excise duty on (increase) / decrease in stock	(83.94)	18.52
Less: Stock of trial run production	-	194.27
Add: Inventory loss on trial run during the year	(891.26)	-
	(1,795.06)	(5,398.69)

26. Employee benefits expense	For the year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and bonus (including managing and whole time director's remuneration)	7,706.65	6,895.30
Contribution to provident & other funds	452.54	390.69
Gratuity expense (Refer Note 41)	93.84	86.97
Employees stock option plan (Refer Note 30)	223.40	228.90
Staff welfare expenses	262.22	296.22
	8,738.65	7,898.08

27. Finance costs	For the year ended	
	March 31, 2018	March 31, 2017
Interest expenses	5,532.62	6,276.99
Other borrowing costs	1,449.41	1,220.99
	6,982.03	7,497.98

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

28. Other expenses	For the year ended	
	March 31, 2018	March 31, 2017
Carriage inward expenses	283.04	273.11
Consumption of stores and spares (Including packing materials)	7,028.90	6,176.83
Processing charges	5,347.61	4,364.81
Repairs and maintenance		-
- Plant & machinery	432.34	348.98
- Factory shed & buildings	95.69	85.55
- Others	376.35	366.47
Rent (Refer Note 31)	46.41	49.02
Rates & taxes	25.80	12.98
Insurance	396.51	368.16
Director sitting fees & commission	20.15	20.05
Bank charges & commission	58.49	70.11
Postage, telegraph & telephone	80.72	74.57
Legal & professional fees ^a	548.58	436.66
Travelling & conveyance expenses	954.60	807.06
Advertisement	15.84	29.78
Payment to auditors ^b	48.31	36.97
Brokerage & commission expenses	77.25	118.22
Vehicle running expenses	85.91	95.05
Carriage outward expenses	1,304.33	957.40
Export expenses	4,163.58	3,078.17
Sundry balances written off / (written back) (Net)	238.86	(85.25)
Loss on Sales / Discarded Assets (Net)	19.59	30.47
Allowance for bad and doubtful debts	28.52	-
Miscellaneous expenses ^c	1,160.83	1,236.86
	22,838.21	18,952.03

a. Legal and professional expenses include payment to a firm of solicitors in which a director is a partner

- 3.05

b. Details of payment to auditors:	For the year ended	
	March 31, 2018	March 31, 2017
Statutory Auditors:		
Audit Fees	26.00	23.20
Tax Audit Fees	3.00	3.30
Limited Review *	13.65	6.60
For other Services **	3.95	3.60
Out of Pocket Expenses ***	1.71	0.27
	48.31	36.97

* ₹ 1.65 Lakhs paid to erstwhile auditors.

** ₹ 2.95 Lakhs paid to erstwhile auditors.

*** ₹ 0.83 Lakh paid to erstwhile auditors.

c. Includes Corporate social responsibility expenses of ₹ 121.35 lakhs (March 31, 2017 : ₹ 109.62 lakhs) as detailed in refer note 35.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

29. Earnings per equity share (EPS)	For the year ended	
	March 31, 2018	March 31, 2017
Numerator for basic and diluted EPS		
Net profit after tax attributable to shareholders (in ₹ lakhs) (A)	9,466.02	1,092.31
Denominator for basic EPS		
- Weighted average number of equity shares for basic EPS (B)	3,13,98,921	2,86,69,940
Denominator for diluted EPS		
- Weighted average number of equity shares for diluted EPS * (C)	3,15,48,504	2,87,63,674
* After considering impact of ESOP (refer Note 30)		
Basic earnings per share of face value of ₹ 10/- each (in ₹) (A/B)	30.15	3.81
Diluted earnings per share of face value of ₹ 10/- each (in ₹) (A/C)	30.00	3.80

30. Ramkrishna Forgings Limited - Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015)

The Board of Directors at its meeting held on 7th August, 2015, approved the Employee Stock Option Scheme 2015 ("ESOP Scheme 2015") for the grant upto 7,00,000 stock option to its permanent employees working in India and wholtime Directors of the Company, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. The same was approved by the members in the 33rd Annual General Meeting of the Company held on September 12, 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the Ramkrishna Forgings Limited Employee Welfare Trust. The Board of Directors at its meeting held on 7th November 2015 approved the grant of 3,23,675 options to the eligible employees of the Company. The Scheme was further amended in the 34th Annual General Meeting held on September 24, 2016 wherein the exercise price per share was reduced from ₹ 505.58 per share to ₹ 400/- per share.

The above granted options shall vest as under:

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

Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended March 31, 2018 are as follows:

Particulars	March 31, 2018	March 31, 2017
Outstanding at beginning of the year	2,58,799	3,04,903
Granted during the year	20,044	-
Forfeited / Cancelled during the year	17,626	46,104
Outstanding at the end of the year	2,61,217	2,58,799

Particulars	March 31, 2018	March 31, 2017
Range of exercise prices	400.00	400.00
Weighted Average Exercise Price	400.00	400.00
Weighted Average Remaining contractual years	2.72	3.61

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Fair Valuation:

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

Particulars	March 31, 2018	March 31, 2017
Number of Options Granted	3,23,675	3,23,675
Options Grant Date	07-11-2015	07-11-2015
Exercise Price (₹)	400.00	400.00
Risk-Free Interest Rate	6.86%	7.66%
Life of Options Granted	6.11	6.11
Expected Volatility	49.98%	53.97%
Expected Dividend Yield	0.14%	0.36%
Weighted-Average Fair Value per Option (₹)	709.15	561.75

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered.

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

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

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

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

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

31. Leases

Operating Leases:

The Company's 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 the Statement of Profit and Loss.

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Lease rentals recognised in the Statement of Profit and Loss during the year	46.41	49.02

Future minimum rentals payable under non-cancellable operating leases as at March 31 are, as follows:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Minimum lease payments to be recognised in the Statement of Profit and Loss in future years		
- Within one year	2.84	2.59
- After one year but not more than 5 years	14.52	13.20
- More than 5 years (including future lease rentals for land)	4,740.93	4,745.09

32. Segment information

The Company manufactures "Forging components" and the management reviews the performance of the Company as a single operating segment in accordance with Ind AS 108 "Operating Segments" notified pursuant to Companies (Accounting Standards) Rule, 2015. The Company has presented segment information in the consolidated financial statements. Accordingly, in accordance with paragraph 4 of Ind AS 108 no separate segment information has been furnished herewith.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

33. Contingent Liabilities and Commitments:	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
A. Contingent Liabilities / claims against the Company not acknowledged as debts			
(i) Electricity	45.24	45.24	45.24
(ii) Excise/Service tax demands - matters under dispute	30.77	586.18	96.50
(iii) Sales tax demands - matters under dispute	395.72	395.72	11.28
(iv) Income tax demands - matters under dispute	266.29	266.29	28.62
(v) Bank Guarantees	567.63	567.63	567.63
(vi) Custom duty on Capital goods imported under EPCG Scheme, against which export obligation of ₹ 31,532.12 Lakhs (March 31, 2017 : ₹ 42,588.81 lakhs, April 1, 2016 : ₹ 46,528.35 lakhs) is to be fulfilled	5,276.02	6,127.09	6,636.69
(vii) Guarantees given by the Company on behalf of subsidiary *	3,200.00	3,200.00	2,700.00

* The Outstanding loan as on March 31, 2018 is ₹ 2,182.86 lakhs (March 31, 2017: ₹ 2,118.58 lakhs, April 1, 2016: ₹ 1,874.61 lakhs).

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
B. Capital and other commitments			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance amounting to ₹ 1,936.78 lakhs, (March 31, 2017 : ₹ 278.79 lakhs, April 1, 2016 : ₹ 2,232.79 lakhs)]	9,431.20	1,730.57	3,047.30

34. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.			
Principal amount remaining unpaid to any supplier at the end of the accounting year.	12.71	155.61	1.35
Interest due on above	-	-	-
Total	12.71	155.61	1.35
b) Amount of interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-	-
c) Amount of interest accrued and remaining unpaid at the end of the financial year.	-	-	-
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose disallowance as a deductible expenditure under Section 23 of the Act.	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

35. Corporate social responsibility	As at	
	March 31, 2018	March 31, 2017
Details of CSR Expenditure		
Gross amount required to be spent by the Company during the year	112.56	103.63
Amount spent (in cash) during the year:	-	-
i) Construction acquisition of any asset	-	-
ii) On purposes other than (i) above	121.35	109.62

36. The Company has been granted certificate of registration for its in- house research and development unit of its plant located at village Baliguma, P. O. Kolabera, P.S. Saraikela, Dist Saraikela Kharswan, Jamshedpur, Jharkhand, by the Ministry of Science and Technology, Government of India. The below mentioned expenditure are related to research and development facilities of the Company.

Expenditure on research and development

	For the year ended	
	March 31, 2018	March 31, 2017
i. Revenue Expenditure		
Raw materials	10.91	27.08
Tools & consumables	38.57	114.58
Salary	603.93	569.85
Electricity	3.63	2.70
Miscellaneous expenses	16.11	13.58
Total	673.15	727.79
ii. Capital expenditure	269.00	392.57
Total research and development expenditure	942.15	1,120.36

37. Related Party Disclosures:

Related parties where control exists :

- | | |
|--|---|
| (i) Subsidiaries | (i) Globe Forex & Travels Ltd.
(ii) Ramkrishna Aeronautics Private Limited. (Formerly Known as Ramkrishna Aviation Land Systems Maritime Pvt. Ltd.) |
| (ii) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence | (i) Riddhi Portfolio Pvt. Ltd.
(ii) Eastern Credit Capital (P) Ltd.
(iii) Ramkrishna Rail & Infrastructure Pvt. Ltd.
(iv) Clifftop Infrabuild Pvt. Ltd.
(v) Northeast Infra Properties Pvt. Ltd.
(vi) Dove Airlines Private Ltd.
(vii) Chaitanya Aviation Private Ltd.
(viii) Mahabir Prasad Jalan (HUF)
(ix) Naresh Jalan (HUF)
(x) Pawan Kumar Kedia (HUF) |
| (iii) Key Management Personnel (KMP) | |
| Mahabir Prasad Jalan | Chairman cum Whole Time Director. |
| Naresh Jalan | Managing Director |
| Pawan Kumar Kedia | Finance Director |
| Sikandar Yadav | Chief Financial Officer (From 02/06/2017 till 13/12/2017) |

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Rajesh Mundhra	Company Secretary
Ram Tawakya Singh	Independent Director*
Padam Kumar Khaitan	Independent Director*
Amitabha Guha	Independent Director*
Yudhisthir Lal Madan	Independent Director*
Aditi Bagri	Independent Director*
Sandipan Chakravorty	Independent Director*
Partha Sarathi Bhattacharyya	Independent Director*
(iv) Relative of Key Management Personnel	
Rashmi Jalan	Wife of Naresh Jalan
Chaitanya Jalan	Son of Naresh Jalan
Alok Kedia	Son of Pawan Kumar Kedia
(v) Trusts managed by the Company	
	Ramkrishna Forgings Employee Welfare Trust
	Ramkrishna Foundation
(vi) Firm where a director is a partner	
	Khaitan & Co., LLP

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Sl. No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at	Outstanding as at
				March 31, 2018		March 31, 2017		April 1, 2016
i.	Globe Forex & Travels Ltd.	Subsidiary of the Company	Loan Given	-	-	85.00	-	-
			Loan repayment			35.00	-	
			Interest Received	-	-	77.59	-	-
			Loan conversion to equity shares	-	-	1,250.00	-	-
			Commission Paid / Payable_1	27.85	-	39.21	-	-
			Loan outstanding	-	-	-	-	1,200.00
			Investment in equity share ^{#1}	-	1,909.82	1,250.00	1,909.82	659.82
			Corporate guarantee given **	-	3,200.00	-	3,200.00	2,700.00
			Trade payable - Purchase of Air Tickets	281.70	67.55	314.02	94.28	2.08
			^{#1} Represents conversion of outstanding loan into investment in equity shares					
ii.	Ramkrishna Aeronautics Pvt. Ltd. (Formerly known as Ramkrishna Aviation Land Systems Maritime Pvt. Ltd.)	Subsidiary of the Company	Investment in equity share	-	10.00	10.00	10.00	-
iii.	Riddhi Portfolio Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Rent Paid	6.00	-	6.00	-	-
			Interest free Deposit given	-	1.50	-	1.50	1.50
			Dividend paid	72.88		145.77	-	-

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Sl. No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at	Outstanding as at
				March 31, 2018		March 31, 2017		April 1, 2016
iv.	Dove Airlines Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Flying Charges paid	437.40	-	200.59		-
			Advance paid	-	-	-	115.05	-
v.	Eastern Credit Capital Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	56.19	-	112.37	-	-
vi.	Ramkrishna Rail & Infrastructure Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	-	-	0.04	-	-
vii.	Khaitan & Co., LLP	Firm where a director is a partner	Legal fees	35.36	-	3.05	-	-
viii.	Mahabir Prasad Jalan	Key Management Personnel #	Short-term employee benefits	228.25	34.08	228.25	24.78	24.70
			Lease Rent paid / payable	12.00	1.00	12.00	1.00	1.00
			Commission paid / payable	50.00	50.00	-	-	-
			Dividend paid	4.51	-	9.02	-	-
ix.	Mahabir Prasad Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	1.20	-	2.40	-	-
x.	Naresh Jalan	Key Management Personnel #	Short-term employee benefits	125.59	20.73	125.59	16.62	14.62
			Post-employment benefits	10.18	0.85	10.18	0.85	0.85
			Other long-term benefits	12.21	1.02	12.21	1.02	1.02
			Lease Rent paid / payable	12.00	1.00	12.00	1.00	1.00
			Commission paid / payable	50.00	50.00	-	-	-
			Rent paid / payable	6.00	0.50	6.00	0.50	0.50
			Dividend paid	2.86	-	5.72	-	-
xi.	Naresh Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	2.69	-	5.37	-	-
xii.	Pawan Kumar Kedia	Key Management Personnel #	Short-term employee benefits	34.93	2.31	30.80	2.06	2.06
			Post-employment benefits	1.77	0.15	1.62	0.14	0.14
			Other long-term benefits	2.12	0.18	1.94	0.16	0.16
			Dividend paid	0.14	-	0.27	-	-

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Sl. No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at	Outstanding as at
				March 31, 2018		March 31, 2017		April 1, 2016
xiii.	Pawan Kumar Kedia (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	0.05	-	0.13	-	-
xiv.	Sikandar Yadav	"Key Management Personnel (from 02/06/2017 till 13/12/2017)"	Short-term employee benefits	39.07	-	-	-	-
			Post-employment benefits	1.60	-	-	-	-
			Other long-term benefits	-	-	-	-	-
xv.	Rajesh Mundhra	Key Management Personnel	Short-term employee benefits	33.91	2.31	30.97	2.13	2.01
			Post-employment benefits	1.31	0.11	1.20	0.10	-
			Other long-term benefits	1.57	0.13	1.44	0.12	0.12
			Dividend paid	0.15	-	0.30	-	-
xvi.	Ram Tawakya Singh	Key Management Personnel	Sitting Fees	3.35	-	3.35	-	-
xvii.	Padam Kumar Khaitan	Key Management Personnel	Sitting Fees	2.95	-	2.50	-	-
xviii.	Amitabha Guha	Key Management Personnel	Sitting Fees	3.30	-	3.50	-	-
xix.	Yudhisthir Lal Madan	Key Management Personnel	Sitting Fees	3.05	-	4.20	-	-
xx.	Ramkrishna Foundation	Trusts managed by the Company	CSR expenses	121.35	-	109.62	-	-
xxi.	Aditi Bagri	Key Management Personnel	Sitting Fees	3.50	-	3.50	-	-
xxii.	Sandipan Chakravorty	Key Management Personnel	Sitting Fees	2.00	-	1.50	-	-
xxiii.	Partha Sarathi Bhattacharyya	Key Management Personnel	Sitting Fees	2.00	-	1.50	-	-
xxiv.	Rashmi Jalan	Relative of Key Management Personnel	Dividend paid	4.19	-	8.38	-	-
xxv.	Chaitanya Jalan	Relative of Key Management Personnel	Salary paid	9.02	0.98	-	-	-
			Other long-term benefits	0.36	-	-	-	-
xxvi.	Alok Kedia	Relative of Key Management Personnel	Salary paid	9.19	0.79	8.48	0.71	0.60
			Post-employment benefits	0.38	0.03	0.33	0.03	-
			Other long-term benefits	0.46	0.04	0.40	0.03	0.03

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	Nature of transactions	Transaction Amount for the year ended	
		March 31, 2018	March 31, 2017
Total of remuneration to key management personnel	Sitting Fees	20.15	20.05
	Short-term employee benefits	461.76	415.61
	Post-employment benefits	15.24	13.33
	Other long-term benefits	16.71	15.99
	Commission paid / payable	100.00	-

Note

- # Excludes leave encashment and gratuity which is based on actuarial valuation provided on overall Company basis.
- * The Independent Directors have been considered as Key Management Personnel only for above reporting as per the requirements of Ind AS 24 - Related Party Disclosures.
- ** The Corporate guarantee given pertains to the outstanding loan as on March 31, 2018 is ₹ 2,182.86 lakhs (March 31, 2017: ₹ 2,118.58 lakhs, April 1, 2016: ₹ 1,874.61 lakhs).

38. Financial instruments

A. Financial Assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets						
Financial assets carried at amortised cost						
Trade receivables (Refer Note. 7)	47,219.50	39,373.70	33,518.71	47,219.50	39,373.70	33,518.71
Loans - Non-current (Refer Note. 8)	1,222.24	1,257.51	2,064.49	1,222.24	1,257.51	2,064.49
Other Non-current financial assets (Refer Note. 9)	25.93	1,385.95	-	25.93	1,385.95	-
Cash and Bank balances (Refer Note. 14a and 14b)	37.80	107.65	143.38	37.81	107.65	143.38
Loans - Current (Refer Note. 8)	86.06	95.94	476.49	86.06	95.94	476.49
Other Current financial assets (Refer Note. 9)	3,915.85	197.89	99.29	3,915.85	197.89	99.29
Total financial assets carried at amortised cost	52,507.38	42,418.63	36,302.36	52,507.39	42,418.63	36,302.36
Financial assets at FVTPL						
Derivative instrument (Refer Note. 9)	31.20	-	547.29	31.20	-	547.29
Total financial assets carried at FVTPL	31.20	-	547.29	31.20	-	547.29
Financial assets at fair value through Other Comprehensive Income (OCI)						
Investments (Refer Note. 6)	10.50	10.50	10.50	10.50	10.50	10.50
Total financial assets carried at fair value through Other Comprehensive Income (OCI)	10.50	10.50	10.50	10.50	10.50	10.50
Financial Liabilities						
Financial liabilities carried at amortised cost						
Short term borrowings (Refer Note. 17)	34,516.13	43,061.65	35,146.04	34,516.13	43,061.65	35,146.04
Long term borrowings (Refer Note. 17)	38,607.83	42,331.11	49,876.28	38,607.83	42,331.11	49,876.28
Trade payables (Refer Note. 18)	28,309.19	27,576.14	14,848.03	28,309.19	27,576.14	14,848.03

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Current financial liabilities (Refer Note. 19)	15,427.15	14,670.73	12,254.60	15,427.15	14,670.73	12,254.60
Other Non-current financial liabilities (Refer Note. 19)	-	-	-	-	-	-
Total financial liabilities carried at amortised cost	1,16,860.30	1,27,639.62	1,12,124.96	1,16,860.30	1,27,639.62	1,12,124.96
Financial Liabilities at FVTPL						
Derivative instruments (Refer Note. 19)	44.40	1,209.52	1,573.24	44.40	1,209.52	1,573.24
Total financial liabilities carried at FVTPL	44.40	1,209.52	1,573.24	44.40	1,209.52	1,573.24

The management assessed that the fair value of cash and cash equivalents, trade receivables, derivative instruments, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

B. Fair value hierarchy:

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016 measured at fair value:

Financial Asset	Level 1	Level 2	Level 3
At fair value through other comprehensive income as at March 31, 2018			
- Investments	-	-	10.50
At FVTPL as at March 31, 2018			
- Derivative financial instruments	-	31.20	-
At fair value through other comprehensive income as at March 31, 2017			
- Investments	-	-	10.50
At FVTPL as at March 31, 2017			
- Derivative financial instruments	-	-	-
At fair value through other comprehensive income as at April 1, 2016			
- Investments	-	-	10.50
At FVTPL as at April 1, 2016			
- Derivative financial instruments	-	547.29	-

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Note 38B : Fair value hierarchy: (Contd.)

Financial Liabilities	Level 1	Level 2	Level 3
At FVTPL as at March 31, 2018			
- Derivative financial instrument	-	44.40	-
At FVTPL as at March 31, 2017			
- Derivative financial instrument	-	1,209.52	-
At FVTPL as at April 1, 2016			
- Derivative financial instrument	-	1,573.24	-

Fair valuation method and assumptions:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values.

- The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.
- The Company has determined the carrying value of the non-current investment as its fair value in the absence of any available observable inputs.
- There has been no transfer between Level 1, Level 2 and Level 3 during the above periods.

39A Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprises borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Company. The Company's principal financial assets include trade and other receivables, loans and cash and cash equivalents that derive directly from its operations.

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk and market risk. The Company seeks to minimize potential adverse effects of these risks on its financial performance and capital. Financial risk activities are identified, measured and managed in accordance with the Company's policies and risk objectives which are summarized below and are reviewed by the senior management.

(A) Credit risk

Credit risk refers to risk of financial loss to the Company if customers or counterparties fail to meet their contractual obligations. The Company is exposed to credit risk from its operating activities (mainly trade receivables).

(i) Credit risk management

(a) Trade Receivables

Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit rating, regulatory changes, industry outlook etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Reconciliation of loss allowance provision - Trade receivable are as follows:

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Loss allowance at the beginning of the year	-	-
Charge / (reversal) in allowance during the year (net)	28.52	-
Written back during the year/ adjusted with bad debt written off during the year	-	-
Loss allowance at the end of the year	28.52	-

(b) Deposits and financial assets (Other than trade receivables):

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy.

(B) Liquidity Risk

Liquidity risk implies that the Company may not be able to meet its obligations associated with its financial liabilities. The Company manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and meeting financial liabilities are available in a timely manner and in the currency required at optimal costs. The Management regularly monitors rolling forecasts of the Company's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements.

Additionally, the Company has committed fund and non-fund based credit lines from banks which may be drawn anytime based on Company's fund requirements. The Company endeavours to maintain a cautious liquidity strategy with positive cash balance and undrawn bank lines throughout the year.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Contractual maturity of financial liabilities	Upto 1 year	1 Year to 3 year	3 year to 5 year	More than 5 years	Total
March 31, 2018					
Non Current Borrowings (including current maturities of long term borrowings)	9,197.26	17,340.92	12,840.81	9,109.76	48,488.75
Current Borrowings*	34,516.13				34,516.13
Trade payable	28,309.19	-	-	-	28,309.19
Other financial liabilities (excluding current maturities of long term borrowings)	6,274.29	-	-	-	6,274.29
Interest Payable on borrowings in future	3,509.89	5,514.53	3,185.49	1,224.83	13,434.74
	81,806.76	22,855.45	16,026.30	10,334.59	1,31,023.10
March 31, 2017					
Non Current Borrowings (including current maturities of long term borrowings)	8,159.12	17,297.61	13,478.98	12,239.54	51,175.25
Current Borrowings*	43,061.65				43,061.65
Trade payable	27,576.14	-	-	-	27,576.14
Other financial liabilities (excluding current maturities of long term borrowings)	6,703.65	1,017.48			7,721.13
Interest Payable on borrowings in future	3,582.76	6,572.25	4,317.00	2,545.49	17,017.50
	89,083.32	24,887.34	17,795.98	14,785.03	1,46,551.67

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Contractual maturity of financial liabilities	Upto 1 year	1 Year to 3 year	3 year to 5 year	More than 5 years	Total
April 1, 2016					
Non Current Borrowings (including current maturities of long term borrowings)	5,136.25	21,054.95	15,165.20	14,500.16	55,856.56
Current Borrowings*	35,146.04				35,146.04
Trade payable	14,848.03	-	-	-	14,848.03
Other financial liabilities (excluding current maturities of long term borrowings)	7,646.30	1,045.29	-	-	8,691.59
Interest Payable on borrowings in future	3,466.22	7,092.65	5,514.53	4,410.32	20,483.72
	66,242.84	29,192.89	20,679.73	18,910.48	1,35,025.94

*The borrowings include discounted trade receivable on recourse basis of ₹ 9,052.79 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 9,079.92 lakhs and April 1, 2016: ₹ 4,983.16 Lakhs). Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria.

(C) Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely foreign currency risk, interest rate risk and price risk (for commodities). The above risks may affect the Company's income and expense and profit. The Company's exposure to and management of these risks are explained below:

(i) Foreign currency risk

The Company operates in international markets and therefore is exposed to foreign currency risk arising from foreign currency transactions. The exposure relates primarily to the Company's operating activities (when the revenue or expense is denominated in foreign currency), borrowings in foreign currencies. Majority of the Company's foreign currency transactions are in USD while the rest are in EURO, JPY and GBP. The major imports are only in respect of capital goods. The risk is measured through forecast of highly probable foreign currency cash flows.

The risk of fluctuations in foreign currency exchange rates on its financial liabilities including trade and other payables etc, which are mainly in US Dollars, are mitigated through the natural hedge alignment, as Company's export sales are predominantly in US dollars and such economic exposure through trade and other receivables in US dollars provide natural alignment. Hence, a reasonable variation in the Foreign exchange rate would not have much impact on the profit/ equity of the Company.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	March 31, 2018				March 31, 2017				April 1, 2016			
	INR equivalent of				INR equivalent of				INR equivalent of			
	USD	EUR	JPY	GBP	USD	EUR	JPY	GBP	USD	EUR	JPY	GBP
Financial assets												
Trade receivables	19,890.77	3,231.12		106.35	15,474.17	2,139.90	-	384.61	17,229.55	1,908.31		166.86
Other Financial Assets	-	1,616.15	-	-	-	1,385.95	-	-	-	-	-	-
Foreign exchange forward contracts												
Sale foreign currency	(2,281.13)	-	-	-			-	-	-	-	-	-
Net exposure to foreign currency risk (assets)	17,609.64	4,847.27	-	106.35	15,474.17	3,525.85	-	384.61	17,229.55	1,908.31	-	166.86
Financial liabilities												
Foreign currency loan	28,108.01	10,878.97	2,393.41		32,600.42	11,394.36	3,807.62	-	28,527.90	12,871.79	1,909.37	-
Trade payables and Capital Goods	212.78	1,557.87	1,050.51	-	172.10	2,665.18	728.49	-	40.76	340.27	216.15	0.62
Net exposure to foreign currency risk (liabilities)	28,320.79	12,436.84	3,443.91	-	32,772.52	14,059.54	4,536.11	-	28,568.66	13,212.07	2,125.53	0.62
Net exposure to foreign currency risk (Assets- Liabilities)	(10,711.15)	(7,589.57)	(3,443.91)	106.35	(17,298.35)	(10,533.69)	(4,536.11)	384.61	(11,339.12)	(11,303.75)	(2,125.53)	166.24

Note: Trade Payable amount includes EUR 1.92 million which will be paid to SMS Meer GMBH directly by Landesbank Baden-Württemberg.

(b) Foreign currency Rate Sensitivity

A fluctuation in the exchange rates of 1% with other conditions remaining unchanged would have the following effect on Company's profit or loss before taxes as at March 31, 2018 and March 31, 2017:

	Impact on profit before tax [Increase / (Decrease)]	
	FY 2017-18	FY 2016-17
USD sensitivity		
INR/USD- Increase by 1%*	(107.11)	(105.34)
INR/USD- Decrease by 1%*	107.11	105.34
EUR sensitivity		
INR/EUR- Increase by 1%	(75.90)	(45.36)
INR/EUR- Decrease by 1%	75.90	45.36
JPY sensitivity		
INR/JPY- Increase by 1%	(34.44)	3.85
INR/JPY- Decrease by 1%	34.44	(3.85)
GBP sensitivity		
INR/GBP- Increase by 1%	1.06	(113.39)
INR/GBP- Decrease by 1%	(1.06)	113.39

* Holding all other variable constant

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

(ii) Interest rate risk

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments. The borrowings of the Company are principally denominated in Indian Rupees, Euro and US dollars with a mix of fixed and floating rates of interest. The Company has a policy of selectively using interest rate swaps and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis. The majority of the borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate financial liabilities	39,961.95	46,964.97	41,391.28

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax [Increase / (Decrease)]	
	FY 2017-18	FY 2016-17
Interest Rates - Increase by 50 basis points (50 bps) *	(199.81)	(234.82)
Interest Rates - Decrease by 50 basis points (50 bps) *	199.81	234.82

* Holding all other variable constant

(iii) Commodity Price Risk

Commodity price risk results from changes in market prices for raw materials, mainly steel in the form of rounds and billets which forms the largest portion of Company's cost of sales.

The principal raw materials for the Company products are alloy and carbon steel which are purchased by the Company from the approved list of suppliers. Most of the input materials are procured from domestic vendors. Raw material procurement is subject to price negotiation. Further, a significant portion of the Company's volume is sold based on price adjustment mechanism which allows for recovery of the changed raw material cost from its customers.

39B Capital management

For the purposes of the Company's capital management, capital includes issued capital, free reserves and borrowed capital less reported cash and cash equivalents. The primary objective of the Company's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value. The Company's policy is to borrow primarily through banks to maintain sufficient liquidity. The Company also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Company. The Company monitors capital on the basis of cost of capital.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings (including interest accrued thereon)	82,708.70	93,864.70	90,479.20
Less: Cash and cash equivalents (Refer Note 14a)	(36.65)	(20.39)	(111.50)
Net debt (A)	82,672.05	93,844.31	90,367.70
Equity Share Capital	3,259.15	2,866.99	2,866.99
Other equity (excludings ESOP and Capital Reserve)	68,514.40	40,166.85	39,749.72
Total equity (B)	71,773.55	43,033.84	42,616.71
Total capital (A+B)	1,54,445.60	1,36,878.15	1,32,984.41
Debt- Equity ratio (A / B)	1.15	2.18	2.12

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

No changes were made in the objectives policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

40. Distribution made and proposed to be made

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Final dividend paid *		
For the year ended on March 31, 2017 : ₹ 1/- per share (March 31, 2016 : ₹ 2/- per share)	325.92	573.40
Dividend distribution tax (DDT) on final dividend	68.20	119.98
Proposed dividend on equity shares :		
Final equity dividend		
For the year ended on March 31, 2018: ₹ 1/- per share (March 31, 2017 : ₹ 1/- per share)	325.92	286.70
Dividend distribution tax (DDT) on proposed dividend	68.20	59.99

Proposed dividends on equity shares are subject to approval at the annual general meeting and hence are not recognised as a liability (including DDT thereon).

* Includes dividend paid on 39,21,568 equity shares issued by way of qualified institutional placement before the dividend record date.

41. Employee Benefits

a) Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees ("Gratuity Scheme"). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

As per Ind AS 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Standard are given below:

Statement of Profit and Loss :

Net employee benefits expense (recognised in Employee Cost)

i. Expenses Recognised in the Statement of Profit & Loss	Gratuity (Funded)	
	For the year ended	
	March 31, 2018	March 31, 2017
Current Service Cost	89.44	82.47
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.40	4.50
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	-	-
Experience variance (i.e. Actual experience vs assumptions)	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Components of defined benefit cost recognised in Statement of Profit & Loss	93.84	86.97

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Re-measurement (gain) / loss arising from:	Gratuity (Funded)	
	For the year ended	
	March 31, 2018	March 31, 2017
Change in demographic assumptions	-	-
Change in financial assumptions	(15.73)	(1.19)
Experience variance (i.e. Actual experience vs assumptions)	22.48	(29.57)
Return on plan assets, excluding amount recognised in net interest expense	8.47	2.94
Components of defined benefit costs recognised in other comprehensive income	15.22	(27.82)
Total Expense	109.07	59.15

ii. Bifurcation of Net Liability	Gratuity (Funded)		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Present value of Defined Benefits Obligation	755.86	635.50	541.07
Fair value of plant assets	669.94	576.35	484.09
Net liability	85.93	59.15	56.98
Current liability (Current)	85.93	59.15	56.98
Non-Current liability (Non-current)	-	-	-
	85.93	59.15	56.98

iii. Changes in the present value of obligation:	Gratuity (Funded)	
	As at	
	March 31, 2018	March 31, 2017
Present value of obligation as at the beginning	635.50	541.07
Current service cost	89.44	82.47
Interest expense or cost	47.31	42.72
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	(15.73)	(1.19)
Experience variance (i.e. Actual experience vs assumptions)	22.48	(29.57)
Benefits paid	(23.14)	-
Present value of obligation as at the end of the year	755.86	635.50

iv. Changes in the Fair Value of Plan Assets during the year:	Gratuity (Funded)	
	As at	
	March 31, 2018	March 31, 2017
Fair Value of Plan Assets as at the beginning	576.35	484.09
Investment Income	42.91	38.22
Employer's Contribution	59.15	56.98
Return on plan assets, excluding amount recognised in net interest expense	(8.47)	(2.94)
Fair Value of Plan Assets as at the end of the year	669.94	576.35

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

v. Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)			
	Aa at			
	March 31, 2018	March 31, 2017	April 1, 2016	
	100%	100%	100%	
Funds managed by Insurer				
vi. Actuarial Assumptions	Gratuity (Funded)			
	Aa at			
	March 31, 2018	March 31, 2017	April 1, 2016	
	7.80%	7.45%	7.90%	
	6% for the first two years, 5% for the next three years and 4% thereafter	6% for the first two years, 5% for the next three years and 4% thereafter	5.00%	
	100%	100%	100%	
	2%	2%	2%	
Discount rate (per annum)				
Salary growth rate (per annum)				
Mortality Rate (as % of IALM 2006-08)				
Withdrawal rate (per annum)				
vii. Sensitivity Analysis	Gratuity (Funded) (Present value of obligation)			
	As at			
	March 31, 2018		March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
	684.06	840.33	572.90	709.38
	842.31	681.37	710.85	570.74
Attrition Rate	782.44	725.56	655.81	612.20
Mortality Rate	756.95	754.77	636.35	634.64
viii. During the year 2018-19, the Company expects to contribute ₹ 177.05 lakhs (March 31, 2017: ₹ 146.84 lakhs) to gratuity scheme.				
ix. Maturity Profile of Defined Benefit Obligation:				
	Gratuity (Funded)			
	As at			
	March 31, 2018	March 31, 2017	April 1, 2016	
1 year	68.87	46.56	35.65	
2 to 5 years	191.22	164.88	153.26	
6 to 10 years	337.64	270.41	226.10	
More than 10 years	1499.73	1242.50	1204.54	

b) Provident Fund:

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund. The Company has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Company has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 364.95 Lakhs (March 31, 2017: ₹ 336.29 Lakhs)

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

42. First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative period information.

For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013 (Previous GAAP). The transition to Ind AS was carried out in accordance with Ind AS 101, with April 1, 2016 being the date of transition. This note explains the exemptions on the first-time adoption of Ind AS availed in accordance with Ind AS 101 and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Exemptions availed and mandatory exceptions Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

A. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements of following items as deemed cost at the transition date, viz., April 1, 2016 in accordance with Ind-AS 101- First-time Adoption of Indian Accounting Standards.

- i) Property Plant and Equipment
- ii) Intangible Assets

B. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investments in unquoted equity instruments other than investments in subsidiaries.

C. Investments in subsidiaries

Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries at deemed cost. The deemed cost of such an investment could be either

- (a) its fair value at the date of transition; or
- (b) previous GAAP carrying amount at that date.

The option may be exercised individually and separately for each item of investment.

Accordingly, the Company has opted to measure its investments in subsidiaries at previous GAAP carrying amount as its deemed cost.

D. Translation of long term foreign currency monetary items

The Company, being a first-time adopter, has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. March 31, 2016. Hence, exchange difference of such monetary items will continue to be capitalised.

43. Details of the Loan given, Investment made and Guarantee given covered under section 186(4) of the Companies Act, 2013

Details of loan given and Investment made are provided under the respective heads.

Corporate Guarantee given by the Company is in respect of the Working Capital Loan taken by Subsidiary as on March 31, 2018.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Name of the Company	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
1. Globe Forex & Travels Limited	3,200.00	3,200.00	2,700.00

The Guranatee has been given for the business purpose.

44. a. Reconciliation of Equity as on April 1, 2016 and March 31, 2017

Particulars	Footnote reference	As at March 31, 2017 (End of last period presented under previous GAAP) (₹)	As at April 1, 2016 (Date of Transition) (₹)
Total Equity(Shareholder's funds) under Previous GAAP		49,091.40	47,150.16
Provision for proposed dividend including dividend distribution tax.	5	-	693.38
Fair Valuation of financial instruments	2 & 8	110.36	268.59
Reversal of Depreciation on land on bifurcation of land and building		91.59	73.77
Depreciation impact on dies, moulds & spares inventory re-classified to Property, Plant & Equipment and inventory valuation adjustment	1 & 6	(2,284.62)	(1,784.20)
Deferred Tax on Ind AS Adjustments	3	(53.96)	(92.95)
Total Adjustments to Equity		(2,136.63)	(841.41)
Total Equity under Ind-AS		46,954.77	46,308.75

b. Reconciliation of net profit for the year ended March 31, 2017

Particulars	Footnote reference	For the year ended March 31, 2017 (₹)
A) Net Profit after Tax for the period as per previous GAAP		1,903.90
B) Effects of transition to Ind-AS on statement of profit and loss:-		
i) Depreciation impact on dies, moulds & spares inventory re-classified to Property, Plant & Equipment and inventory valuation adjustment	1 & 6	(458.69)
ii) Interest charge on account of Effective Interest Rate method	8	(182.11)
iii) Fair Valuation of ESOP	4	(191.57)
iv) Reclassification of actuarial gain on Defined Benefit Plan to Other Comprehensive Income	11	(27.82)
v) Tax adjustments on above	3	48.60
C) Net Profit after tax for the period as per Ind AS		1,092.31
D) Other Comprehensive Income (net of tax)	3 & 11	18.19
E) Total Comprehensive Income		1,110.50

Footnotes to the reconciliation

Note 1

Dies, Spares and inventory

As per Ind AS 16, Property, plant and equipment (PPE) are tangible items that are held for use in the production or supply of goods or services and are expected to be used during more than one accounting period. Accordingly, the Company has reclassified certain spares and dies as PPE which were earlier classified as Inventories under Previous GAAP. Depreciation on such items have been computed retrospectively and the net amount is considered for reclassification purposes while the balance impact in inventory pertains to adjustments done in valuation of work-in-progress inventory.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Note 2

Derivative Financial Instruments

Under the previous GAAP, forward contract cost were accounted for as prescribed under AS 11 "The Effects of Changes in Foreign Exchange Rates" under which forward premium was amortised over the period of forward contracts and forward contracts were stated at the year-end spot exchange rate and gains / losses on settlement on aforesaid contracts and mark to market loss relating to outstanding contracts as at the balance sheet date in respect of derivative contracts (other than forward exchange contract covered under Accounting Standard 11 on "The Effects of Changes in Foreign Exchange Rates"), were recognized in the statement of profit and loss.

Under Ind AS 109, all derivative financial instrument are to be mark to market and any resultant gain or loss on settlement as well as on outstanding contracts as at the balance sheet date is to be charged or credited to the statement of profit and loss.

Accordingly, the marked to market gain/loss has been recognized on all derivative contracts and unamortized forward premium balance and exchange gain / loss on reinstatement of forward contracts under aforesaid AS 11 has been reversed.

Note 3

Deferred Tax

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP.

MAT entitlement credit being of the nature of deferred tax, on transition to Ind AS, MAT credit entitlement of Rs 3243.53 lakhs and Rs 3774.53 lakhs for April 1, 2016 and March 31, 2017 respectively has been regrouped under deferred tax assets from Current tax assets (net).

Note 4

Employees Stock Options

Under Previous GAAP, Employees Stock Options were accounted for as per intrinsic value method. Under Ind AS employees stock options are required to be fair valued. Accordingly the same has been fair valued as on the opening balance sheet date and as at March 31, 2017. Further compensation cost has been recognized through Other Equity as on transition date, and through statement of profit and loss during FY 2016-17.

Note 5

Proposed Dividend

Under Indian GAAP, as at the date of transition, proposed final dividends including Dividend Distribution Taxes (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are approved. Under Ind AS, such dividend is recognised as a liability when approved by shareholders.

Note 6

Government Grant

Grants received from the Government relating to the purchase of property, plant and equipment (PPE) and deducted from the carrying amount of corresponding PPE under previous GAAP and outstanding as on transition date has been recognized as deferred income under Ind AS with the corresponding adjustment to the carrying amount of Property, plant and equipment (net of cumulative depreciation impact) and opening retained earnings.

Note 7

Leases

In respect of certain long-term arrangements, existing at the date of transition and identified to be in the nature of operating lease where the Company is lessee, the underlying assets have been derecognized on the date of transition and prepaid lease rentals have been recognized which is amortized by way of rent over the remaining useful life of the leased asset.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Note 8

Borrowings and related transaction costs

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the other borrowing cost by applying the effective interest rate method.

Under previous GAAP, these transaction costs were either charged to Statement of Profit and Loss or capitalised as and when incurred.

Note 9

Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

Note 10

Revenue

Under previous GAAP, revenue is measured at transaction value. Under Ind AS revenue is recognized at fair value of consideration received or receivable which require adjustment of all discounts and rebates as netted from revenue. Accordingly, discounts earlier grouped under other expenses is netted off with revenue.

Note 11

Defined Benefit Obligations

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss as in previous GAAP.

Note 12

Bills of exchange discounted

Under IGAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liability, wherever the facility availed was with recourse to the bank. Under Ind AS, the trade receivables have been restated with corresponding recognition of short term borrowings of ₹ 9,052.79 lakhs (March 31, 2017: ₹ 9,079.92 lakhs and April 1, 2016: ₹ 4,983.16 lakhs).

45. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

Ind AS 115 Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f April 01, 2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement which will be provided in the next year's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Notes to the Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities, Ind AS 40 Investment Property and Ind AS 28 Investments in Associates and Joint Ventures are not applicable to the Company."

46. The Ind AS comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017 and May 21, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

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

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Sd/-
Rajesh Mundhra
Company Secretary
ACS: 12991

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
Ramkrishna Forgings Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Ind AS Financial Statements of **Ramkrishna Forgings Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. 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 of 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Ind AS 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, issued by the Institute of Chartered Accountants of India, as 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the 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

Independent Auditor's Report (Contd.)

at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

OTHER MATTER

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of ₹ 5,679.50 lacs and net assets of ₹1356.83 lacs as at March 31, 2018; total revenues of ₹ 5,601.56 lacs; profit before tax of ₹ 84.89 lacs and net cash outflows of ₹ 5.38 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.
- (b) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Consolidated Ind AS Financial Statements, are based on the previously issued Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017 and May 21, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;

Independent Auditor's Report (Contd.)

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group— Refer Note 33 to the Consolidated Ind AS Financial Statements;
 - The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.
 - 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 subsidiaries during the year ended March 31, 2018.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 25, 2018

Annexure - I to the Independent Auditor's Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF RAMKRISHNA FORGINGS LIMITED

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of **Ramkrishna Forgings Limited** as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Ramkrishna Forgings Limited** (hereinafter referred to as "the Holding Company"), and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Ind AS Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Holding Company and its subsidiaries have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company, insofar as it relates to these two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 25, 2018

Consolidated Balance Sheet

as at March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	1,06,806.36	1,01,576.53	98,129.21
(b) Capital work-in-progress		4,355.70	5,042.39	5,938.14
(c) Goodwill		503.19	503.19	503.19
(d) Intangible assets	5	252.63	357.67	282.92
(e) Financial assets				
(i) Investments	6	10.50	10.50	10.50
(ii) Loans	8	1,222.24	1,257.51	1,264.49
(iii) Other financial assets	9	25.93	1,385.95	-
(f) Other non-current assets	12	2,045.82	513.74	2,424.89
		1,15,222.37	1,10,647.48	1,08,553.34
Current assets				
(a) Inventories	13	29,938.79	22,856.21	15,071.62
(b) Financial assets				
(i) Trade receivables	7	51,465.76	44,379.22	38,813.03
(ii) Cash and cash equivalents	14a	119.06	108.17	186.24
(iii) Other bank balances	14b	1.15	87.26	31.88
(iv) Loans	8	106.55	116.43	137.20
(v) Other financial assets	9	4,135.39	483.20	897.57
(c) Current tax assets (net)	11	299.28	299.97	261.93
(d) Other current assets	12	4,288.03	6,814.97	6,396.98
		90,354.01	75,145.43	61,796.45
TOTAL ASSETS		2,05,576.38	1,85,792.91	1,70,349.79
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	3,259.15	2,866.99	2,866.99
(b) Other equity	16	72,598.92	43,998.53	43,328.26
TOTAL EQUITY		75,858.07	46,865.52	46,195.25
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	38,607.83	42,331.11	49,876.27
(ii) Other financial liabilities	19	-	1,017.48	1,045.29
(b) Provisions	20	7.45	7.01	0.91
(c) Deferred tax liabilities (net)	10	3,384.91	2,193.37	2,164.04
(d) Other non-current liabilities	21	3,826.21	2,064.17	2,302.12
		45,826.40	47,613.14	55,388.63
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	36,699.00	45,180.22	37,070.37
(ii) Trade payables	18	30,070.70	30,024.54	17,943.75
(iii) Other financial liabilities	19	15,529.08	14,990.36	12,914.29
(b) Provisions	20	310.98	252.28	217.04
(c) Current tax liabilities (net)	11	411.07	-	-
(d) Other current liabilities	21	871.08	866.85	620.46
		83,891.91	91,314.25	68,765.91
TOTAL LIABILITIES		1,29,718.31	1,38,927.39	1,24,154.54
TOTAL EQUITY & LIABILITIES		2,05,576.38	1,85,792.91	1,70,349.79

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

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

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

Consolidated Statement of Profit and Loss

for the Period ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
Revenue			
Revenue from operations	22	1,50,875.72	99,185.64
Other income	23	435.50	737.37
Total Income (i)		1,51,311.22	99,923.01
Expenses			
Cost of materials consumed	24	73,173.10	42,192.33
Cost of services		4,200.20	2,684.18
(Increase) in inventories of finished goods and work in progress	25	(1,795.06)	(5,398.69)
Excise duty on sale of goods (Refer Note 22)		1,785.77	7,113.45
Employee benefits expense	26	9,436.14	8,560.13
Power & Fuel		12,167.99	8,665.05
Depreciation and amortisation expense	5A	8,465.49	7,502.06
Finance costs	27	7,251.83	7,723.47
Other expenses	28	23,119.75	19,195.86
Total Expenses (ii)		1,37,805.21	98,237.84
Profit before Tax (i-ii)		13,506.01	1,685.17
Tax expense			
- Pertaining to Profit for the current period		2,865.59	531.00
- Tax adjustments for earlier years		(24.23)	0.13
- Deferred tax charge *		1,172.05	32.33
Total tax expense (iii)		4,013.41	563.46
Profit for the year (iv = i - ii - iii)		9,492.60	1,121.71
* Includes credit of Minimum Alternate Tax of ₹ 2865.59 lakhs (₹ 531.00 lakhs)			
Other Comprehensive Income			
Other comprehensive income not to be reclassified to Profit or Loss in subsequent periods:			
i) Re-measurement gains/(losses) on defined benefit plans		(11.35)	20.36
ii) Income tax effect on above		4.26	(7.32)
Other Comprehensive Income for the year (net of tax) (v)		(7.09)	13.04
Total Comprehensive Income for the year (iv + v)		9,485.51	1,134.75
Earnings per equity share -			
(Nominal value ₹ 10 per share (March 31, 2017: ₹ 10 per share))			
1) Basic		30.23	3.91
2) Diluted	29	30.09	3.90

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

Sd/-

Rajesh Mundhra
Company Secretary

ACS: 12991

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Consolidated Cash Flow Statement

for the Year Ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAXES	13,506.01	1,685.17
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	8,465.49	7,502.06
Sundry Balance Written Off / (written back)	216.60	(105.18)
Allowance for bad and doubtful debts	28.52	-
Amortisation of Preliminary expenses	-	2.90
Loss on sale of Fixed Assets/Discarded Assets	19.59	30.59
Employees Stock Option Expenses	223.40	228.90
Interest income	(157.53)	(248.69)
Net foreign exchange differences	(715.60)	(731.84)
Finance Costs	7,251.83	7,723.47
Operating Profit before changes in operating assets and liabilities	28,838.31	16,087.38
Changes in operating assets and liabilities:		
Increase in trade receivable	(7,080.66)	(5,809.63)
Increase in trade inventories	(7,082.58)	(7,784.59)
Decrease/(Increase) in loans	45.14	27.75
Increase in other financial assets	(2,291.81)	(971.90)
Decrease in other assets	1,005.28	1,485.90
Increase in provisions	72.08	41.33
Increase in trade payables	362.60	12,465.14
Increase in other financial liabilities	(952.11)	(613.95)
(Decrease) / Increase in other liabilities	1,766.29	(99.06)
Cash generated from operations	14,682.54	14,828.37
Direct Tax paid (net of refunds)	(2,441.55)	(471.85)
NET CASH FROM OPERATING ACTIVITIES (A)	12,240.99	14,356.52
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances)	(11,278.98)	(10,943.82)
Proceeds from sale of property, plant & equipment and intangible assets	73.44	24.54
Investments in subsidiaries	-	-
Loan & Advances given to subsidiaries	-	-
Redemption / maturity of bank deposits (having original maturity of more than three months)	85.75	(55.06)
Interest Received	157.53	248.69
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(10,962.26)	(10,725.65)

Consolidated Cash Flow Statement

for the Year Ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Share Capital including Securities Premium (Net)	19,677.76	-
Dividend paid on equity shares	(325.92)	(573.40)
Tax on equity dividend paid	(68.20)	(119.98)
Preliminary expenses	-	(2.90)
Finance Costs	(7,251.83)	(7,723.47)
Proceeds from Long Term Borrowings	3,681.79	7,859.90
Repayment of Long Term Borrowings	(8,500.22)	(11,478.32)
Short Term Borrowings (Net)	(8,481.22)	8,329.23
NET CASH OUTFLOW FROM FINANCING ACTIVITIES (C)	(1,267.84)	(3,708.94)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	10.89	(78.07)
Cash and cash equivalents at the beginning of the year (Refer Note 14a)	108.17	186.24
Cash and cash equivalents at the end of the year (Refer Note 14a)	119.06	108.17
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	10.89	(78.07)

Notes :	As at March 31, 2018	As at March 31, 2017
a) Cash and Cash Equivalents Include:		
Cash and Cash Equivalents:	5.60	6.64
i) Cash in hand		
ii) Balances with banks		
- On Current Accounts	70.95	45.05
- Deposits with original maturity of less than 3 Months	42.51	56.48
Cash and Cash Equivalents	119.06	108.17

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

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

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Cosolidated Statement of Changes in Equity

for the Year Ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

A Equity Share Capital (Refer Note 15)					
Particulars	Balance as at April 1, 2016	Issued during the year ended March 31, 2017	Balance as at March 31, 2017	Issued during the year ended March 31, 2018	Balance as at March 31, 2018
Equity Share of ₹ 10/- each issued, subscribed and fully paid	2,866.99	-	2,866.99	392.16	3,259.15
Equity Share in numbers	2,86,69,940	-	2,86,69,940	39,21,568	3,25,91,508

The Company, during the year had issued and allotted 39,21,568 equity shares of face value ₹ 10/- at an issue price of ₹ 510/- per equity share to raise ₹ 1,99,99,99,680 by way of Qualified Institutional Placement ("QIP") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 thereby increasing the Issued, Subscribed and Paid-up Capital from ₹ 2,866.99 lakhs to ₹ 3,259.15 lakhs.

B Other Equity (Refer Note 16)						
Particulars	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	General reserve	Employee Stock Options Outstanding (ESOP)	Retained earnings	
Balance as at April 1, 2016	3,546.01	18,719.81	2,198.15	146.03	18,718.26	43,328.26
Profit for the year	-	-	-	-	1,121.71	1,121.71
Other comprehensive income (net of tax)	-	-	-	-	-	-
- Re-measurement gains/(losses) on defined benefit plans	-	-	-	-	13.04	13.04
Total comprehensive income for the year	-	-	-	-	1,134.75	1,134.75
Transfer of Retained earnings to General reserve	-	-	250.00	-	(250.00)	-
ESOP cost amortized during the year	-	-	-	228.90	-	228.90
Equity Dividend for the year 2015-16 (Refer Note No. 16)	-	-	-	-	(573.40)	(573.40)
Tax on equity dividend (Refer Note No. 16)	-	-	-	-	(119.98)	(119.98)
Balance as at March 31, 2017	3,546.01	18,719.81	2,448.15	374.93	18,909.63	43,998.53
Profit for the year	-	-	-	-	9,492.60	9,492.60
Other comprehensive income (net of tax)	-	-	-	-	-	-
- Re-measurement gains/(losses) on defined benefit plans	-	-	-	-	(7.09)	(7.09)
Total comprehensive income for the year	-	-	-	-	9,485.51	9,485.51
Transfer of Retained earnings to General reserve	-	-	500.00	-	(500.00)	-
ESOP cost amortized during the year	-	-	-	223.40	-	223.40
Security premium on issue of equity share during the year	-	19,607.86	-	-	-	19,607.86
Share issue expenses adjusted	-	(322.26)	-	-	-	(322.26)
Equity Dividend for the year 2016-17 (Refer Note No. 16)	-	-	-	-	(325.92)	(325.92)
Tax on equity dividend (Refer Note No. 16)	-	-	-	-	(68.20)	(68.20)
Total comprehensive income for the year	-	19,285.60	500.00	223.40	8,591.39	28,600.39
Balance as at March 31, 2018	3,546.01	38,005.41	2,948.15	598.33	27,501.02	72,598.92

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E3000005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

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

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

1. Company Overview

Ramkrishna Forgings Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the companies act applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at 72, Shakespeare Sarani, Kolkata - 700 017, West Bengal, India.

The Company is primarily engaged in manufacturing and sale of forged components of automobiles, railway, wagons and engineering parts. The Company presently has manufacturing facilities at Jamshedpur, Gamaria, and Saraikela in Jharkhand and at Liluah in West Bengal. The consolidated financial statements comprise financial statements of the Company and its subsidiaries (Globe Forex & Travels Limited and Ramkrishna Aeronautics Private Limited (formerly known as Ramkrishna Aviation Land Systems Maritime Private Limited)), collectively ("the Group").

These consolidated financial statements were approved and authorised for issue with the resolution of the Board of Directors on May 25, 2018.

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

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

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Group had prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended, to the extent applicable) [Previous GAAP].

These consolidated financial statements for the year ended March 31, 2018 are the first the Group has prepared in accordance with "Ind-AS". Further, in accordance with the Rules, the Group has restated its Balance Sheet as at April 1, 2016 and financial statements for the year ended and as at March 31, 2017 also as per Ind-AS. For preparation of opening balance sheet under Ind-AS as at April 1, 2016, the Group has availed exemptions and first time adoption of policies in accordance with Ind-AS 101 "First-time Adoption of Indian Accounting Standards", the details of which have been explained thereof in Note 42.

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

2.2 Current v/s Non Current Classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2018.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 income taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance.

2.4 Summary of Significant Accounting Policies

a) Property, Plant and Equipment

Under Previous GAAP, all the items of property, plant and equipment were carried at historical cost less accumulated depreciation, impairment loss, if any. The Group has elected to regard those values as deemed cost as at April 1, 2016 being the date of transition to Ind AS.

All items of property, plant and equipment are stated either at historical cost i.e. cost of acquisition / construction or at deemed cost less accumulated depreciation, impairment loss, if any. Such cost includes the cost of acquisition, construction and improvement made, which are inclusive of freight, duty (net of Cenvat / Goods and service tax), taxes, incidental expenses and borrowing costs if the recognition criteria are met.

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

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

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

Type of asset	Useful lives estimated by the management (years)
Plant and machinery	10 to 40
Furniture and fixtures	8 to 10
Air Conditioning Machines	10
Dies & Moulds	10

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

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

b) Intangible assets

Under Previous GAAP, all the items of intangible assets were carried at historical cost less accumulated depreciation, impairment loss, if any. The Group has elected to regard those values as deemed cost as at April 1, 2016 being the date of transition to Ind AS.

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation, impairment loss, if any. Computer Software for internal use, which is primarily acquired from third party vendors, is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation / system integration services, where applicable.

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

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

c) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). 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.

d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales tax including goods and service tax and other indirect taxes excluding Excise Duty. The Group has concluded that it is the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax / value added tax (VAT) / goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

Sale of Products

- a. Revenue from domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- b. Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of Services

When the Group acts as an agent, revenue is recognized as gross inflow of economic benefit net of amount collected on behalf of principal as the Group does not assume any performance obligation post the provision of the services as an agent. Commission on tickets and service charges from customers are recognised net of purchase on sales of the tickets.

Income from tour packages and Meeting Incentive Conference and Events (MICE) is recognised as and when booking is confirmed on gross basis when the risks and responsibilities are taken by the Group including the responsibility for delivery of services.

Export incentives

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

Interest Income

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

Dividend Income

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

Die design and preparation charges

Revenues from die design and preparation charges are recognized as per the terms of the contract as and when the significant risks and rewards of ownership of dies are transferred to the buyers.

e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the Statement of Profit and Loss over the expected useful life of the asset(s) concerned.

Government grants such as for sales tax, export benefit scheme and other grants, for which related costs are recognised as expense, are recognised in the Statement of Profit and Loss as a part of other operating revenues.

f) Inventories

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

- (i) **Raw materials, Stores and Spares:** These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average method.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(ii) **Finished goods and work in progress:** These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average method.

(iii) **Scrap:** Scrap is valued at Net Realisable Value.

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

g) Financial Instruments

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

Financial Assets

Initial recognition and measurement:

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

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

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

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

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

i. Financial assets measured at amortized cost:

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

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

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer Note 37 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

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

ii. Financial assets measured at FVTOCI:

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

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

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

iii. Financial assets measured at FVTPL:

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

This is a residual category applied to all other investments of the Group. (Refer Note 37 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

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

- i. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- ii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iii. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

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

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

Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has increased, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer an increase in credit risk since initial recognition, the Group reverses the impairment loss allowance.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

Financial Liabilities

Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method (Refer Note 37 for further details).

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

Derecognition:

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

h) Fair Value

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

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

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

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

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

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

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

i) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

resources embodying economic benefits is not probable. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

j) **Foreign Currency Transactions and Balances**

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

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

k) **Income Taxes**

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

Current Income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

Deferred tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

l) Provisions and Contingencies

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

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

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

m) Cash and Cash Equivalents

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

n) Employee Benefits

Short Term Employee Benefits:

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

Post-Employment Benefits:

I. Defined Contribution plans:

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

II. Defined Benefit plans:

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

Other long-term employee benefit obligations

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

o) Employee Stock Options Scheme/ Share based payments

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

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

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

p) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

q) Research and Development

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

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

r) Borrowing Cost

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred.

s) Events after Reporting date

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

t) Earnings Per Share

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

3. Key Accounting Estimates & Judgements

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

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

a. Income taxes

Deferred tax assets are recognised for unused tax losses / MAT carry forward to the extent is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies including amount expected to be paid / recovered for uncertain tax positions (Refer Note 10).

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

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

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Defined Benefit Plans

Post-employment benefits represents obligation that will be settled in future and require assumptions to project benefit obligations. Post-employment benefits accounting is intended to reflect the recognition of future benefits cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations, funding requirements and benefit costs incurred. Refer Note 39.

d. Fair value measurement of Financial Instruments

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

e. Provisions and Contingencies

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Freehold Land (Including cost of Development)	Factory Shed and Building	Office Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Computer	Air Conditioning Machines	Dies & Moulds	Total
4. Property, plant and equipment											
Cost											
As at April 1, 2016 (Refer Note below)	1,734.69	8,415.17	4,634.28	77,508.93	1,905.92	374.65	97.22	393.46	525.60	2,539.29	98,129.21
Additions	-	77.28	49.96	7,854.33	215.28	141.03	12.35	49.91	19.53	2,488.71	10,908.38
Disposals/ deductions	-	-	-	95.42	-	46.56	14.73	1.45	-	-	158.16
As at March 31, 2017	1,734.69	8,492.45	4,684.24	85,267.84	2,121.20	469.12	94.84	441.92	545.13	5,028.00	1,08,879.43
Additions	12.13	161.37	50.26	10,064.25	216.46	104.00	14.99	39.05	7.90	2,988.06	13,658.47
Disposals/ deductions	-	-	-	108.29	-	37.24	-	-	-	-	145.53
As at March 31, 2018	1,746.82	8,653.82	4,734.50	95,223.80	2,337.66	535.88	109.83	480.97	553.03	8,016.06	122,392.37
Depreciation											
As at April 1, 2016 (Refer Note below)	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	301.33	167.79	5,853.85	283.96	73.20	36.90	134.77	65.66	473.61	7,391.07
Disposals/ deductions	-	-	-	53.56	-	22.27	11.51	0.83	-	-	88.17
As at March 31, 2017	-	301.33	167.79	5,800.29	283.96	50.93	25.39	133.94	65.66	473.61	7,302.90
Charge for the year	-	296.16	161.01	6,792.26	284.83	76.72	22.53	121.93	64.57	515.60	8,335.61
Disposals/ deductions	-	-	-	32.13	-	20.37	-	-	-	-	52.50
As at March 31, 2018	-	597.49	328.80	12,560.42	568.79	107.28	47.92	255.87	130.23	989.21	15,586.01
Net Block											
As at April 1, 2016	1,734.69	8,415.17	4,634.28	77,508.93	1,905.92	374.65	97.22	393.46	525.60	2,539.29	98,129.21
As at March 31, 2017	1,734.69	8,191.12	4,516.45	79,467.55	1,837.25	418.19	69.45	307.98	479.47	4,554.39	1,01,576.53
As at March 31, 2018	1,746.82	8,056.33	4,405.70	82,663.38	1,768.87	428.60	61.91	225.10	422.81	7,026.85	1,06,806.36
a. The Group has availed the exemption under Ind AS 101 and has considered previous GAAP carrying amount as the deemed cost for the opening balance sheet as at April 1, 2016. Also Refer Note 40. Accordingly the Gross block of each class of Property, plant and equipment has been netted off with their respective accumulated depreciation balances as at April 1, 2016 under Previous GAAP to arrive at the deemed cost for the purpose of opening Ind AS balance sheet.											
Gross Block	1,734.69	9,320.66	4,871.52	95,772.43	2,671.80	538.39	271.27	1,003.67	646.67	2,539.29	119,370.39
Accumulated depreciation	-	905.49	237.24	18,263.50	765.88	163.74	174.05	610.21	121.07	-	21,241.18
Net Block	1,734.69	8,415.17	4,634.28	77,508.93	1,905.92	374.65	97.22	393.46	525.60	2,539.29	98,129.21

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

4. Property, plant and equipment	For the year ended	
	March 31, 2018	March 31, 2017
i) Details of expenditure on New / Expansion projects pending allocation and included in Capital work in progress		
Salaries, Wages & Allowances	669.11	124.38
Power and Fuel	155.97	88.34
Stores, Spares Consumed	949.17	81.92
Raw materials	-	416.08
Interest / Bank Charges *	197.32	90.86
Miscellaneous Expenses	71.34	19.24
Travelling Expenses	1.98	7.14
Net (gain) / loss on foreign currency transactions and translation	1,429.99	(824.12)
Professional Fees/ Consultancy	276.40	49.07
Total	3,751.28	52.91
Less: Preoperative Income & Stock of Scrap	-	218.54
	3,751.28	(165.63)
Add: Balance brought forward from previous year	155.11	279.60
	3,906.39	113.97
Less: Allocated to property, plant and equipment during the year **	3,042.82	(41.14)
Balance Carried forward	863.57	155.11

* Includes borrowing costs capitalised ₹ 52.95 lakhs (March 31, 2017 : ₹ 193.65 lakhs)

** Includes Net (gain) / loss on foreign currency transactions and translation costs capitalised ₹ 1,429.99 lakhs [March 31, 2017 : ₹ (824.12) lakhs]

ii) For lien / charge against property, plant and equipment, refer Note 17.

5. Intangible Assets	Computer Software	Online Portal Website Development	Total
Cost			
As at April 1, 2016 (Refer Note below)	277.11	5.81	282.92
Additions	185.74	-	185.74
Disposals/ deductions	-	-	-
As at March 31, 2017	462.85	5.81	468.66
Additions	24.84	-	24.84
Disposals/ deductions	-	-	-
As at March 31, 2018	487.69	5.81	493.50
Depreciation			
As at April 1, 2016 (Refer Note below)	-	-	-
Charge for the year	109.29	1.70	110.99
Disposals/ deductions	-	-	-
As at March 31, 2017	109.29	1.70	110.99
Charge for the year	129.31	0.57	129.88
Disposals/ deductions	-	-	-
As at March 31, 2018	238.60	2.27	240.87
Net Block			
As at April 1, 2016	277.11	5.81	282.92
As at March 31, 2017	353.56	4.11	357.67
As at March 31, 2018	249.09	3.54	252.63

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

- a. The Gross block of Intangibles has been netted off with their respective accumulated amortization balances as at April 1, 2016 under Previous GAAP as given below to arrive at the deemed cost for the purpose of opening Ind AS balance sheet. Also Refer Note 40.

Intangible Assets	Computer Software	Online Portal Website Development	Total
Gross Block	700.55	10.50	711.05
Accumulated amortization	423.44	4.69	428.13
Net Block	277.11	5.81	282.92

5. (A) Depreciation and amortization expenses	For the year ended	
	March 31, 2018	March 31, 2017
Depreciation of Property, plant and equipment	8,335.61	7,391.07
Amortization of Intangible assets	129.88	110.99
Total	8,465.49	7,502.06

6. Investments (Non-current)	Face Value per share (₹)	Number of shares			Amount		
		March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Investments (other body corporate)							
At fair value through other comprehensive income							
Unquoted equity instruments (fully paid)							
- Adityapur Auto Cluster	1,000	1,050	1,050	1,050	10.50	10.50	10.50
Total					10.50	10.50	10.50
Aggregate value of unquoted investments					10.50	10.50	10.50

Additional Information:

- a) These investments in equity instruments are not held for trading. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for long term investments, then reflecting changes in fair values immediately in statement of profit and loss. Based on the aforesaid election, fair value changes are accumulated within Equity under "Fair Value changes through Other Comprehensive Income - Equity Instruments". The Group transfers amounts from this reserve to retained earnings when relevant equity shares are derecognized.
- b) Refer Note 36 for information about fair value measurements.

7. Trade receivables	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
At amortised cost			
Considered good	51,494.28	44,379.22	38,813.03
Less: Allowance for expected credit loss	(28.52)	-	-
	51,465.76	44,379.22	38,813.03

7.1: Trade receivables are non-interest bearing and are generally received within 180 days.

7.2: The carrying amount of trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in Note 37A

7.3: No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

7.4: The carrying amount of trade receivables includes receivables which are discounted with bank on recourse basis. The Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Company has retained the late payment and credit risk. Accordingly, the Company continues to recognise the transferred assets in entirety in its balance sheet. The amount repayable under the bill discounting arrangement are presented as borrowings. The relevant carrying amounts are as follows:

7.5: For lien / charge against trade receivables, refer Note 17.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Transferred receivables	9,052.79	9,079.92	4,983.16
Associated borrowings (Refer Note 17)	9,052.79	9,079.92	4,983.16

8. Loans (Unsecured, considered good)	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost						
Security deposits	1,162.98	1,171.04	1,182.73	20.49	20.49	60.71
Loan to Employees	59.26	86.47	81.76	86.06	95.94	76.49
	1,222.24	1,257.51	1,264.49	106.55	116.43	137.20

8.1. No loans and advances are due from directors or other officers of the Group either severally or jointly with any other person.

9. Other Financial Assets (Unsecured, considered good)	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost						
Accrued Interest	25.93	-	-	87.61	85.27	86.76
Government Grant receivable	-	-	-	2,000.00	-	-
Incentives Receivable from Airlines and CRS System	-	-	-	188.34	285.31	249.67
Others #	-	1,385.95	-	1,828.24	112.62	13.85
At FVTPL						
Foreign - exchange forward contracts	-	-	-	-	-	547.29
Interest rate swaps	-	-	-	31.20	-	-
	25.93	1,385.95	-	4,135.39	483.20	897.57

Includes Claims receivable and Job Works receivable etc.

9.1. Refer note 36 for determination of fair value

10. Taxes	Non-current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Assets			
i) Deferred Tax			
Deferred Tax Liabilities			
Depreciation and Amortization Expenses	12,266.28	10,577.20	7,878.39
On Others	-	358.03	421.05
Gross Deferred Tax Liabilities	12,266.28	10,935.23	8,299.44

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

10. Taxes	Non-current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Assets			
On Retirement benefits expenses	211.77	74.49	71.52
Business loss including unabsorbed depreciation	2,003.18	4,863.59	2,678.59
MAT entitlement receivable [Refer Note (a) below]	6,650.91	3,803.78	3,262.45
On Others	15.51	-	122.84
Gross Deferred Tax Assets	8,881.37	8,741.86	6,135.40
Deferred Tax Liabilities (Net)	3,384.91	2,193.37	2,164.04

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

	Year ended	
	March 31, 2018	March 31, 2017
ii) Tax expenses		
a) Income-tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current tax on profits for the year	2,865.59	531.00
Adjustments for current tax for earlier years	(24.23)	0.13
Total current tax expense	2,841.36	531.13
Deferred Tax		
Origination and reversal of temporary differences	1,172.05	32.33
Total deferred tax expense (benefit)	1,172.05	32.33
Income-tax expense reported in the Statement of Profit and Loss	4,013.41	563.46
b) Income-tax expense on other comprehensive income		
Current Tax - Remeasurement of post employment defined benefit obligation	-	-
Total current tax expense	-	-
Deferred tax - Remeasurement of post employment defined benefit obligation	4.26	(7.32)
Total deferred tax (expense) / benefit recognised in Other Comprehensive Income	4.26	(7.32)
Income-tax expense recognised in other comprehensive income	4.26	(7.32)
c) Reconciliation of statutory rate of tax and the effective rate of tax		
Profit before income tax	13,506.01	1,685.17
Enacted Income tax rate in India applicable to the Company	34.608%	34.608%
Tax on Profit before tax at the enacted Income tax rate in India	4,674.16	583.20
Adjustments:		
Tax effect of amounts which are not deductible / (not taxable) in calculating taxable income:		
Items not deductible	59.66	37.94
Incentives / additional benefits allowable under Income-tax Act	(531.91)	-
Income tax (write back) / charge in respect of earlier years	(29.85)	0.13
Change in deferred tax balances due to change in income tax rate	45.10	-
Other items	(203.73)	(57.81)
Total Income tax expense	4,013.42	563.46

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

11. Current Taxes		Current		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Current tax asset				
Income Tax Refundable		299.28	299.97	261.93
		299.28	299.97	261.93
b) Current tax liabilities				
Provision during the year		2,865.59	-	-
Less: Amount paid during the year		(2,454.52)	-	-
		411.07	-	-

12. Other assets (Unsecured, considered good)		Non-current			Current		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Capital advances		1,936.78	278.79	2,232.79	-	-	-
b) Advance other than capital advances							
- Advance to suppliers		-	-	-	1,015.95	1,605.07	962.08
- Advance to employees					11.35	4.42	1.86
c) Others							
- Prepaid expenses		52.83	178.73	135.81	300.26	385.52	275.02
- Export incentives receivable		-	-	-	750.20	804.40	1,280.39
- Balance with Government Authorities		51.81	51.81	51.82	2,139.02	3,939.91	3,754.76
- Leasehold prepayment		4.40	4.40	4.48	71.24	75.65	80.05
- Subsidy receivable		-	-	-	-	-	42.82
		2,045.82	513.74	2,424.89	4,288.03	6,814.97	6,396.98

13. Inventories (Valued at lower of cost and net realisable value)		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
Raw Materials		8,367.23	3,695.59	2,644.05
Work in Progress		12,893.61	12,990.42	7,523.86
Finished Goods		415.03	240.27	81.32
Vendor Managed Inventories @		-	8.56	30.60
Stores & spares (including packing materials) #		6,996.99	5,405.91	4,284.34
Forgings Scrap		1,265.93	515.46	507.45
Total		29,938.79	22,856.21	15,071.62

@ Includes goods-in-transit Nil (March 31, 2017: ₹ 6.39 lakhs and April 1, 2016 Nil)

Includes goods-in-transit ₹ 123.19 lakhs (March 31, 2017: Nil and April 1, 2016 Nil)

Entire inventory has been hypothecated as security against certain bank borrowings of the Group as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively. For more details of lien / charge against inventories, refer Note 17.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

14. a) Cash and Cash Equivalents:	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
i) Cash in hand	5.60	6.64	10.07
ii) Balances with banks			
- On Current Accounts	70.95	45.05	34.12
- Deposits with original maturity of less than 3 months	42.51	56.48	142.05
Cash and Cash Equivalents	119.06	108.17	186.24
b) Other Bank Balances:			
- Earmarked balances (On unclaimed dividend accounts)	1.15	1.51	1.19
- Fixed deposits with original maturity of more than 3 months but less than 12 months	-	85.75	30.69
Other Bank Balances	1.15	87.26	31.88
Cash and Bank balances (a + b)	120.21	195.43	218.12

Changes in liabilities arising from financing activities

Particulars	April 01, 2017	Cash Flows	Changes in Fair value	Others*	March 31, 2018
Current borrowings **	45,180.22	(8,481.22)	-	-	36,699.00
Non current borrowings (Including current maturities of long term debts (Refer Note 19))	50,490.23	(4,818.43)	392.81	1,740.48	47,805.09
Total liabilities from financing activities	95,670.45	(13,299.65)	392.81	1,740.48	84,504.09

* Represents the impact of foreign exchange reinstatement on foreign currency borrowing as at March 31, 2018.

** Includes discounted trade receivable on recourse basis (Refer Note 17.1.)

15. Equity share capital	Number of shares					
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised capital						
Equity shares of ₹ 10 each	3,32,50,000	2,97,50,000	2,97,50,000	3,325.00	2,975.00	2,975.00
				3,325.00	2,975.00	2,975.00
Issued, subscribed and fully paid-up						
Equity shares of ₹ 10 each	3,25,91,508	2,86,69,940	2,86,69,940	3,259.15	2,866.99	2,866.99
				3,259.15	2,866.99	2,866.99

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Equity Shares with voting rights	Number of shares			
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
At the beginning of the year	2,86,69,940	2,86,69,940	2,866.99	2,866.99
Issued during the year (refer Note e)	39,21,568	-	392.16	-
At the end of the year	3,25,91,508	2,86,69,940	3,259.15	2,866.99

b) Terms / Rights attached to Equity 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 March 31, 2018, the Board of Directors of the Company has recommended dividend of ₹ 1/- per share (March 31, 2017: ₹ 1/- per share) to equity shareholders aggregating ₹ 325.92 lakhs (March 31, 2017: ₹ 286.70 Lakhs). Proposed

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

dividend is recognised in the year in which it is approved by the shareholders.

- c) The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries / associates.

d) Details of shareholders holding more than 5% shares in the Company :

Equity shares of ₹ 10 each fully paid up	% holding			No of shares		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Riddhi Portfolio Private Limited.	22.38%	25.42%	25.42%	72,93,419	72,88,319	72,88,319
Eastern Credit Capital Private Limited.	17.24%	19.60%	19.60%	56,18,500	56,18,500	56,18,500
Amansa Holdings Private Limited.	7.28%	-	-	2,37,440	-	-

- e) The Company, during the year, had issued and allotted 39,21,568 equity shares of face value ₹ 10/- at an issue price of ₹ 510/- per equity share to raise ₹ 1,99,99,99,680 by way of Qualified Institutional Placement ("QIP") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 thereby increasing the Issued, Subscribed and Paid-up Capital from ₹ 2,866.99 lakhs to ₹ 3,259.15 lakhs.

The purpose of fund raising was for capital expenditure for ongoing and future expansion projects, acquisition, working capital, repayment of loans and for general corporate purposes.

The expenses incurred in relation to QIP amounting to ₹ 322.26 lakhs has been adjusted from Securities Premium Account during the year ended March 31, 2018. The balance proceeds of ₹ 19,677.73 lakhs has been utilized for the purpose as mentioned above.

- f) The Company during the preceding 5 years -
- has not allotted shares pursuant to contracts without payment received in cash.
 - has not allotted shares as fully paid up by way of bonus shares
 - has not bought back any shares
- g) There are no calls unpaid by Directors / Officers of the Company.
- h) The Company has not converted any securities into equity shares / preference shares during the above financial years.
- i) The Company has not forfeited any shares during the above financial years.

16. Other equity	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Capital reserves (Refer note a)	3,546.01	3,546.01	3,546.01
Securities Premium Account (Refer note b)	38,005.41	18,719.81	18,719.81
General reserve (Refer note c)	2,948.15	2,448.15	2,198.15
Employee's Stock Options Outstanding Account (Refer note d)	598.33	374.93	146.03
Retained earnings (Refer note e)	27,501.02	18,909.63	18,718.26
Total	72,598.92	43,998.53	43,328.26

a) Capital Reserve

This reserve had been created on account of capital subsidy received in the form of sales tax refund under Jharkhand Industrial Policy, 2001 and on account of forfeiture of share warrants money.

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	3,546.01	3,546.01
Add: Changes during the year	-	-
Closing Balance	3,546.01	3,546.01

b) Securities Premium Reserve

Securities Premium Account is used to record the premium on issue of shares. The same is utilised in accordance with the

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

provisions of The Companies Act, 2013.

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	18,719.81	18,719.81
Add: Received on allotment of equity shares by way of Qualified institutional placement	19,607.86	-
Less: Share issue expenses adjusted @ #	(322.26)	-
Closing Balance	38,005.41	18,719.81

@ Includes amount paid to erstwhile statutory auditors amounting to ₹ 8.00 Lakhs

Includes payment to a firm of solicitors in which a director is a partner amounting to ₹ 35.36 Lakhs

c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	2,448.15	2,198.15
Add: Amount transferred from Retained earnings	500.00	250.00
Closing Balance	2,948.15	2,448.15

d) Employee's Stock Options Outstanding Reserve (ESOP)

Employee's Stock Options Outstanding is a stock option guaranteed to specified employees of the Company. It offers option's holder the right but not an obligation to purchase shares of the Company on fulfilment of conditions mentioned in ESOP scheme at the price decided at the time of grant of options. (Refer Note 30)

	Year ended	
	March 31, 2018	March 31, 2017
Opening balance	374.93	146.03
Add: ESOP cost amortised during the year	223.40	228.90
Closing Balance	598.33	374.93

e) Retained earnings

	Year ended	
	March 31, 2018	March 31, 2017
Balance at the beginning of the year	18,909.63	18,718.26
Add: Profit for the year	9,492.60	1,121.71
Add: Other Comprehensive Income for the year (net of tax)	(7.09)	13.04
	28,395.14	19,853.01
Less: Transfer to General Reserve	(500.00)	(250.00)
Less: Final equity dividend of previous year	(325.92)	(573.40)
Less: Tax on final equity dividend of previous year	(68.20)	(119.98)
	27,501.02	18,909.63

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

17. Borrowings	Non-current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost			
Secured			
Term Loans From banks			
- Domestic currency loans	23,996.24	18,769.28	17,159.76
- Foreign currency loans	19,254.76	22,566.58	25,477.38
- Buyers line of credit	4,429.83	8,982.27	9,734.35
- Auto car loan	124.26	172.10	141.04
Unsecured			
Term Loans from banks			
- Domestic currency loans	-	-	2,500.00
Total	47,805.09	50,490.23	55,012.53
Less: Current maturities of long term debts (Refer Note 19)	9,197.26	8,159.12	5,136.25
Total	38,607.83	42,331.11	49,876.28

	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Repayable on demand :			
From banks			
- Cash Credit	770.98	6,100.86	2,419.79
- Working Capital Demand / Short Term Loans	4,182.87	13,248.52	14,924.61
- Foreign Currency Non-Resident (FCNR) Loans	-	5,188.10	-
- Packing Credit	17,592.33	9,615.62	10,742.17
- Bill discounting (Refer Note 17.1)	9,052.79	9,079.92	4,983.16
Unsecured			
Repayable on demand :			
From banks			
- Working Capital Demand / Short Term Loans	2,532.20	1,530.38	1,500.00
- Packing Credit	-	416.82	2,450.92
- From other parties	-	-	49.72
- Bill discounting (Refer Note 17.2)	2,567.83	-	-
Total	36,699.00	45,180.22	37,070.37

17.1. The Group has discounted trade receivable on recourse basis of ₹ 9,052.79 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 9,079.92 lakhs and April 01, 2016: ₹ 4,983.16 Lakhs). Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. These are secured against the underlying debtors. Subsequent to the Balance sheet date, such balances have been fully realised by the bank. As on date the Group is not availing the above facility. Also refer Note 7.4.

17.2. Represents purchase bill discounted with bank ₹ 2,567.83 lakhs (March 31, 2017: ₹ Nil and April 01, 2016: ₹ Nil)

17.3 The Group has taken borrowings in domestic and foreign currencies towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprise funding arrangements from various banks. The Group's total secured borrowings and a summary of security provided by the Group are as follows -

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured long term borrowings	47,805.09	50,490.23	52,512.53
Secured short term borrowings	31,598.97	43,233.02	33,069.73
Total secured borrowings	79,404.06	93,723.25	85,582.26

Facility Category	Security Details	Payment frequency	March 31, 2018	March 31, 2017	April 1, 2016
Rupee Term Loans	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 Group excluding those assets for which there is an exclusive charge of other bankers and subject to charges of the Group's bankers created / to be created in their favour for working capital loans. Collateral Security: It is further secured by the second charge on the current assets of the Group, both present and future, excluding hundies of a Customer discounted by State Bank of India.	Repayable in balance 177 quarterly instalments	18,748.55	17,817.29	17,159.76
Buyers Line of Credit *			4,429.82	8,982.27	9,734.35
Foreign Currency Term Loans		i) Repayable in balance 6 half yearly instalments ii) Repayable in balance 21 quarterly instalments.	11,057.69	14,642.13	15,726.86
Rupee Term Loan	Term loans (except those which are having exclusive charge) are secured by way of first pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Group excluding those assets for which there is an exclusive charge of other bankers and subject to charges of the Group's bankers created / to be created in their favour for working capital loans. It is also secured by exclusive charge on the office building at 72, Shakespeare Sarani, Kolkata-700017. Collateral Security: It is further secured by the second charge on the current assets of the Group, both present and future, excluding hundies of a customer discounted by State Bank of India.	Repayable in balance 18 quarterly instalments	4,942.58	-	-
Rupee Term Loan	Exclusive charge on the assets financed by the bank.	Repayable in balance 4 quarterly instalments	348.59	952.00	-

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Facility Category	Security Details	Payment frequency	March 31, 2018	March 31, 2017	April 1, 2016
Foreign Currency Term Loan	Term Loan is secured by the exclusive first charge on the 125 MN Front Axles, Crankshafts, and Stub Axle (four at a time) Forging Press Line imported from SMS,Gmbh.	Repayable in balance 13 half yearly instalments	8,153.60	7,924.45	9,750.51
Auto Loans	Secured by the exclusive first charge on the asset financed by the banks.	Repayable in balance 134 monthly instalments	124.26	172.10	141.04
Cash Credit	Working capital loans from banks are secured by first pari-passu charge on current assets of the Group, both present and future, excluding hundies of a customer discounted by State Bank of India, subject to prior charges in favour of banks created/ to be created in respect of any existing / future financial assistance / accommodation which has been/may be obtained by the Group. Collateral Security : Second pari-passu charge over all immovable and moveable fixed assets, both present and future, of the Group excluding assets which are exclusively charged to other lenders.	On demand	770.98	6,100.86	2,419.79
Packing Credit Loan in Foreign Currency		On demand	15,992.33	9,115.62	9,197.58
Packing Credit Loan in INR.		On demand	1,600.00	500.00	1,544.60
Foreign Currency Non-Resident (FCNR) Loans		On demand	-	5,188.10	-
Working Capital Demand Loan / Short term Loan		On demand	2,000.00	11,129.95	13,050.00
Working Capital Demand Loan / Short term Loan	The Working Capital loan from Axis Bank Limited are secured by first Pari-passu charge on current assets of the Group, both present and future and equitable mortgage of immovable property at Premises No. 8, Ho Chi Minh Sarani, P.S.-Shakespeare Sarani under Kolkata Municipal Corporation, Kolkata-700 071. Working Capital loan from RBL Bank Limited are secured by first Pari-passu charge on current assets of the Group, both present and future.	On demand	2,182.87	2,118.56	1,874.61
Bill Discounting	Exclusive Charge on bills of underlying customer for the hundies discounted by the Bank.	On demand	9,052.79	9,079.92	4,983.16
			79,404.06	93,723.25	85,582.26

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

17.4. Terms of repayment of total borrowings outstanding as of March 31, 2018 are provided below:

Borrowings	Range of Effective Interest Rate	<=1 year	1-3 years	3-5 Years	>5 years
Domestic Currency Term Loan*	9.00 - 11.50	3,698.52	7,626.84	10,195.42	7,125.72
Auto Loan	8.25 - 9.35	61.87	62.38	-	-
Foreign Currency Term Loan	1.25 - 6.53	5,436.87	9,651.70	2,645.39	1,984.04
Cash Credit	9.65 - 11.05	770.98	-	-	-
Working Capital Demand Loan/ Short term Loan	8.60 - 8.70	6,715.07	-	-	-
PCFC	1.80- 4.45	15,992.33	-	-	-
PCFC in INR	5.85	1,600.00	-	-	-
Bill Discounting - SBI	NA	9,052.79	-	-	-
Bill Discounting - IDFC	8.9	2,567.83	-	-	-
* It includes Buyer Credit		45,896.26	17,340.92	12,840.81	9,109.76

* It includes Buyer Credit

The above maturity is based on the total principal outstanding gross of the processing fees and charges.

18. Trade payables	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
At amortised cost	12.71	155.61	1.35
Total outstanding due of micro and small enterprises (Refer Note 34)	30,057.99	29,868.93	17,942.40
Total outstanding due of creditors other than micro and small enterprises	30,070.70	30,024.54	17,943.75

Trade payables are non- interest bearing and are normally settled upto 90 days credit terms.

19. Other financial liabilities	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At amortised cost						
Employee related dues	-	-	-	1,288.20	1,050.54	1,007.17
Interest accrued but not due on borrowings	-	-	-	387.48	312.82	320.62
Payable for capital goods	-	-	-	3,188.05	3,604.98	3,489.13
Current maturities of long-term borrowings (Refer Note 17)	-	-	-	9,197.26	8,159.12	5,136.25
Unpaid dividends @1	-	-	-	1.15	1.51	1.19
Other financial liabilities @2	-	1,017.48	1,045.29	1,422.54	534.61	2,431.98
At FVTPL						
Foreign - exchange forward contracts	-	-	-	44.40	1,251.74	-
Interest rate swaps	-	-	-	-	75.04	527.95
	-	1,017.48	1,045.29	15,529.08	14,990.36	12,914.29

@1 Appropriate transfers have been made by the Group to the Investor Education and Production Fund during the year. There are no amounts due and outstanding to be credited to be Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

@2 Other financial liabilities includes liabilities for expenses, claims payable etc.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

19.1. Refer Note 36 for determination of fair value

20. Provisions	Non-current			Current		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Provision for gratuity (Refer Note 39)	7.45	7.01	0.91	86.90	59.34	57.00
Provision for compensated absences	-	-	-	224.08	192.94	160.04
	7.45	7.01	0.91	310.98	252.28	217.04

21. Other Liabilities	Non-current			Current		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Advance from customers	-	-	-	359.18	88.82	117.43
Statutory dues payable	-	-	-	273.95	540.08	394.98
	-	-	-	633.13	628.90	512.41
Government grants #						
Opening balance	2,064.17	2,302.12	-	237.95	108.05	-
Reclassified from non-current to current	(237.96)	(237.95)	-	237.96	237.95	-
Accrued during the year	2,000.00	-	-	-	-	-
Released to Statement of Profit and Loss	-	-	-	(237.96)	(108.05)	-
Closing balance	3,826.21	2,064.17	2,302.12	237.95	237.95	108.05
	3,826.21	2,064.17	2,302.12	871.08	866.85	620.46

Represents Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) scheme on purchase of property, plant and equipment accounted for as Government grant and being amortised over the useful life of such assets.

22. Revenue from operations	For the year ended	
	March 31, 2018	March 31, 2017
Sale of products **	1,42,306.01	91,239.13
Sale of services		
- Job Work	11.37	204.94
- Sale of Air Tickets and Other Receipts	4,611.69	3,093.49
- Commision & Incentives	931.37	887.89
Other operating revenues	-	-
- Die design and preparation charges	288.04	1,615.18
- Export incentives	1,844.24	1,321.01
- Foreign exchange difference on operating assets and liabilities	659.49	715.95
- Subsidies	223.51	108.05
	1,50,875.72	99,185.64

** Post the applicability of Goods and Service Tax (GST) with effect from July 1, 2017, Revenue from Operations are required to be disclosed net of GST in accordance with the requirements of Ind AS. Accordingly sales of products of the Group for the year ended March 31, 2018 include excise duty collected on sales for the period from April 1, 2017 to June 30, 2017 and sale of products for the previous year ended March 31, 2017 includes excise duty collected on sale for the whole year. Revenue for the period upto June 30, 2017. was inclusive of Excise Duty of ₹ 1,785.77 lakhs (March 31, 2017: ₹ 7,113.45 lakhs)

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

23. Other income	For the year ended	
	March 31, 2018	March 31, 2017
Interest Income on		
- Financial assets, recognised at amortised cost	164.37	113.43
- Income Tax Refund	1.55	5.44
Other non-operating income		
- Miscellaneous Balances written back	22.26	19.93
- Foreign exchange difference on non-operating assets and liabilities	165.19	523.74
- Miscellaneous Income	82.13	74.83
	435.50	737.37
24. Cost of material consumed	For the year ended	
	March 31, 2018	March 31, 2017
Inventory at the beginning of the year (Refer Note 13)	3,695.59	2,644.05
Add: Purchases	77,844.74	43,243.87
	81,540.33	45,887.92
Less: Inventory as at end of the year (Refer Note 13)	8,367.23	3,695.59
Cost of Raw Materials consumed	73,173.10	42,192.33
25. (Increase) in Inventories of Finished Goods and Work in Progress	For the year ended	
	March 31, 2018	March 31, 2017
Inventory at the beginning of the year (Refer Note 13)		
Work-in-progress	12,990.42	7,523.86
Forging scrap	515.46	507.45
Finished goods	240.27	81.32
Vendor managed inventories	8.56	30.60
	13,754.71	8,143.23
Inventory at the end of the year (Refer Note 13)		
Work-in-progress	12,893.61	12,990.42
Forging scrap	1,265.93	515.46
Finished goods	415.03	240.27
Vendor managed inventories	-	8.56
	14,574.57	13,754.71
Add: Excise duty on (increase) / decrease in stock	(83.94)	18.52
Less: Stock of trial run production	-	194.27
Add: Inventory loss on trial run during the year.	(891.26)	-
	(1,795.06)	(5,398.69)
26. Employee benefits expense	For the year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and bonus (including managing and whole time director's remuneration)	8,346.30	7,481.31
Contribution to provident & other funds	488.05	423.17
Gratuity expense (Refer Note 39)	102.30	124.00
Employees stock option plan (Refer Note 30)	223.40	228.90
Staff welfare expenses	276.09	302.75
	9,436.14	8,560.13

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

27. Finance costs	For the year ended	
	March 31, 2018	March 31, 2017
Interest expenses	5,754.38	6,469.81
Other borrowing costs	1,497.45	1,253.66
	7,251.83	7,723.47

28. Other expenses	For the year ended	
	March 31, 2018	March 31, 2017
Carriage inward expenses	283.04	273.11
Consumption of stores and spares (Including packing materials)	7,028.90	6,176.83
Processing charges	5,347.61	4,364.81
Repairs and maintenance		
- Plant & machinery	432.34	348.98
- Factory shed & building	95.69	85.55
- Others	404.42	398.04
Rent (Refer Note 31)	85.48	88.22
Rates & taxes	86.46	18.85
Business Promotion expenses	8.72	31.80
Insurance	410.20	377.35
Director sitting fees & commission	20.15	20.05
Bank charges & commission	85.36	89.11
Postage, telegraph & telephone	105.61	102.40
Legal & professional fees ^a	563.55	461.36
Travelling & conveyance expenses	953.12	794.64
Advertisement	19.60	30.03
Payment to auditors ^b	55.56	44.67
Brokerage & commission expenses	101.52	126.68
Vehicle running expenses	87.50	96.67
Carriage outward expenses	1,304.33	957.40
Export expenses	4,163.58	3,078.17
Sundry balances written off / (written back) (Net)	238.86	(85.25)
Loss on Sales / Discarded Assets (Net)	19.59	30.59
Allowance for bad and doubtful debts	28.52	-
Miscellaneous expenses	1,190.04	1,285.80
	23,119.75	19,195.86

a. Legal and professional expenses include payment to a firm of solicitors in which a director is a partner	-	3.05
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Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2018	March 31, 2017
b. Details of payment to auditors:		
Statutory Auditors:		
Audit Fees	26.00	23.20
Tax Audit Fees	3.00	3.30
Limited Review *	13.65	6.60
For other Services **	3.95	3.60
Out of Pocket Expenses ***	1.71	0.27
	48.31	36.97

* ₹ 1.65 Lakhs paid to erstwhile auditors.

** ₹ 2.95 Lakhs paid to erstwhile auditors.

*** ₹ 0.83 Lakh paid to erstwhile auditors.

29. Earnings per equity share (EPS)	For the year ended	
	March 31, 2018	March 31, 2017
Numerator for basic and diluted EPS		
Net profit after tax attributable to shareholders (in ₹) (A)	9,492.60	1,121.71
Denominator for basic EPS		
- Weighted average number of equity shares for basic EPS (B)	3,13,98,921	2,86,69,940
Denominator for diluted EPS		
- Weighted average number of equity shares for diluted EPS * (C)	3,15,48,504	2,87,63,674
* After considering impact of ESOP		
Basic earnings per share of face value of ₹ 10/- each (in ₹) (A/B)	30.23	3.91
Diluted earnings per share of face value of ₹ 10/- each (in ₹) (A/C)	30.09	3.90

30. Ramkrishna Forgings Limited - Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015)

The Board of Directors of the holding company, at its meeting held on 7th August, 2015, approved the Employee Stock Option Scheme 2015 ("ESOP Scheme 2015") for the grant upto 7,00,000 stock option to its permanent employees working in India and wholetime Directors of the Company, in one or more tranches. Each option would be converted into one fully paid-up equity share of ₹ 10/- each of the Company. The same was approved by the members in the 33rd Annual General Meeting of the Company held on September 12, 2015. The ESOP Scheme 2015 shall be administered by the Nomination and Remuneration Committee through the Ramkrishna Forgings Limited Employee Welfare Trust. The Board of Directors at its meeting held on November 7, 2015 approved the grant of 3,23,675 options to the eligible employees of the Company. The Scheme was further amended in the 34th Annual General Meeting held on September 24, 2016 wherein the exercise price per share was reduced from ₹ 505.58 per share to ₹ 400.00 per share.

The above granted options shall vest as under:

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Movement of Options Granted:

The movement of the options under ESOP Scheme 2015 for the year ended March 31, 2018 are as follows:

Particulars	March 31, 2018	March 31, 2017
Outstanding at beginning of the year	2,58,799	3,04,903
Granted during the year	20,044	-
Forfeited / Cancelled during the year	17,626	46,104
Outstanding at the end of the year	2,61,217	2,58,799

Particulars	March 31, 2018	March 31, 2017
Range of exercise prices	400.00	400.00
Weighted Average Exercise Price	400.00	400.00
Weighted Average Remaining contractual years	2.72	3.61

Fair Valuation:

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

Particulars	March 31, 2018	March 31, 2017
Number of Options Granted	323,675	323,675
Options Grant Date	07-11-2015	07-11-2015
Exercise Price (₹)	400.00	400.00
Risk-Free Interest Rate	6.86%	7.66%
Life of Options Granted	6.11	6.11
Expected Volatility	49.98%	53.97%
Expected Dividend Yield	0.14%	0.36%
Weighted-Average Fair Value per Option (₹)	709.15	561.75

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered.

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

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

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

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

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

31. Leases

Operating Leases:

The Group leasing agreements are in respect of lease for lands and office space. These leasing agreements range between 1 to 99 years. The aggregate lease rental payables are charged as rent in the Statement of Profit and Loss.

Particulars	March 31, 2018	March 31, 2017
Lease rentals recognised in the Statement of Profit and Loss during the year	85.48	88.22

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Future minimum rentals payable under non-cancellable operating leases as at March 31 are, as follows:

Particulars	March 31, 2018	March 31, 2017
Minimum lease payments to be recognised in the Statement of Profit and Loss in future years		
- Within one year	7.02	5.95
- After one year but not more than 5 years	14.52	13.20
- More than 5 years (including future lease rentals for land)	4,740.93	4,745.09

32. Segment information

The Group comprises two operating segments namely "Forging components" and "Others" which represents the Group's businesses. The Forgings segment produces and sells forged automobile components and others primarily includes services for tour and travels.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1 Segment Revenue		
Revenue from External Customers		
(i) Forging components	1,45,332.66	95,204.26
(ii) Others	5,570.91	4,020.59
Total	1,50,903.57	99,224.85
Less : Inter Segment Revenue	(27.85)	(39.21)
Revenue from operations	1,50,875.72	99,185.64
2 Segment Results		
Profit before Interest and tax		
(i) Forging components	20,403.16	9,047.01
(ii) Others	354.68	361.61
Total Segment Profit	20,757.84	9,408.62
Less: Finance costs	7,251.83	7,723.45
Profit before tax	13,506.01	1,685.17
3 Segment Assets		
(i) Forging components	1,99,520.52	1,79,235.99
(ii) Others	6,055.86	6,556.92
Total Assets	2,05,576.38	1,85,792.91
4 Segment Liabilities		
(i) Forging components	1,25,454.91	1,34,106.73
(ii) Others	4,263.40	4,820.66
Total Liabilities	1,29,718.31	1,38,927.39

5 Geographical Revenue is allocated based on the location of customers. Information regarding geographical revenue are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	1,09,610.06	71,908.91
Outside India	41,265.66	27,276.72
Total	1,50,875.72	99,185.64

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

6. Geographical non-current assets (other than financial assets and deferred tax assets) are allocated based on the location of the assets. Information regarding geographical non-current assets is as follows:

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
India	1,13,963.69	1,07,993.52	1,07,278.35
Outside India	-	-	-
Total	1,13,963.69	1,07,993.52	1,07,278.35

33. Contingent Liabilities and Commitments:		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
A. Contingent Liabilities / claims against the Company not acknowledged as debts				
(i)	Electricity	45.24	45.24	45.24
(ii)	Excise/Service tax demands - matters under dispute	30.77	586.18	96.50
(iii)	Sales tax demands - matters under dispute	395.72	395.72	11.28
(iv)	Income tax demands - matters under dispute	266.29	266.29	28.62
(v)	Bank Guarantees	567.63	567.63	567.63
B. Capital and other commitments				
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance amounting to ₹ 1936.78 lakhs, (March 31, 2017 : ₹ 278.79 lakhs, April 1, 2016 : ₹ 2,232.79 lakhs)]	9,431.20	1,730.57	3,047.30
(ii)	Custom duty on Capital goods imported under EPCG Scheme, against which export obligation of ₹ 31,532.12 Lakhs (March 31, 2017 : ₹ 42,588.81 lakhs, March 31, 2016 : ₹ 46,528.35 lakhs) is to be fulfilled	5,276.02	6,127.09	6,636.69

34. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2016-17, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
a)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)			
	Principal amount remaining unpaid to any supplier at the end of the accounting year.	12.71	155.61	1.35
	Interest due on above	-	-	-
	Total	12.71	155.61	1.35
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.	-	-	-

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

35. Related Party Disclosures:

Related parties where control exists :

- | | |
|---|---|
| (i) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence | <ul style="list-style-type: none"> (i) Riddhi Portfolio Pvt. Ltd. (ii) Eastern Credit Capital (P) Ltd. (iii) Ramkrishna Rail & Infrastructure Pvt. Ltd. (iv) Clifftop Infrabuild Pvt. Ltd. (v) Northeast Infra Properties Pvt. Ltd. (vi) Dove Airlines Private Ltd. (vii) Chaitanya Aviation Private Ltd. (viii) Mahabir Prasad Jalan (HUF) (ix) Naresh Jalan (HUF) (x) Pawan Kumar Kedia (HUF) |
| (ii) Key Management Personnel (KMP) | |
| Mahabir Prasad Jalan | Chairman cum Whole Time Director. |
| Naresh Jalan | Managing Director |
| Pawan Kumar Kedia | Finance Director |
| Sikandar Yadav | Chief Financial Officer (From 02/06/2017 till 13/12/2017) |
| Rajesh Mundhra | Company Secretary |
| Ram Tawakya Singh | Independent Director * |
| Padam Kumar Khaitan | Independent Director * |
| Amitabha Guha | Independent Director * |
| Yudhisthir Lal Madan | Independent Director * |
| Aditi Bagri | Independent Director * |
| Sandipan Chakravorty | Independent Director * |
| Partha Sarathi Bhattacharyya | Independent Director * |
| (iii) Relative of Key Management Personnel | |
| Rashmi Jalan | Wife of Naresh Jalan |
| Chaitanya Jalan | Son of Naresh Jalan |
| Alok Kedia | Son of Pawan Kumar Kedia |
| (iv) Trusts managed by the Company | <ul style="list-style-type: none"> Ramkrishna Forgings Employee Welfare Trust Ramkrishna Foundation |
| (v) Firm where a director is a partner | Khaitan & Co., LLP |

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Sl No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at	Outstanding as at
				March 31, 2018		March 31, 2017		April 1, 2016
i.	Riddhi Portfolio Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Rent Paid	6.00	-	6.00	-	-
			Interest free Deposit given	-	1.50	-	1.50	1.50
			Dividend paid	72.88	-	145.77	-	-
ii.	Dove Airlines Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Flying Charges paid	437.40	-	200.59	-	-
			Advance paid	-	-	-	115.05	-
iii.	Eastern Credit Capital Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	56.19	-	112.37	-	-
iv.	Ramkrishna Rail & Infrastructure Pvt. Ltd.	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	-	-	0.04	-	-
v.	Khaitan & Co., LLP	Firm where a director is a partner	Legal fees	35.36	-	3.05	-	-
vi.	Mahabir Prasad Jalan	Key Management Personnel #	Short-term employee benefits	228.25	34.08	228.25	24.78	24.70
			Lease Rent paid / payable	12.00	1.00	12.00	1.00	1.00
			Commission paid / payable	50.00	50.00	-	-	-
			Dividend paid	4.51	-	9.02	-	-
vii.	Mahabir Prasad Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	1.20	-	2.40	-	-
viii.	Naresh Jalan	Key Management Personnel #	Short-term employee benefits	125.59	20.73	125.59	16.62	14.62
			Post-employment benefits	10.18	0.85	10.18	0.85	0.85
			Other long-term benefits	12.21	1.02	12.21	1.02	1.02
			Lease Rent paid / payable	12.00	1.00	12.00	1.00	1.00
			Commission paid / payable	50.00	50.00	-	-	-
			Rent paid / payable	6.00	0.50	6.00	0.50	0.50
			Dividend paid	2.86	-	5.72	-	-
			Dividend paid	2.69	-	5.37	-	-
ix.	Naresh Jalan (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	2.69	-	5.37	-	-
			Dividend paid	2.69	-	5.37	-	-
			Dividend paid	2.69	-	5.37	-	-
			Dividend paid	2.69	-	5.37	-	-
x.	Pawan Kumar Kedia	Key Management Personnel #	Short-term employee benefits	34.93	2.31	30.80	2.06	2.06
			Post-employment benefits	1.77	0.15	1.62	0.14	0.14
			Other long-term benefits	2.12	0.18	1.94	0.16	0.16
			Dividend paid	0.14	-	0.27	-	-

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

SI No.	Name of the Related Party	Relationship	Nature of transactions	Transaction Amount for the year ended	Outstanding as at	Transaction Amount for the year ended	Outstanding as at	Outstanding as at
				March 31, 2018		March 31, 2017		April 1, 2016
xi.	Pawan Kumar Kedia (HUF)	Enterprise over which KMP and their relatives are able to exercise significant influence	Dividend paid	0.05	-	0.13	-	-
xii.	Sikandar Yadav	Key Management Personnel (from 02/06/2017 till 13/12/2017)	Short-term employee benefits	39.07	-	-	-	-
			Post-employment benefits	1.60	-	-	-	-
			Other long-term benefits	-	-	-	-	-
xiii.	Rajesh Mundhra	Key Management Personnel	Short-term employee benefits	33.91	2.31	30.97	2.13	2.01
			Post-employment benefits	1.31	0.11	1.20	0.10	-
			Other long-term benefits	1.57	0.13	1.44	0.12	0.12
			Dividend paid	0.15	-	0.30	-	-
xiv.	Ram Tawakya Singh	Key Management Personnel	Sitting Fees	3.35	-	3.35	-	-
xv.	Padam Kumar Khaitan	Key Management Personnel	Sitting Fees	2.95	-	2.50	-	-
xvi.	Amitabha Guha	Key Management Personnel	Sitting Fees	3.30	-	3.50	-	-
xvii.	Yudhisthir Lal Madan	Key Management Personnel	Sitting Fees	3.05	-	4.20	-	-
xviii.	Ramkrishna Foundation	Trusts managed by the Holding Company	CSR expenses	121.35	-	109.62	-	-
xix.	Aditi Bagri	Key Management Personnel	Sitting Fees	3.50	-	3.50	-	-
xx.	Sandipan Chakravorty	Key Management Personnel	Sitting Fees	2.00	-	1.50	-	-
xxi.	Partha Sarathi Bhattacharyya	Key Management Personnel	Sitting Fees	2.00	-	1.50	-	-
xxii.	Rashmi Jalan	Relative of Key Management Personnel	Dividend paid	4.19	-	8.38	-	-
xxiii.	Chaitanya Jalan	Relative of Key Management Personnel	Salary paid	9.02	0.98	-	-	-
			Other long-term benefits	0.36	-	-	-	-
xxiv.	Alok Kedia	Relative of Key Management Personnel	Salary paid	9.19	0.79	8.48	0.71	0.60
			Post-employment benefits	0.38	0.03	0.33	0.03	-
			Other long-term benefits	0.46	0.04	0.40	0.03	0.03

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	Nature of transactions	Transaction Amount for the year ended	
		March 31, 2018	March 31, 2017
Total of remuneration to key management personnel	Sitting Fees	20.15	20.05
	Short-term employee benefits	461.76	415.61
	Post-employment benefits	15.24	13.33
	Other long-term benefits	16.71	15.99
	Commission paid / payable	100.00	-

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

36. Financial instruments

A. Financial Assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets						
Financial assets carried at amortised cost						
Trade receivables (Refer Note. 7)	51,465.76	44,379.22	38,813.03	51,465.76	44,379.22	38,813.03
Loans - Non-current (Refer Note. 8)	1,222.24	1,257.51	1,264.49	1,222.24	1,257.51	1,264.49
Other Non-current financial assets (Refer Note. 9)	25.93	1,385.95	-	25.93	1,385.95	-
Cash and Bank balances (Refer Note. 14a and 14b)	120.21	195.43	218.12	120.21	195.43	218.12
Loans - Current (Refer Note. 8)	106.55	116.43	137.20	106.55	116.43	137.20
Other Current financial assets (Refer Note. 9)	4,104.19	483.20	350.28	4,104.19	483.20	350.28
Total financial assets carried at amortised cost	57,044.89	47,817.73	40,783.11	57,044.89	47,817.73	40,783.11
Financial assets at FVTPL						
Derivative instrument (Refer Note. 9)	31.20	-	547.29	31.20	-	547.29
Total financial assets carried at FVTPL	31.20	-	547.29	31.20	-	547.29
Financial assets at fair value through Other Comprehensive Income (OCI)						
Investments (Refer Note. 6)	10.50	10.50	10.50	10.50	10.50	10.50
Total financial assets carried at fair value through Other Comprehensive Income (OCI)	10.50	10.50	10.50	10.50	10.50	10.50
Financial Liabilities						
Financial liabilities carried at amortised cost						
Short term borrowings (Refer Note. 17)	36,699.00	45,180.22	37,070.37	36,699.00	45,180.22	37,070.37
Long term borrowings (Refer Note. 17)	38,607.83	42,331.11	49,876.27	38,607.83	42,331.11	49,876.27
Trade payables (Refer Note. 18)	30,070.70	30,024.54	17,943.75	30,070.70	30,024.54	17,943.75
Other Current financial liabilities (Refer Note. 19)	15,484.68	13,663.58	12,386.34	15,484.68	13,663.58	12,386.34
Other Non-current financial liabilities (Refer Note. 19)	-	-	-	-	-	-
Total financial liabilities carried at amortised cost	1,20,862.22	1,31,199.45	1,17,276.74	1,20,862.22	1,31,199.45	1,17,276.74

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Liabilities at FVTPL						
Derivative instruments (Refer Note. 19)	44.40	1,326.78	527.95	44.40	1,326.78	527.95
Total financial liabilities carried at FVTPL	44.40	1,326.78	527.95	44.40	1,326.78	527.95

The management assessed that the fair value of cash and cash equivalents, trade receivables, derivative instruments, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

B. Fair value hierarchy:

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016 measured at fair value:

Financial Asset	Level 1	Level 2	Level 3
At fair value through other comprehensive income as at March 31, 2018			
- Investments	-	-	10.50
At FVTPL as at March 31, 2018			
- Derivative financial instruments	-	31.20	-
At fair value through other comprehensive income as at March 31, 2017			
- Investments	-	-	10.50
At FVTPL as at March 31, 2017			
- Derivative financial instruments	-	-	-
At fair value through other comprehensive income as at April 1, 2016			
- Investments	-	-	10.50
At FVTPL as at April 1, 2016			
- Derivative financial instruments	-	547.29	-
Financial Liabilities	Level 1	Level 2	Level 3
At FVTPL as at March 31, 2018			
- Derivative financial instrument	-	44.40	-
At FVTPL as at March 31, 2017			
- Derivative financial instrument	-	1,326.78	-
At FVTPL as at April 1, 2016			
- Derivative financial instrument	-	527.95	-

Fair valuation method and assumptions:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

- i) The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments
- ii) The Group has determined the carrying value of the non-current investment as its fair value in the absence of any available observable inputs
- iii) There has been no transfer between Level 1, Level 2 and Level 3 during the above periods.

37A. Financial Risk Management Objectives and Policies:

The Groups' principal financial liabilities comprises borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Group. The Group principal financial assets include trade and other receivables, loans and cash and cash equivalents that are derived directly from its operations.

The Groups' business activities are exposed to a variety of risks including liquidity risk, credit risk and market risk. The Group seeks to minimize potential adverse effects of these risks on its financial performance and capital. Financial risk activities are identified, measured and managed in accordance with the Groups' policies and risk objectives which are summarized below and are reviewed by the senior management.

(A) Credit risk

Credit risk refers to risk of financial loss to the Group if customers or counterparties fail to meet their contractual obligations. The Group is exposed to credit risk from its operating activities (mainly trade receivables) and from its investing activities (primarily deposit with banks).

(i) Credit risk management

(a) Trade Receivables

Customer credit risk is managed by the Group through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit rating, regulatory changes, industry outlook etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note No. 7. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. Maturity profile of all the Groups' customer balances are within one year of the balance sheet date. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or reversal thereof.

Reconciliation of loss allowance provision - Trade receivable are as follows:

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Loss allowance at the beginning of the year	-	-
Charge / (reversal) in allowance during the year (net)	28.52	-
Written back during the year/ adjusted with bad debt written off during the year	-	-
Loss allowance at the end of the year	28.52	-

(b) Deposits and financial assets (Other than trade receivables):

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in deposits only with approved banks and within limits assigned to each bank by the Group.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

(B) Liquidity Risk

Liquidity risk implies that the Group may not be able to meet its obligations associated with its financial liabilities. The Group manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and meeting financial liabilities are available in a timely manner and in the currency required at optimal costs. The Management regularly monitors rolling forecasts of the Group's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements. The surplus cash generated, over and above the operational fund requirement is invested in bank deposits / marketable debt securities / debt mutual fund schemes of highly liquid nature to optimize cash returns while ensuring adequate liquidity for the Group.

Additionally, the Group has committed fund and non-fund based credit lines from banks which may be drawn anytime based on Group's fund requirements. The Group maintains a cautious liquidity strategy with positive cash balance and undrawn bank lines throughout the year.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Contractual maturity of financial liabilities	Upto 1 year	1 Year to 3 year	3 year to 5 year	More than 5 years	Total
March 31, 2018					
Non Current Borrowings (including current maturities of long term borrowings)	9,197.26	16,657.26	12,840.81	9,109.76	47,805.09
Current Borrowings*	36,699.00				36,699.00
Trade payable	30,070.70	-	-	-	30,070.70
Other financial liabilities (excluding current maturities of long term borrowings)	6,331.83	-	-	-	6,331.83
Interest Payable on borrowings in future	3,509.89	5,514.53	3,185.49	1,224.83	13,434.74
	85,808.68	22,171.79	16,026.30	10,334.59	1,34,341.36
March 31, 2017					
Non Current Borrowings (including current maturities of long term borrowings)	8,159.12	16,612.59	13,478.98	12,239.54	50,490.23
Current Borrowings*	45,180.22				45,180.22
Trade payable	30,024.54	-	-	-	30,024.54
Other financial liabilities (excluding current maturities of long term borrowings)	6,831.23	1,017.48			7,848.71
Interest Payable on borrowings in future	3,582.76	6,572.25	4,317.00	2,545.49	17,017.50
	93,777.87	24,202.32	17,795.98	14,785.03	1,50,561.20
April 1, 2016					
Non Current Borrowings (including current maturities of long term borrowings)	5,136.25	20,210.91	15,165.20	14,500.16	55,012.52
Current Borrowings*	37,070.37				37,070.37
Trade payable	17,943.75	-	-	-	17,943.75
Other financial liabilities (excluding current maturities of long term borrowings)	7,778.04	1,045.29	-	-	8,823.33
Interest Payable on borrowings in future	3,466.22	7,092.65	5,514.53	4,410.32	20,483.72
	71,394.64	28,348.85	20,679.73	18,910.48	1,39,333.70

* The borrowings include discounted trade receivable on recourse basis of ₹ 9,052.79 Lakhs as on March 31, 2018 (March 31, 2017: ₹ 9,079.92 lakhs and April 1, 2016: ₹ 4,983.16 Lakhs). Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

(C) Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk and price risk (for commodities). The above risks may affect the Group's income and expenses and profits. The Group's exposure to and management of these risks are explained below:

(i) Foreign currency risk

The Group operates in international markets and therefore is exposed to foreign currency risk arising from foreign currency transactions. The exposure relates primarily to the Group's operating activities (when the revenue or expense is denominated in foreign currency), borrowings in foreign currencies. Majority of the Group's foreign currency transactions are in USD while the rest are in EURO, JPY and GBP. The risk is measured through forecast of highly probable foreign currency cash flows.

The Group's risk management policy is hedging of net foreign currency exposure at all points in time through foreign exchange forward contracts and cross currency interest rate swaps. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign currency risk exposure

The Group's exposure to foreign currency risk on the reporting date expressed in INR, are as follows:

	March 31, 2018				March 31, 2017				April 1, 2016			
	INR equivalent of				INR equivalent of				INR equivalent of			
	USD	EUR	JPY	GBP	USD	EUR	JPY	GBP	USD	EUR	JPY	GBP
Financial assets												
Trade receivables	19,890.77	3,231.12		106.35	15,474.17	2,139.90	-	384.61	17,229.55	1,908.31		166.86
Other Financial Assets	-	1,616.15	-	-	-	1,385.95	-	-	-	-	-	-
Foreign exchange forward contracts Sale foreign currency	(2,281.13)	-	-	-			-	-	-	-	-	-
Net exposure to foreign currency risk (assets)	17,609.64	4,847.27	-	106.35	15,474.17	3,525.85	-	384.61	17,229.55	1,908.31	-	166.86
Financial liabilities												
Foreign currency loan	28,108.01	10,878.97	2,393.41		32,600.42	11,394.36	3,807.62		28,527.90	12,871.79	1,909.37	-
Trade payables and Capital Goods	212.78	1,557.87	1,050.51	-	172.10	2,665.18	728.49	-	40.76	340.27	216.15	0.62
Net exposure to foreign currency risk (liabilities)	28,320.79	12,436.84	3,443.92	-	32,772.52	14,059.54	4,536.11	-	28,568.66	13,212.07	2,125.53	0.62
Net exposure to foreign currency risk (Assets- Liabilities)	(10,711.15)	(7,589.57)	(3,443.92)	106.35	(17,298.35)	(10,533.69)	(4,536.11)	384.61	(11,339.12)	(11,303.75)	(2,125.53)	166.24

Note: Trade Payables amount includes EUR 1.92 million which will be paid to the vendor directly by foreign bank.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

(b) Foreign currency Rate Sensitivity

A fluctuation in the exchange rates of 1% with other conditions remaining unchanged would have the following effect on Group's profit or loss before taxes as at 31 March 2018 and 31 March 2017:

	Impact on profit before tax	
	FY 2017-18	FY 2016-17
USD sensitivity		
INR/USD- Increase by 1%*	(107.11)	(105.34)
INR/USD- Decrease by 1%*	107.11	105.34
EUR sensitivity		
INR/EUR- Increase by 1%	(75.90)	(45.36)
INR/EUR- Decrease by 1%	75.90	45.36
JPY sensitivity		
INR/JPY- Increase by 1%	(34.44)	3.85
INR/JPY- Decrease by 1%	34.44	(3.85)
GBP sensitivity		
INR/GBP- Increase by 1%	1.06	(113.39)
INR/GBP- Decrease by 1%	(1.06)	113.39

* Holding all other variable constant

(ii) Interest rate risk

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments. The borrowings of the Group are principally denominated in Indian Rupees, Euro and US dollars with a mix of fixed and floating rates of interest. The Group has a policy of selectively using interest rate swaps and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis. The majority of the borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate financial liabilities	42,144.82	49,083.54	43,315.61

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	FY 2017-18	FY 2016-17
Interest Rates - Increase by 50 basis points (50 bps) *	(210.72)	(245.42)
Interest Rates - Decrease by 50 basis points (50 bps) *	210.72	245.42

* Holding all other variable constant

(iii) Commodity Price Risk

Commodity price risk results from changes in market prices for raw materials, mainly steel in the form of rounds and billets which forms the largest portion of Group's cost of sales.

The principal raw materials for the Group products are alloy and carbon steel which are purchased by the Group from the approved list of suppliers. Most of the input materials are procured from domestic vendors. Raw material procurement is

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

subject to price negotiation. Further, a significant portion of the Group's volume is sold based on price adjustment mechanism which allows for recovery of the changed raw material cost, from its customers.

37B. Capital management

For the purposes of the Group's capital management, capital includes issued capital, free reserves and borrowed capital less reported cash and cash equivalents. The primary objective of the Group's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value. The Group's policy is to borrow primarily through banks to maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Group. The Group monitors capital on the basis of cost of capital.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings (including interest accrued thereon)	84,891.57	95,983.27	92,403.52
Less: Cash and cash equivalents (Refer Note 14)	(119.06)	(108.17)	(186.24)
Net debt (A)	84,772.51	95,875.10	92,217.28
Equity Share Capital	3,259.15	2,866.99	2,866.99
Other equity (excludings ESOP and Capital Reserve)	68,454.59	40,077.59	39,636.22
Total equity (B)	71,713.74	42,944.59	42,503.21
Total capital (A+B)	1,56,486.25	1,38,819.69	1,34,720.49
Debt- Equity ratio (A / B)	1.18	2.23	2.17

No changes were made in the objectives policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

38. Distribution made and proposed to be made

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Final dividend paid *		
For the year ended on March 31, 2017 : ₹ 1/- per share (March 31, 2016 : ₹ 2/- per share)	325.92	573.40
Dividend distribution tax (DDT) on final dividend	68.20	119.98
Proposed dividend on equity shares :		
Final equity dividend		
For the year ended on March 31, 2018: ₹ 1/- per share (March 31, 2017 : ₹ 1/- per share)	325.92	286.70
Dividend distribution tax (DDT) on proposed dividend	68.20	59.99

Proposed dividends on equity shares are subject to approval at the annual general meeting and hence are not recognised as a liability (including DDT thereon).

* Includes dividend paid on 39,21,568 equity shares issued by way of qualified institutional placement before the dividend record date.

39. Employee Benefits

a) Gratuity plan

Funded scheme

The Group has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

As per Ind AS "Employee Benefits" (Ind AS-19), the disclosures of Employee Benefits as defined in the Standard are given below:

Statement of Profit and Loss :

Net employee benefits expense (recognised in Employee Cost)

i. Expenses Recognised in the Statement of Profit & Loss	Gratuity (Funded)	
	For the year ended	
	March 31, 2018	March 31, 2017
Current Service Cost	97.26	89.69
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.94	4.57
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	-	-
Experience variance (i.e. Actual experience vs assumptions)	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Components of defined benefit cost recognised in Statement of Profit & Loss	102.20	94.26
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	(17.70)	1.07
Experience variance (i.e. Actual experience vs assumptions)	20.58	(24.85)
Return on plan assets, excluding amount recognised in net interest expense	8.47	3.42
Components of defined benefit costs recognised in other comprehensive income	11.35	(20.36)
Total Expense	113.55	73.90

ii. Bifurcation of Net Liability	Gratuity (Funded)		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Present value of Defined Benefits Obligation	802.87	678.61	574.87
Fair value of plant assets	708.53	612.26	516.96
Net liability	94.35	66.35	57.91
Current liability (Current)	86.90	59.34	57.00
Non-Current liability (Non-current)	7.45	7.01	0.91
	94.35	66.35	57.91

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

iii. Changes in the present value of obligation:	Gratuity (Funded)	
	As at	
	March 31, 2018	March 31, 2017
Present value of obligation as at the beginning	678.61	574.87
Current service cost	97.26	89.69
Interest expense or cost	50.52	45.39
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	(1.97)	2.26
Change in financial assumptions	(17.63)	3.53
Experience variance (i.e. Actual experience vs assumptions)	22.48	(29.57)
Benefits paid	(26.41)	(7.55)
Present value of obligation as at the end of the year	802.87	678.61

iv. Changes in the Fair Value of Plan Assets during the year:	Gratuity (Funded)	
	As at	
	March 31, 2018	March 31, 2017
Fair Value of Plan Assets as at the beginning	612.26	516.96
Investment Income	45.58	40.81
Employer's Contribution	59.15	57.91
Return on plan assets, excluding amount recognised in net interest expense	(8.47)	(3.42)
Fair Value of Plan Assets as at the end of the year	708.52	612.26

v. Major Categories of Plan Assets as a percentage of total plan assets	Gratuity (Funded)		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Funds managed by Insurer	100%	100%	100%

vi. Actuarial Assumptions	Gratuity (Funded)		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate (per annum)	7.80%	7.45%	7.90%
Salary growth rate (per annum)	for the first 6% two years, 5% for the next three years and 4% thereafter	for the first 6% two years, 5% for the next three years and 4% thereafter	5.00%
Mortality Rate (as % of IALM 2006-08)	100%	100%	100%
Withdrawal rate (per annum)	2%	2%	2%

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

vii. Sensitivity Analysis	Gratuity (Funded) (Present value of obligation)			
	As at			
	March 31, 2018		March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Assumption				
Discount Rate	726.08	893.30	611.25	758.21
Salary Growth Rate	895.38	723.23	749.05	619.66
Attrition Rate	830.83	770.96	699.97	654.09
Mortality Rate	804.01	801.72	679.51	677.71

viii. During the year 2018-19, the Company expects to contribute ₹ 194.00 lakhs (March 31, 2017: ₹ 162.62 lakhs) to gratuity scheme.

ix. Maturity Profile of Defined Benefit Obligation:

	Gratuity (Funded)		
	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
1 year	74.28	47.68	37.10
2 to 5 years	201.45	179.06	156.95
6 to 10 years	352.47	280.39	231.43
More than 10 years	1617.33	1351.30	1262.93

b) Provident Fund:

In accordance with the law, all employees of the Group are entitled to receive benefits under the provident fund. The Group has a defined contribution plan. Under the defined contribution plan, provident fund is contributed to the Government administered provident fund. The Group has no further contractual nor any constructive obligation, other than the contribution payable to the provident fund. The expense recognised during the period towards defined contribution plan is ₹ 396.77 Lakhs (March 31, 2017: ₹ 366.78 Lakhs)

40. First-time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative period information.

For all periods upto and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013 (Previous GAAP). The transition to Ind AS was carried out in accordance with Ind AS 101, with April 1, 2016 being the date of transition. This note explains the exemptions on the first-time adoption of Ind AS availed in accordance with Ind AS 101 and an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Exemptions availed and mandatory exceptions in Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

A. Deemed cost for property, plant and equipment and intangible assets

The Group has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements of following items as deemed cost at the transition date, viz., 1 April 2016 in accordance with Ind-AS 101- First-time Adoption of Indian Accounting Standards.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

- i) Property Plant and Equipment
- ii) Intangible Assets

B. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investments in unquoted equity instruments.

C. Translation of long term foreign currency monetary items

The Group, being a first-time adopter, has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. March 31, 2017. Hence, exchange difference on such monetary items will continue to be capitalised.

41. a. Reconciliation of Equity as on April 1, 2016 and March 31, 2017

Particulars	Footnote reference	As at March 31, 2017 (End of last period presented under previous GAAP) (₹)	As at April 1, 2016 (Date of Transition) (₹)
Total Equity(Shareholder's funds) under Previous GAAP		49,002.12	47,036.64
Provision for proposed dividend including dividend distribution tax.	5	-	693.38
Fair Valuation of financial instruments	2 & 8	110.36	268.59
Reversal of Depreciation on land on bifurcation of land and building		91.59	73.77
Depreciation impact on dies, moulds & spares inventory re-classified to Property, Plant & Equipment's and inventory valuation adjustment	1 & 6	(2,284.60)	(1,784.18)
Deferred Tax on Ind AS Adjustments	3	(53.95)	(92.95)
Total Adjustments to Equity		(2,136.60)	(841.39)
Total Equity under Ind-AS		46,865.52	46,195.25

b. Reconciliation of net profit for the year ended March 31, 2017

Particulars	Footnote reference	For the year ended March 31, 2017 (₹)
A) Net Profit after Tax for the period as per previous GAAP		1,928.15
B) Effects of transition to Ind-AS on statement of profit and loss:-		
i) Depreciation impact on dies, moulds & spares inventory re-classified to Property, Plant & Equipment and inventory valuation adjustment	1 & 6	(458.69)
ii) Interest charge on account of Effective Interest Rate method	8	(182.11)
iii) Fair Valuation of ESOP	4	(191.57)
iv) Reclassification of actuarial gain on Defined Benefit Plan to Other Comprehensive Income	11	(27.82)
v) Tax adjustments on above	3	48.60
C) Net Profit after tax for the period as per Ind AS		1,116.56
D) Other Comprehensive Income (net of tax)	3 & 11	18.19
E) Total Comprehensive Income		1,134.75

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Footnotes to the reconciliation and other major GAAP differences:

Note 1

Dies, Spares and inventory

As per Ind AS 16, Property, plant and equipment (PPE) are tangible items that are held for use in the production or supply of goods or services and are expected to be used during more than one accounting period. Accordingly, the Group has reclassified certain spares and dies as PPE which were earlier classified as Inventories under Previous GAAP. Depreciation on such items have been computed retrospectively and the net amount is considered for reclassification purposes while the balance impact in inventory pertains to adjustments done in valuation of work-in-progress inventory.

Note 2

Derivative Financial Instruments

Under the previous GAAP, forward contract cost were accounted for as prescribed under AS 11 "The Effects of Changes in Foreign Exchange Rates" under which forward premium was amortised over the period of forward contracts and forward contracts were stated at the year-end spot exchange rate and gains / losses on settlement on aforesaid contracts and mark to market loss relating to outstanding contracts as at the balance sheet date in respect of derivative contracts (other than forward exchange contract covered under Accounting Standard 11 on "The Effects of Changes in Foreign Exchange Rates"), were recognized in the statement of profit and loss.

Under Ind AS 109, all derivative financial instrument are to be marked to market and any resultant gain or loss on settlement as well as on outstanding contracts as at the balance sheet date is to be charged or credited to the statement of profit and loss.

Accordingly, the marked to market gain/loss has been recognized on all derivative contracts and unamortized forward premium balance and exchange gain / loss on reinstatement of forward contracts under aforesaid AS 11 has been reversed.

Note 3

Deferred Tax

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP.

MAT entitlement credit being of the nature of deferred tax, on transition to Ind AS, MAT credit entitlement of ₹ 3262.45 lakhs and ₹ 3803.78 lakhs for April 1, 2016 and March 31, 2017 respectively has been regrouped under deferred tax assets from Current tax assets (net).

Note 4

Employees Stock Options

Under Previous GAAP, Employees Stock Options were accounted for as per intrinsic value method. Under Ind AS employees stock options are required to be fair valued. Accordingly the same has been fair valued as on the opening balance sheet date and as at March 31, 2017. Further compensation cost has been recognized through Other Equity as on transition date, and through statement of profit and loss during FY 2016-17.

Note 5

Proposed Dividend

Under Indian GAAP, as at the date of transition, proposed final dividends including Dividend Distribution Taxes (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are approved. Under Ind AS, such dividend is recognised as a liability when approved by shareholders.

Note 6

Government Grant

Grants received from the Government relating to the purchase of property, plant and equipment (PPE) and deducted from the carrying amount of corresponding PPE under previous GAAP and outstanding as on transition date has been recognized as deferred income under Ind AS with the corresponding adjustment to the carrying amount of Property, plant and equipment (net of cumulative depreciation impact) and opening retained earnings.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Note 7

Leases

In respect of certain long-term arrangements, existing at the date of transition and identified to be in the nature of operating lease where the Group is lessee, the underlying assets have been derecognized on the date of transition and prepaid lease rentals have been recognized which is amortized by way of rent over the remaining useful life of the leased asset.

Note 8

Borrowings and related transaction costs

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the other borrowing cost by applying the effective interest rate method.

Under previous GAAP, these transaction costs were either charged to Statement of Profit and Loss or capitalised as and when incurred.

Note 9

Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

Note 10

Revenue

Under previous GAAP, revenue is measured at transaction value. Under Ind AS revenue is recognized at fair value of consideration received or receivable which require adjustment of all discounts and rebates as netted from revenue. Accordingly, discounts earlier grouped under other expenses is netted off with revenue.

Note 11

Defined Benefit Obligations

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss as in previous GAAP.

Note 12

Bills of exchange discounted

Under IGAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liability, wherever the facility availed was with recourse to the bank. Under Ind AS, the trade receivables have been restated with corresponding recognition of short term borrowings of ₹ 9,052.79 lakhs (March 31, 2017: ₹ 9,079.92 lakhs and April 1, 2016: ₹ 4,983.16 lakhs).

42. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

Ind AS 115 Revenue from Contracts with Customers

The Group is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f April 01, 2018. However, based on the evaluation done so far and based on the arrangement that the Group has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement which will be provided in the next year's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities, Ind AS 40 Investment Property and Ind AS 28 Investments in Associates and Joint Ventures are not applicable to the Group.

43. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

a) Information as at and for the year ended March 31, 2018

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Ramkrishna Forgings Limited	100.08	75,917.88	99.72	9,466.02	140.19	(9.95)	99.69	9,456.07
Subsidiary								
Globe Forex & Travels Limited	1.78	1,350.38	0.28	27.02	(40.19)	2.86	0.31	29.88
Ramkrishna Aeronautics Private Limited	0.01	6.45	(0.00)	(0.44)	-	-	(0.00)	(0.44)
Total	101.86	77,274.70	100.00	9,492.60	100.00	(7.09)	100.00	9,485.51
Consolidation Adjustment	(1.86)	(1,416.64)	-	-	-	-	-	-
Ramkrishna Forgings Limited Consolidated Financial Statements	100.00	75,858.07	100.00	9,492.60	100.00	(7.09)	100.00	9,485.51

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

b) Information as at and for the year ended March 31, 2017

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Ramkrishna Forgings Limited	100.19	46,954.77	97.38	1,092.31	139.49	18.19	97.86	1,110.50
Subsidiary								
Globe Forex & Travels Limited	2.82	1,320.50	2.90	32.51	(39.51)	(5.15)	2.41	27.36
Ramkrishna Aeronautics Private Limited	0.01	6.89	-0.28	(3.11)	-	-	-0.27	(3.11)
Total	103.01	48,282.16	100.00	1,121.71	100.00	13.04	100.00	1,134.75
Consolidation Adjustment	(3.01)	(1,416.64)	-	-	-	-	-	-
Ramkrishna Forgings Limited Consolidated Financial Statements	100.00	46,865.52	100.00	1,121.71	100.00	13.04	100.00	1,134.75

44. The Ind AS comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014, as adjusted for the differences in the accounting principals adopted by the Group on trasmission to the Ind AS.

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

Per Sanjay Kumar Agarwal

Partner

Membership No. 060352

Place : Kolkata

Dated : May 25, 2018

For and on behalf of the Board of Directors of

Ramkrishna Forgings Limited

Sd/-

Mahabir Prasad Jalan

Chairman

DIN: 00354690

Sd/-

Rajesh Mundhra

Company Secretary

ACS: 12991

Sd/-

Pawan Kumar Kedia

Finance Director

DIN: 00375557

Sd/-

Naresh Jalan

Managing Director

DIN: 00375462

Sd/-

Lalit Kumar Khetan

Chief Financial Officer

FCA: 056935



Ramkrishna Forgings Limited

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