

## Ramkrishna Forgings: Strengthening Its Global Footprint

Ramkrishna Forgings (RKFL) is one of India's largest and most technologically advanced manufacturers of forged, machined, and fabricated components used across commercial vehicles (CV), passenger vehicles (PV), railways, mining, and construction equipment.

- Supplies high-strength, safety-critical components such as axle beams, crankshafts, steering knuckles, couplers, and heavy-duty assemblies to leading global OEMs and Tier 1 suppliers.
- Operates a fully integrated manufacturing ecosystem covering die design, closed die forging, heat treatment, robotic machining, finishing and testing, which allows RKFL to control quality control and cost efficiency.
- Diversified sector exposure across CVs, PVs, railways, mining, off-highway, construction equipment and industrial applications, reducing reliance and exposure on a single market.
- Shifting product mix towards higher margin machined and value-added components, enhancing profitability and export competitiveness.
- Strong global presence and expanding export base, with long-standing customer relationships across North America, Europe and Asia, supported by localised operations and consistent delivery reliability.

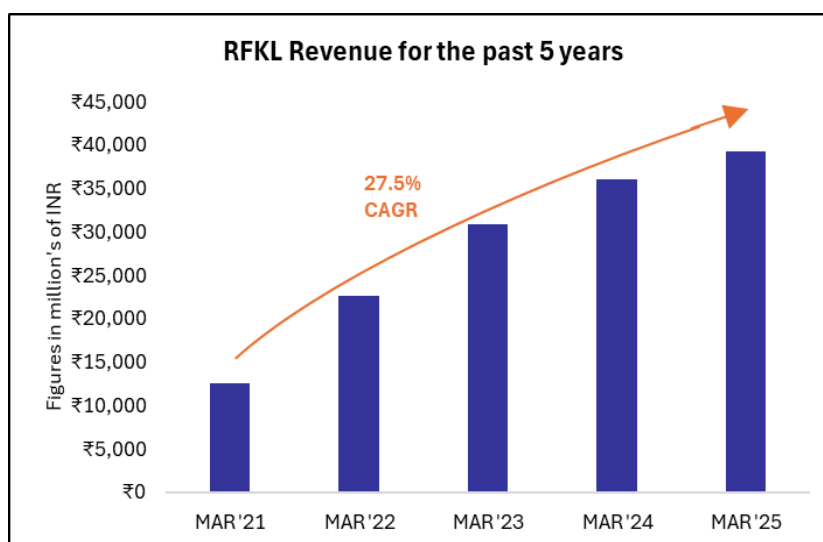


Figure 1: Source: FactSet, Ramkrishna Forgings – Revenue Data, FY21-FY25

## Differentiators & Strategic Strengths

RKFL is supported by a set of core competitive advantages that strengthen its position across domestic and global supply chains:

- Strong positioning in India's medium and heavy commercial vehicles (MHCV) upcycle, supported by rising freight activity and infrastructure spending.
- Beneficiary of the China+1 shift, as global OEMs diversify sourcing away from China towards Indian suppliers.
- Diversified end markets across CVs, PVs, railways, mining and construction, reducing reliance on a single segment.
- Vertically integrated manufacturing model, improving cost control and product consistency vs global peers.
- Expanding product and customer wins, supported by automation, high-tonnage press lines and advanced machining capability.

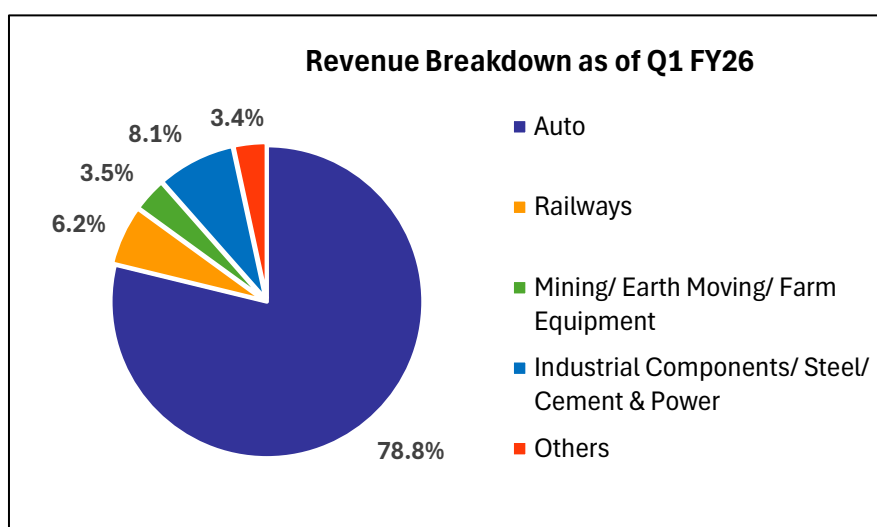


Figure 2: Source - Investor Presentation – Q1 FY26

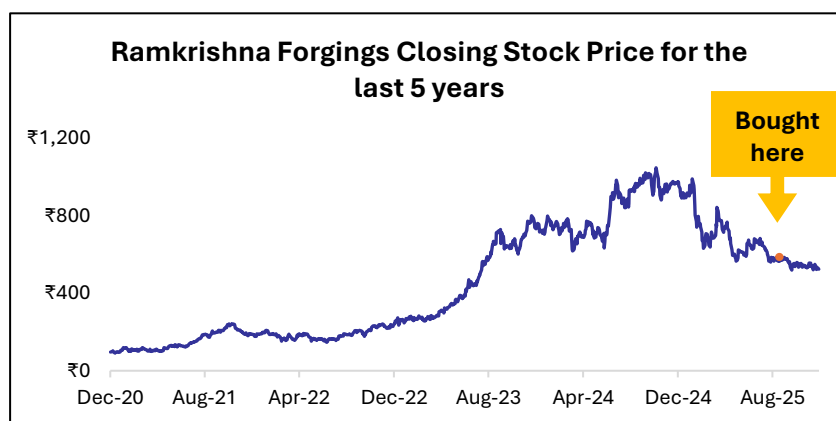
## Industry Landscape & Structural Trends

The global forgings industry is undergoing structural changes that are reshaping demand across automotive and industrial segments:

- Forgings demand is closely tied to MHCV volumes, which are rising globally due to stronger freight movement and logistics activity.
- Automotive platforms are becoming heavier and more safety-critical, increasing the need for precision forged components with higher strength and tighter tolerances.

- Off-highway segments (mining, construction, and agriculture) are in a multiyear upcycle, driven by commodity activity, infrastructure projects, and equipment modernisation.
- Railways' defence procurements in India are expanding, supported by government spending and localisation programs that require high-strength forged components.
- OEMs globally are consolidating their supply chains, preferring fewer, larger suppliers who can deliver scale, quality, and machining capability within the same facility.
- Export markets are increasingly favouring Indian forgings, as global customers look for cost-competitive, reliable and technologically capable alternatives beyond China.

### Investment Rationale



The India Avenue Equity Fund initiated a position in Ramkrishna Forgings following recent price weakness, noting the company's ongoing revenue growth and expanding global presence.

- It has a balanced auto/non-auto and domestic/export mix reduces concentration risk, with FY25 revenue split 78% auto, 22% non-auto, 59% domestic, and 41% export<sup>1</sup>.
- The company also has a strong export presence with 26% from North America and 13% from Europe, giving RKFL access to higher margin global demand<sup>1</sup>.
- It has a fully integrated manufacturing model (from forging to heat treatment, machining and testing) enables cost leadership and consistent quality.
- It is experiencing structural export tailwinds as OEMs accelerate China+1 sourcing, supporting long-term global order wins.
- The firm also has a supportive domestic demand cycle, with rising MHCV volumes, infrastructure spending and fleet replacement driving forged component demand.

<sup>1</sup> Business Standard (2025), Equity Broker Report: Ramkrishna Forgings (June 2025)

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