



# **SAMRAT FORGINGS LIMITED**

**CIN: L28910PB1981PLC056444**

**Regd. Office & Unit I** : Village & P.O. Ghollu Majra, Tehsil Derabassi, Distt. Mohali, Punjab - 140506 India

**Unit II (Machining Division)** : Village & P.O. Bhankarpur, Distt. Mohali, Punjab - 140201 India

Tel. (P.B.X.) : +91-92572 40444, E-mail: [info@samratforgings.com](mailto:info@samratforgings.com)

Website: [www.samratforgings.com](http://www.samratforgings.com)



SFL/2022-23/218

Dated: 06.09.2022

**General Manager,  
Corporate Relationship Department,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001**

**Scrip Code: 543229**

**Sub: Annual Report for FY 2021-22**

Dear Sir,


Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for FY 2021-22 of the Company including inter alia Notice of the Company's 41<sup>st</sup> Annual General Meeting (AGM), which is being sent through electronic mode to the Members of the Company. The 41<sup>st</sup> AGM of the Company will be held on Friday, 30<sup>th</sup> September, 2022 at 11:30 A.M. through Video Conferencing / Other Audio Visual Means.

The above is also being uploaded on the website of the Company [www.samratforgings.com](http://www.samratforgings.com).

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,  
**For Samrat Forgings Limited**

  
**Sandeep Kumar  
Company Secretary  
FCS-9075**

Encl: As above



41st  
*Annual Report*  
2021-22

**Samrat Forgings Limited**

**SAMRAT FORGINGS LIMITED**

**41<sup>st</sup> ANNUAL REPORT 2021-22**

**BOARD OF DIRECTORS**

Mr. Rakesh M. Kumar  
(Chairman)  
Mrs. Bindu Chowdhary  
Mrs. Ritu Joshi  
Mr. Ajay Arora  
Mr. Satish Chander Sharma  
Ms Niveta Sharma

**CHIEF FINANCIAL OFFICER**

Mr. A.P.S. Grover

**COMPANY SECRETARY**

Mr. Sandeep Kumar

**AUDITORS**

M/s. Jain & Associates  
Chartered Accountants

**BANKERS**

The Jammu & Kashmir Bank Ltd.

**REGISTERED OFFICE & WORKS**

Village & P.O. Ghollu Majra,  
Tehsil Derabassi, Distt. Mohali,  
Punjab – 140506  
Phone: +91-9257240444  
Email: info@samratforgings.com  
Website: www.samratforgings.com  
CIN: L28910PB1981PLC056444

**REGISTRARS AND SHARE  
TRANSFER AGENTS**

Mas Services Ltd.  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase – 2, New Delhi – 110020  
Tel: 011-26387281/82/83  
Email: info@masserv.com

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**41<sup>st</sup> ANNUAL GENERAL MEETING**

on Friday, 30th September, 2022  
at 11:30 A.M. through  
Video Conferencing / Other Audio Visual Means

## NOTICE

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of Samrat Forgings Limited will be held on Friday, the 30th day of September, 2022 at 11.30 A.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following business:

### ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon.**

“RESOLVED THAT the Audited Financial Statements of the Company, Report of the Board of Directors and the Auditors’ thereon for the financial year ended on March 31, 2022 alongwith Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted.”

2. **To appoint a Director in place of Mrs. Bindu Chowdhary (DIN: 01154263), who retires by rotation and, being eligible, offers herself for re-appointment.**

“RESOLVED THAT Mrs. Bindu Chowdhary (DIN: 01154263), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation.”

3. **To appoint the Auditors and fix their remuneration**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s Rajesh Aggarwal & Associates, Chartered Accountants (Firm Registration No.: 009831N) be and are hereby appointed as the Statutory Auditors of the Company, to hold the office for a period of 5 (five) consecutive years commencing from the conclusion of this 41<sup>st</sup> Annual General Meeting of the Company till the conclusion of the 46<sup>th</sup> Annual General Meeting to be held in the year 2027, at a remuneration to be determined by the Board of Directors of the Company from time to time in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

### SPECIAL BUSINESS

4. **To Ratify the remuneration to Cost Auditors**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the remuneration payable to M/s. Balwinder & Associates, Cost Accountants (Firm Registration No.: 000201) appointed as the Cost

Auditors of the Company, to conduct an audit of the cost records of the Company for the Financial Year ending on March 31, 2023, at Rs. 40,000/- (Rupees Forty Thousand Only) plus all applicable taxes and reimbursement of out-of-pocket expenses, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or the Chief Financial Officer and / or the Company Secretary be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto.”

**5. To appoint Mr. Satish Chander Sharma (DIN: 09654654) as an Independent Director**

**To consider and, if thought fit, to pass the following Resolution a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), Mr. Satish Chander Sharma (DIN: 09654654), who was appointed as an Additional Director (Non Executive Independent) w.e.f June 30, 2022, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, who holds office as such up to the date of ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act be and is hereby, appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five years from the original date of appointment i.e. June 30, 2022 upto June 29, 2027.”

**6. To increase borrowing powers of the Company**

**To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution:**

“**RESOLVED THAT** in supersession of the resolution passed by the members of the Company in the 33<sup>rd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder including any amendment thereto, consent of the Company be and is hereby accorded to the Board of Directors of the Company which shall be deemed to include any committee thereof, to borrow money for the purpose of the business of the Company as may be required from time to time on such terms and conditions and with or without security as the Board may think fit, provided that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company’s Bankers/Lenders in the ordinary course of business) and outstanding at any time shall not exceed the sum of Rs. 150 Crores.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

7. **To mortgage or create charge over properties of the Company against borrowings**

**To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution:**

“**RESOLVED THAT** in supersession of the resolution passed by the Members of the Company earlier at the 33<sup>rd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder including any amendment thereto, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as Board) which shall be deemed to included any committee thereof, to pledge, hypothecate, mortgage and/or charge all or any part of the movable and immovable properties of the Company wheresoever situate, present and future, or to sell, lease or otherwise dispose off the whole or substantially of the whole of the undertaking(s) and where Company owns more than one undertaking, the whole or substantially whole of all or any of such undertaking(s) and to create/register mortgage and/or charge on such terms and conditions at such time(s) and in such form and manner and with such ranking as to priority as the Board may in its absolute discretion decide on the whole or substantially of the whole of any one or more of the undertakings of the Company in favour of Banks, Financial Institutions, Non-Banking Finance Companies, Bodies corporate, Investors or other Lenders to secure the amount borrowed by the Company from time to time for the due payment of principal and/or together with interest, costs, charges and expenses thereon payable by the Company in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 150 Crores (Rupees one hundred and fifty crores) at any point of time.

**FURTHER RESOLVED THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

Regd. Office:  
Village & P.O. Ghollu Majra, Tehsil Derabassi,  
Distt. Mohali, Punjab 140506  
Email: info@samratforgings.com  
CIN: L28910PB1981PLC056444  
Date: 13.08.2022

By order of the Board of Directors  
**For Samrat Forgings Limited**

**(Sandeep Kumar)**  
**Company Secretary**  
**FCS-9075**

## NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business under Item No. 4 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM are also annexed.
2. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 14/2020 dated 8th April 2020, No. 17/ 2020 dated 13th April, 2020, No. 20/2020 dated 5th May, 2020, No. 02/2021 dated 13th January, 2021, No. 21/2021 dated 14th December, 2021 and No. 02/2022 dated 5th May, 2022 (“collectively referred to as MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/ P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively referred to as “SEBI Circulars”), permitted the companies for holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue.

**In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and above referred MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Friday, 30<sup>th</sup> September, 2022 at 11:30 AM. The deemed venue for the meeting shall be registered office of the Company at Village & P.O. Gholu Majra, Tehsil Derabassi, Distt. Mohali, Punjab - 140506.**

The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 23.

3. As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The Route Map is also not required to be annexed to the Notice.
4. The facility for joining AGM through VC/OVAM will be available to all the Members, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting.

They are requested to send a certified copy of the Board Resolution of authorization to the Scrutinizer by e-mail at [kanwalcs@gmail.com](mailto:kanwalcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

7. In case of Joint Holders attending the AGM, only such Joint Holder whose name appears first in the order of names will be entitled to vote.
8. Only bona fide members of the Company, whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/ OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
9. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at [sandeepsharma@samratforgings.com](mailto:sandeepsharma@samratforgings.com) up to the date of AGM.
10. In line with the aforesaid MCA and SEBI circulars, the notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 has been uploaded on the Company's website [www.samratforgings.com](http://www.samratforgings.com) and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
11. M/s Mas Services Ltd, having their office at T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase II, New Delhi - 110 020 are the Company's Registrar and Share Transfer Agent ("RTA") for its Share Registry Work (Physical and Electronic).
12. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2022 to 30.09.2022 (both days inclusive).
13. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of the listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of this and to eliminate all risks associated with physical shares, Members are advised to dematerialize shares held by them in physical form. Members can contact the Company's Registrar and Share Transfer Agents M/s Mas Services Ltd for assistance in this matter.
14. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to RTA to do the needful.
15. Members holding shares in dematerialized mode who have not registered / updated their email addresses are requested to register / update their email addresses with the relevant Depository Participants.



16. Members holding shares in physical mode may please note that the Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by all the shareholders who are holding their shares in physical form. Effective from 1st January 2022, any service requests or complaints received from such member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at [www.samratforgings.com/investors/downloads/](http://www.samratforgings.com/investors/downloads/)
17. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members can avail of the facility of nomination in respect of shares held by them. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from downloads link under Investors page at the Company's website at [www.samratforgings.com](http://www.samratforgings.com). Members are requested to submit the said forms to their DP in case the shares are held in electronic form and to the RTA at [info@masserv.com](mailto:info@masserv.com) in case the shares are held in physical form by quoting their Folio No.
18. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (address, bank detail, mobile number and email) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. No services request will be processed from 1st January, 2022, until unless KYC, PAN and nomination or opt-out detail will not be furnished. A separate letter already dispatched in this regard by company to all physical shareholders by Regd/Speed post.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN;
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature (in Form ISR-2 )

Any cancellation or change in nomination shall be provided in Form No.SH-14.

All of above required documents/details shall be provided to RTA at [investor@masserv.com](mailto:investor@masserv.com) and send the documents to RTA. The shareholders can download the forms mentioned in SEBI circular from the website of RTA i.e. [www.masserv.com](http://www.masserv.com).

**A separate communication has already been sent to the respective shareholders by Registered/Speed Post.**

19. Members holding shares in demat form are requested to:
- i. Intimate their latest bank account details viz. name and address of the branch of the bank with 9 digit MICR code of the branch & 11 digit IFSC code, type of account and account number, to the respective depository participant.
  - ii. Intimate changes, if any, pertaining to their registered addresses, email address, telephone/mobile numbers, specimen signatures (duly attested by the bank), nomination, etc. to their respective depository participants.
20. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary of the Company by 25th September, 2022.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at sandeepsharma@samratforgings.com at least 7 (seven) days prior to the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

21. Relevant documents referred to in the accompanying Notice shall be available for inspection by the Members through electronic mode on the basis of request being sent on sandeepsharma@samratforgings.com.

22. Appointment /Re-appointment of Director

Mr. Satish Chander Sharma, who was appointed as Additional Director (Non Executive Independent) w.e.f. June 30, 2022, is proposed to be regularized as an Independent Director of the Company in the forthcoming Annual General Meeting.

Further, Mrs. Bindu Chowdhary shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM, forms part of the Notice.

23. Voting through Electronic means:

- i. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its members to exercise their right to vote in respect to the business to be transacted at the AGM. For this purpose, the Company has availed the services from Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised agency. The facility to cast the votes by the members using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- II. The Members can join the AGM through VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.
- III. The remote e-Voting period commences on 27<sup>th</sup> September, 2022 at 9.00 AM and ends on 29<sup>th</sup> September, 2022 at 5.00 PM. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. 23<sup>rd</sup> September, 2022, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com or to the Company's Registrar and Share Transfer Agent at info@masserv.com.
- IV. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who could not cast their vote by remote e-Voting. They will be eligible to exercise their right to vote during the AGM. Members could have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- V. Pursuant to SEBI Circular No. SEBI/HO/FD/ CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations; listed companies are required to provide remote e-voting facility to its shareholders in respect of all shareholders resolutions. However, it has been observed that the participation by the public non-institutional members / retail members is at a negligible level. Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.
- VI. In view of the aforesaid SEBI Circular dated December 9, 2020, individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.  
  
Pursuant to the above said SEBI Circular, Login method for e-voting and joining the AGM through VC for individual shareholders holding shares in demat mode is given below:

## Samrat Forgings Limited

Type of Member	Login Methods
<b>Individual shareholders holding shares in demat mode with CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> <p>Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<b>Individual member holding shares in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<b>Individual member (holding shares in demat mode) login through their Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at abovementioned websites.

**Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login Type	Helpdesk details
Individual members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 022- 23058542-43.
Individual members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

**Login method for e-voting and joining virtual meeting for physical shareholders and shareholders other than individual holding shares in Demat form is as under:**

1. The shareholder should log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com)
2. Click on 'Shareholders' module
3. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digit Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

<b>For physical shareholders and other than individual shareholders holding shares in Demat form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both, demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field.</li> </ul>

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that

company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for Samrat Forgings Limited.
11. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by you by clicking on “Click here to print” option on the Voting page.
16. If demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. **Note for Non-Individual Shareholders and Custodians – For Remote e-voting only:**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (“POA”) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the Scrutinizer at [kanwalcs@gmail.com](mailto:kanwalcs@gmail.com) and to the company at the email address viz. [sandeepsharma@samraforgings.com](mailto:sandeepsharma@samraforgings.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, CDSL, A, Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORY**

1. For physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders – please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat Shareholders – please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM AND E-VOTING DURING AGM ARE AS UNDER:**

- I. The procedure for attending the AGM and e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- III. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- V. Further, Shareholders will be required to allow camera and use internet connection with a good speed to avoid any disturbance during the meeting.
- VI. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- VII. Shareholders who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 days prior to the AGM mentioning their name, demat account number / folio number, email id, mobile number at [sandeepsharma@samratforgings.com](mailto:sandeepsharma@samratforgings.com). The Shareholders who do not wish to

## Samrat Forgings Limited

speak during the AGM but have queries may send their queries in advance 7 days prior to the AGM mentioning their name, demat account number / folio number, email id, mobile number at sandeepsharma@samratforgings.com. These queries will be replied to by the Company suitably by email.

- VIII. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- IX. Only those Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- X. If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same members have not participated in the AGM through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the AGM.
- XI. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for members on 'first come first serve' basis.

### GENERAL INSTRUCTIONS

- i. Mr. Kanwaljit Singh, Practicing Company Secretary (Certificate of Practice No. 5870) has been appointed as the Scrutinizer to scrutinize remote e-voting process before the AGM as well as remote e-voting during the AGM in a fair and transparent manner.
- ii. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.
- iii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.samratforgings.com](http://www.samratforgings.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the results are declared. The Company shall simultaneously forward the results to BSE Limited ("BSE").
- iv. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on 23<sup>rd</sup> September, 2022.
- v. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 30th September, 2022.

Regd. Office:  
Village & P.O. Ghollu Majra, Tehsil Derabassi,  
Distt. Mohali, Punjab - 140506  
Email: [info@samratforgings.com](mailto:info@samratforgings.com)  
CIN: L28910PB1981PLC056444  
Date: 13.08.2022

By order of the Board of Directors  
**For Samrat Forgings Limited**

**(Sandeep Kumar)**  
**Company Secretary**  
**FCS-9075**



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Explanatory Statement sets out all the material facts relating to the Special business mentioned under item no. 4 to 7 of the accompanying Notice dated August 13, 2022:

### **ITEM NO. 2**

Though not statutorily required, the following is being provided as additional information to the Members.

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One-third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors are not subject to retirement by rotation.

In the 40<sup>th</sup> AGM Mrs. Ritu Joshi was subject to retirement by rotation and was re-appointed by Members at the AGM. Accordingly, Mrs. Bindu Chowdhary is now required to retire by rotation at this AGM and being eligible, has offered herself for re-appointment. Keeping in view Mrs. Bindu Chowdhary's rich experience and her association as a director of the Company over a long period of time, the Board of Directors is of the opinion that it would be in the interest of the Company to re-appoint her as a Non-Executive, Non Independent Director of the Company.

At the 39<sup>th</sup> AGM held on September 30, 2020, the Members approved the continuation of directorship of Mrs. Bindu Chowdhary aged 80 years, by way of a special resolution pursuant to Regulation 17(1A) of the Listing Regulations. Accordingly, no further approval is being sought regarding the same as part of this Notice. Additional information in respect of Mrs. Bindu Chowdhary, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2), is given at last and forms a part of this Notice.

Except Mrs. Bindu Chowdhary, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2. The Board of Directors recommends the resolution in relation to the re-appointment of Mrs. Bindu Chowdhary as set out in Item No. 2, for approval of the Members by way of an Ordinary Resolution.

### **ITEM NO. 3**

Although an Ordinary Business, explanation given for the information to the Members.

Members of the Company at the 36<sup>th</sup> Annual General Meeting, held in September 2017, had approved the appointment of M/s Jain & Associates, Chartered Accountants (Firm Registration No. 01361N), as Statutory Auditors of the Company for a term of five years. In terms of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, M/s Jain & Associates is completing its term on the conclusion of this AGM.

Accordingly, the Board on the recommendations of Audit Committee, has proposed the appointment of M/s Rajesh Aggarwal & Associates, Chartered Accountants (Firm's Registration No. 009831N) as Statutory Auditors of the Company for five years from the conclusion of this AGM till the conclusion of the 46<sup>th</sup> AGM of the Company on the basis of review of their audit experience, clients served, technical knowledge, etc. The fee for Statutory Audit and Limited Review proposed to be paid to M/s Rajesh Aggarwal & Associates for the financial year 2022-23 is Rs.1.50 lacs plus applicable taxes and out of pocket expenses. The proposed fee amount is the same as the company has paid to the existing auditors for the financial year 2021-22.

As required under the provisions of Section 139(1) of the Act, the Company has received a written consent from M/s Rajesh Aggarwal & Associates for its appointment and a Certificate to the effect that its appointment, if made, would be in accordance with the Act and the Rules framed thereunder and that it satisfies the criteria provided in Section 141 of the Act.

### **Brief profile of M/s. Rajesh Aggarwal & Associates:**

M/s. Rajesh Aggarwal & Associates, Chartered Accountants, is the partnership firm established in 1990. The firm is based at Chandigarh and it provides audit, tax and advisory services to their various clients. The Firm is registered with the Institute of Chartered Accountants of India ("ICAI") vide registration number 009831N.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

### **ITEM NO. 4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Balwinder & Associates, Cost Accountants (Firm Registration No. 000201) as the Cost Auditor of the Company to conduct audit of the cost records of the Company for the financial year 2022-23 on a remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

### **ITEM NO. 5**

Mr. Satish Chander Sharma (DIN: 09654654) on the recommendation of Nomination & Remuneration Committee was appointed as an Additional Director (Non Executive Independent) of the Company by the Board with effect from June 30, 2022. In accordance to the provisions of section 161 of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), he will hold office upto the date of the Annual General Meeting of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

He is a retired banker and has rich experience in the field of banking, financing and insurance segments. The Board, upon recommendation of the Nomination and Remuneration Committee, is of the view that Mr. Satish Sharma's varied experience will be of immense value to the Company and, therefore, recommends his appointment as an Independent Director of the Company for a period of five years from the original date of appointment i.e. June 30, 2022, to the members in terms of Resolution set out in Item No. 5 of the Notice. The Company has received a declaration from Mr. Satish Sharma declaring that he meets the criteria of independence as provided under Section 146(9) of the Act and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment. Also, the Company has received a notice in writing in terms of Section 160(1) of the Act recommending him to be appointed as an Independent Director of the Company.

In the opinion of the Board, Mr. Satish Sharma fulfills the conditions required to be fulfilled for being appointed as an Independent Directors of the Company as per the provisions of Act and Listing Regulations. Therefore, the Directors recommend the Resolution set out at Item No. 5 of the Notice to be passed by the Members as a Special Resolution.

Except for Mr. Satish Sharma being the appointee, none of the Directors or key managerial personnel of the Company or their relatives is/are, in any way concerned or interested in the proposed resolution.

### **ITEM NO. 6 & 7**

In accordance with the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the following powers can be exercised by the Board of Directors with the consent of the company by a Special Resolution:

- To pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company;
- To borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed the aggregate of the Company's paid-up share capital and free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

The Board is of the view that in order to further expand the business activities of the Company and for meeting the expenses for capital expenditure, the Company may be further required to borrow money, either secured or unsecured, from the banks, financial institutions, other body corporate etc. from time to time, and to pledge, mortgage, hypothecate and/or charge any or all of the movable and/or immovable properties of the Company and/or whole or part of the undertaking of the Company.

The Board of Directors of the Company proposes to increase the limits to borrow money upto Rs. 150 Crores (Rupees one hundred and fifty crores) and to secure such borrowings by pledging, mortgaging, hypothecating the movable and/or immovable properties of the Company amounting up to Rs. 150 Crores (Rupees one hundred and fifty crores).

It is, therefore, required to obtain fresh approval of members by Special Resolution under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to create charge on the assets of the Company under the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolutions.

The Board recommends the Special Resolution set out at Item No. 6 & 7 of the Notice for approval by the Members.

Regd. Office:  
Village & P.O. Ghollu Majra, Tehsil Derabassi,  
Distt. Mohali, Punjab 140506  
Email: info@samratforgings.com  
CIN: L28910PB1981PLC056444  
Date: 13.08.2022

By order of the Board of Directors  
**For Samrat Forgings Limited**

**(Sandeep Kumar)**  
**Company Secretary**  
**FCS-9075**

## Samrat Forgings Limited

**ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 41<sup>ST</sup> ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015] AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:**

<b>Name of the Director</b>	<b>Mr. Satish Chander Sharma</b>	<b>Bindu Chowdhary</b>
DIN	09654654	01154263
Date of Birth	22.08.1955	13.04.1940
Age (in years)	67	82
Nationality	Indian	Indian
Date of appointment	30.06.2022	25.04.1990
Qualification	M.Sc. (Physics)	B.A.
Expertise in specific functional area	35 years of experience in the field of Banking and Finance.	Vast experience of more than four decades in Business Administration and Management.
Brief Resume	<p>Mr. Satish Sharma in Master in Physics by qualification and also holding P.G. Diploma in Applied Electronics from the University of Jammu.</p> <p>He has a vast experience of approximately thirty five years in banking and retired as Branch Manager from the Jammu &amp; Kashmir Bank in the year 2015. Post retirement he is providing consultancy services in the field of Finance, Banking and Insurance.</p>	<p>Mrs. Bindu Chowdhary is graduate by qualification and she is the non executive promoter director of the Company since 1990. During her business carrier of more than four decades she has held directorship in various companies and successfully directed them towards sustained growth. She has enriched experience of management and business administration and contributing successfully to the company in strategic management and business planning.</p>
Directorship held in other Companies	Nil	Nil
Memberships of Committees/ Chairmanship in other companies	Nil	Nil
Listed entities from which the person has resigned in the past three years	Nil	Nil
Number of Board Meetings of Samrat Forgings Limited attended during FY 2021-22	N.A.	5 out of 5
Shareholding in Samrat Forgings Limited	Nil	20 equity shares
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	Nil	Nil
Terms and conditions of appointment or re-appointment	Independent Director not liable to retire by rotation	Non Executive Non Independent Director liable to retire by rotation
Remuneration last drawn (including Sitting fees, if any)	Nil	Sitting fee of Rs. 40,000/- for attending Board Meetings during FY 2021-22.
Justification for choosing the appointees for appointment as Independent Director	Mr. Satish Sharma has extensive experience of Banking and Finance and his services as a Board member would be very helpful and guiding to the Company in analyzing financial options and making strategic financial planning.	Not applicable

## **DIRECTORS' REPORT**

Dear Members,

Your directors have pleasure in presenting the 41<sup>st</sup> Annual Report together with Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL RESULTS**

The financial summary of the Company for the year under review is given below for your consideration:

<b>Particulars</b>	(Rs. in Lakhs)	
	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Net Operating Revenue	13,948.62	11,771.39
Other Income	48.78	21.21
Profit before Finance Cost, Depreciation, Exceptional items and tax	1,291.60	1,158.46
Finance Cost	486.64	561.04
Depreciation	286.83	296.47
Profit before exceptional items & tax	518.13	300.95
Exceptional items	0.34	-
Profit before tax	518.47	300.95
Provision for current tax	121.00	84.60
Deferred tax	32.74	(8.69)
Income tax of previous year	8.46	0.05
Net profit after tax	356.27	224.99
Other Comprehensive Income (net of tax)	4.63	13.94
Total Comprehensive Income	360.90	238.93
Transfer to General Reserve	0.00	0.00

### **OPERATIONAL REVIEW**

The financial year 2021-22 under review had continued to witness disruptions in operations due to unprecedented economic challenges faced by the Indian economy as the nation faced the severe second wave of COVID-19, followed by a third wave though its intensity was not that grave. The overall scenario intermittently has posed different challenges like soaring prices of raw material due to increase in prices of international Iron Ore, foreign scrap and Ferro Alloy prices. Russian invasion of Ukraine in February, 2022 came as blow which further restricted supply of inputs required by steel mills. Supply chain related issues more particularly procurement of raw material, availability of required manpower etc. were also disrupted. However, the Company by effectively managing all related matters, yet again able to post its highest ever performance.

In spite of above hurdles, the Company has achieved its highest ever turnover during the financial year ended 31<sup>st</sup> March, 2022. The net operating revenue for FY 2021-22 stood at Rs. 139.49 crore as against Rs. 117.71 crore of previous year. With continued focus on cost front, the Company has earned profit before tax of Rs. 5.18 crore against the previous year's profit before tax of Rs. 3.01 crore, profit after tax (before other comprehensive income) of Rs. 3.56 crore (Previous year: Rs. 2.25 crore) translated into Earning Per Share of Rs. 7.13 (Previous year: Rs. 4.50). Total comprehensive income (net of tax) for the year stood at Rs. 3.61 crore as against Rs. 2.39 crore of previous year.

No material changes and commitments which could affect your Company's financial position for FY 2021-22 have occurred between the end of the financial year of your Company and date of this report.

### **FUTURE PROSPECTS/ EXPANSION**

With the Government's "Atamanirbhar Bharat" Abhiyan, reduction in Bank's Interest rates, adequate financing availability and prediction of normal monsoon, it is expected that the domestic demand is likely to continue its growth trajectory in FY 2021-22, which will be quite helpful to the Company to increase its sales volume and maintain its growth in the present fiscal. However, the recent surge in COVID-19 pandemic could pose some challenges. Although the future seems unpredictable but due to company's varied product mix and segments, the company hopes to sail through safely in these tough situations for the industry. It's pertinent to add, that the health and safety of all our employees, staff, customers and associates are of utmost importance to the company and will always remain priority.

The Company has definite plan of capacity expansion in present financial year 2022-23. The company has already in process of commissioning capacity expansion of its crankshaft machining line by another 50% of its installed capacity. Also, company has been offered to machine engine camshafts, which presently is being supplied in raw forging's state thus increasing sales and value addition. In addition, more CNC machines are being planned to strengthen machining capacities. Also, the company has developed many new parts both for domestic as well as export markets in different niche segments and is very confident of growth during this year.

### **TRANSFER TO RESERVES**

The Company has not transferred any amount to General Reserves.

### **CAPITAL STRUCTURE**

There has been no other change in the Capital Structure of the Company during the FY 2021-22.

### **DIVIDEND**

The Directors does not recommend any dividend for the year under review and rather prefer to conserve the resources and plough back the accrued profits into the Company.

The provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding formulation of dividend distribution policy are not applicable to the Company.

### **ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on 31<sup>st</sup> March, 2022 is available on the website of the Company at the web link: [www.samratforgings.com/wp-content/uploads/2022/08/Annual-Return-2021-22.pdf](http://www.samratforgings.com/wp-content/uploads/2022/08/Annual-Return-2021-22.pdf)

### **DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

## **DIRECTORS**

### **I. Appointment/Cessation of Directors**

There has been no change in directorship of the Company during the Financial Year 2021-22. Sh. Ashok Lakhanpal, Independent Director of the Company passed away on April 02, 2022.

Sh. Satish Chander Sharma (DIN: 09654654) has been appointed as an Additional Director (Non Executive Independent) of the Company with effect from 30<sup>th</sup> June, 2022. He holds office upto the date of the forthcoming Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a Member signifying intention to propose Mr. Satish Chander Sharma to be appointed as an Independent Director for five years at the forthcoming Annual General Meeting. The Directors recommends his appointment as an Independent Director for a term of five years in the forthcoming Annual General Meeting of the Company.

Further, In terms of section 152 of the Companies Act, 2013, Mrs. Bindu Chowdhary (DIN: 01154263), Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

The details of the directors being recommended for appointment/re-appointment are contained in the Notice convening the ensuing 41st Annual General Meeting of the Company.

### **II. Declaration by Independent Directors**

All the Independent Directors have given declaration to the Company that they meet the criteria of 'independence' set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The Board is of the opinion that the Independent Directors of the Company hold high standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

### **III. Meetings of the Board**

During the Financial Year 2021-22 five Board Meetings were held on following dates:

I. 22.05.2021, II. 26.06.2021, III. 14.08.2021, IV. 10.11.2021 and V. 05.02.2022

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. Attendance detail in the aforesaid board meetings is as under:

<b>Name &amp; DIN of the Director</b>	<b>Number of Meetings which director was entitled to attend</b>	<b>Number of meetings attended</b>
Mr. Rakesh M. Kumar (DIN: 00066497)	5	5
Mrs. Bindu Chowdhary (DIN: 01154263)	5	5
Mrs. Ritu Joshi (DIN: 01598873)	5	5
Mr. Ajay Arora (DIN: 00314161)	5	5
Mr. Ashok Lakhanpal (DIN: 03617355)	5	3
Ms Niveta Sharma (DIN: 08056816)	5	5

One meeting of Independent Directors was held on 12.03.2022 during the year under review which was attended by all three Independent Directors of the Company i.e. Mr. Ajay Arora, Mr. Ashok Lakhanpal and Ms. Niveta Sharma.

#### IV. Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has put in place a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-

**a. Criteria for evaluation of the Board of Directors as a whole:**

- i. Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Board
- v. Number of Committees and their role
- vi. Overall performance of the Company

**b. Criteria for evaluation of the Board Committees**

- i. Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Committee
- v. Role of Committees.
- vi. Contribution to the decision making process of the Board.

**c. Criteria for evaluation of the Individual Directors including Independent Directors;**

- i. Experience and ability to contribute to the decision making process
- ii. Problem solving approach and guidance to the Management
- iii. Attendance and Participation in the Meetings
- iv. Personal competencies and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
  - a. Performance of the directors; and
  - b. fulfillment of the independence criteria as specified in these regulations and their independence from the management:

According to the above criteria, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. A structured questionnaire was prepared based on the above said parameters and after taking into consideration inputs received from the Directors, covering various aspects of the Boards functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairperson of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Company Secretary.



The Independent Directors had met separately on 12.03.2022 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent

Directors and Board as a whole and the performance of the Chairperson of the Board after taking into consideration the views of Executive and Non-Executive Directors.

The Directors express their satisfaction over the evaluation process.

### **V. Nomination and Remuneration Policy**

On recommendations of the Nomination and Remuneration Committee, the Board has adopted a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration titled as Remuneration Policy. The extract/salient features of the Remuneration Policy of the Company are attached as **Annexure 1** to this report and forms part of this report of the Board of Directors. The detailed policy is available on the website of the company and can be accessed at weblink [www.samratforgings.com/wp-content/uploads/2022/08/Remuneration-Policy.pdf](http://www.samratforgings.com/wp-content/uploads/2022/08/Remuneration-Policy.pdf)

### **VI. Familiarization Programme for Independent Directors**

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has imparted the familiarization programme for Independent Directors detail whereof is available on the website of the Company at the web link [www.samratforgings.com/wp-content/uploads/2022/08/Familiarisation-programmes-conducted-during-FY-2021-22.pdf](http://www.samratforgings.com/wp-content/uploads/2022/08/Familiarisation-programmes-conducted-during-FY-2021-22.pdf)

### **VII. Statement regarding opinion of the Board with regard to integrity, expertise and experience (Including the proficiency) of the Independent Directors appointed during the year**

No appointment/re-appointment of any Independent Director made during the year.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the directors to the best of their knowledge and belief, confirm that:

- (i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the profit of the Company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) adequate internal financial controls to be followed by the Company have been laid down and such internal financial controls were operating effectively during the Financial Year ended 31<sup>st</sup> March, 2022;
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively throughout the Financial Year ended 31<sup>st</sup> March, 2022.

**COMMITTEES OF BOARD:**

**(A) AUDIT COMMITTEE**

The Company has an Audit Committee comprising of 1 (one) Executive and 2 (two) Non-Executive Independent Directors. There was no change in the composition of the Audit Committee during the Financial Year 2021-22. The role and powers of the Audit Committee are in accordance with the items listed in Part C of Schedule II of Listing Regulations and as per section 177 of the Companies Act, 2013. All the Members of the Committee possess strong accounting and financial management knowledge.

All the recommendations of the Audit Committee made during the Financial Year 2021-22 were accepted by the Board.

During the Financial Year 2021-22 under review, 5 (five) Audit Committee meetings were held on I. 22.05.2021., II. 26.06.2021, III. 14.08.2021, IV. 10.11.2021 and V. 05.02.2022

Attendance record of the Members of the Audit Committee for FY 2021-22 is as under:

<b>Name of the Member Director</b>	<b>Positing</b>	<b>Nature of Directorship</b>	<b>Number of meetings held</b>	<b>Number of Meetings Attended</b>
Mr. Ajay Arora	Chairman	Independent Director	5	5
Ms Niveta Sharma	Member	Independent Director	5	5
Mr. Rakesh M. Kumar	Member	Managing Director	5	5

The Chief Financial Officer of the Company regularly attends the meetings. Other senior executives, when required, are invited in the meetings. Statutory auditors, cost auditors and internal auditors are also invited to the meetings.

The Company Secretary of the Company acts as Secretary of the Committee.

All the members of the Audit Committee were present at the last AGM held on 30<sup>th</sup> September, 2021.

**(B) NOMINATION & REMUNERATION COMMITTEE**

The Board has set up a Nomination & Remuneration Committee to review, assess and recommend to the Board the appointment and remuneration of directors, key managerial personnel or senior management personnel from time to time, formulate policy relating to the remuneration for the directors, key managerial personnel and other employees, to deal with such other matters and functions as may be prescribed from time to time etc. The committee comprises three members and there was no change in the composition of the committee during the Financial Year 2021-22. The Company Secretary of the Company acts as Secretary of the committee.

During the Financial Year 2021-22 under review, one meeting the Nomination & Remuneration Committee was held on 30.03.2022 and the attendance of the member of the committee in the said meeting was as follows:

<b>Name of the Member Director</b>	<b>Positing</b>	<b>Nature of Directorship</b>	<b>Number of meetings held</b>	<b>Number of Meetings Attended</b>
Mrs. Ritu Joshi	Chairperson	Non Executive Non Independent Director	1	1
Mr. Ajay Arora	Member	Independent Director	1	1
Ms Niveta Sharma	Member	Independent Director	1	1

**(C) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Company has a Stakeholders Relationship Committee, to consider inter alia transfer/transmission of shares, issue of duplicate share certificates and allied work and review status of investor grievances etc. The committee oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

The Stakeholders Relationship Committee has three members and there was no change in composition of the Committee during the Financial Year 2021-22. One Committee meeting was held during the Financial Year 2021-22 on 14.06.2021 and the attendance of the member of the committee in the said meeting was as follows:

<b>Name of the Member Director</b>	<b>Positing</b>	<b>Nature of Directorship</b>	<b>Number of meetings held</b>	<b>Number of Meetings Attended</b>
Mrs. Ritu Joshi	Chairperson	Non Executive Non Independent Director	1	1
Mrs. Bindu Chowdhary	Member	Non Executive Non Independent Director	1	1
Mr. Rakesh M. Kumar	Member	Managing Director	1	1

The Company had received one investor complaint during the Financial Year 2021-22 and the same got resolved. No grievance was pending at the beginning or at the end of the financial year under review. Mr. Sandeep Kumar, Company Secretary of the Company is the Compliance Officer of the Company.

**SUBSIDIARIES, JOINT VENTURES ANS ASSOCIATE COMPANIES**

The Company has no Subsidiary, Joint Venture or Associate Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Your Company has not given any loans or guarantees and it has also not made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

**CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business of the company during the year under review.

**AUDITORS & AUDITORS' REPORT**

M/s Jain & Associates, Chartered Accountants (ICAI Firm Regn. no. 001361N) were appointed as Statutory Auditors of the company in 36th Annual General Meeting (AGM) of the company held on 29<sup>th</sup> September, 2017 for a term of five years until the conclusion of 41<sup>st</sup> AGM of the Company to be held in the year 2022. Accordingly, the term of M/s Jain & Associates, Chartered Accountants as Statutory Auditors is ending at the conclusion of the ensuing AGM.

In accordance with provision of Section 139 of the Companies Act, 2013 read with Rules framed thereunder, the Board of Directors of the Company on the recommendation of the Audit Committee, proposed the appointment of M/s Rajesh Aggarwal & Associates, Chartered Accountants (ICAI Firm Registration Number 009831N) as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of ensuing 41<sup>st</sup> AGM till the conclusion of 46<sup>th</sup> AGM

to be held in the year 2027. The appointment of M/s Rajesh Aggarwal & Associates as the statutory auditors of the Company forms part of Notice of ensuing AGM for the approval of the Members. As required under provision of Section 139(1) of the Companies Act, 2013, the Company has received consent from M/s Rajesh Aggarwal & Associates for their appointment and a certificate to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for appointment as statutory auditors of the Company. The members are requested to consider the appointment of statutory auditors as aforesaid and authorization of their remuneration.

The Report given by the Auditors on the financial statements of the Company for the financial year 2021-22 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer given by the Auditors in their Report.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company had appointed Mr. Kanwaljit Singh, Company Secretary in practice (Certificate of Practice No. 5870) to undertake the Secretarial Audit of the Company for Financial Year 2021-22. However, Mr. Kanwaljit Singh had resigned as Secretarial Auditor of the Company for the Financial Year 2021-22 due to personal reasons. Consequently, the Board of Directors in their meeting held on July 23, 2022 appointed Anil Negi & Company, Practicing Company Secretaries (Certificate of Practice No. 17213) as Secretarial Auditor of the Company, to conduct the Secretarial Audit of the Company for Financial Year 2021-22. The Secretarial Audit Report received from the said auditor is annexed to this report as **Annexure- 2**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **COST RECORDS AND COST AUDIT**

The Company is maintaining cost records according to the provisions of Section 148(1) of the Companies Act, 2013. The Board of Directors had appointed M/s Balwinder & Associates, Cost Accountants (Firm Registration Number 000201), as the Cost Auditors of the Company for the Financial Year 2021-22.

The Board of Directors on recommendation of the Audit Committee, reappointed M/s Balwinder & Associates, Cost Accountants (Firm Registration Number 000201), as Cost Auditors of the Company for the Financial Year 2022-23 under Section 148 of the Companies Act, 2013. M/s Balwinder & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under sub section (3) of Section 141 read with sub section (5) of Section 148 of The Companies Act 2013.

The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arms length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s Balwinder & Associates, Cost Auditors is included in the Notice convening the 41<sup>st</sup> Annual General Meeting.

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2021-22 were in the ordinary course of business on arm's length basis. There were no material transactions made by the company during the year that would have required members' approval.

A statement giving details of all related party transactions is placed before the Audit Committee or quarterly basis. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

The Company has adopted a policy to deal with Related Party Transactions as approved by the Board of Directors and the same is available on its website at [www.samratforgings.com/wp-content/uploads/2022/08/Policy-on-Related-Party-Transactions.pdf](http://www.samratforgings.com/wp-content/uploads/2022/08/Policy-on-Related-Party-Transactions.pdf)

In accordance with Section 134(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC-2 is enclosed at **Annexure 3** to this Report. The detail of the related party transactions as per Ind-AS, are set out in Note 38 to the Financial Statements.

## CODE OF CONDUCT

The company has framed and adopted a Code of Conduct (the Code) which is applicable to the Members of the Board and members of the senior management of the company. The code has been posted on the website of the Company i.e. [www.samratforgings.com](http://www.samratforgings.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and members of the senior management in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in compliance of applicable laws.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code during the financial year ended 31<sup>st</sup> March, 2022.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal, unethical behavior and actual or suspected fraud or violations of Company's Code of Conduct. The Company has a Whistle Blower Policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to the Vigilance and Ethics Officer of the Company or the Chairman of Audit Committee. The confidentiality of the reported violations, if any, is maintained and the employees reporting violations are not subjected to any discriminatory practice. Vigil Mechanism/Whistle Blower Policy is posted on the website of your Company at [www.samratforgings.com/wp-content/uploads/2021/08/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf](http://www.samratforgings.com/wp-content/uploads/2021/08/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf).

## FRAUD REPORTING

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

## INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has laid down adequate internal financial controls with reference to financial statements, commensurate with the size and complexity of its operations. Based on the results of

assessment carried out by the Management, no reportable material weaknesses in the design or operation of internal financial controls was observed. Regular audits and review processes in the company ensures that internal financial control systems are enforced on an ongoing basis.

### **PREVENION OF SEXUAL HARASSMENT POLICY**

The Company has adopted and put in place anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. The Policy aims to provide protection to women at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment. The Company has constituted an Internal Complaints Committee to enquire into and redress complaints received, if any, regarding sexual harassment. The Committee has not received any complaint of sexual harassment during the financial year 2021-22.

### **INDUSTRIAL RELATIONS**

Your Company is continuously maintaining healthy, cordial and harmonious industrial relations at all levels. Industrial relations and work atmosphere remained cordial throughout the financial year under review.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes have occurred or commitments made after 31<sup>st</sup> March, 2022, which may affect the financial position of the Company or require disclosure.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Corporate Social Responsibility are not applicable to the company. Hence, the company has not made any policy on corporate social responsibility.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

There was neither any application made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the period under review.

### **THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

During the year under review, the Company has not made one-time settlement therefore, the same is not applicable.

## **RISK MANAGEMENT**

Risk Management is an important part of business in today's economic environment and an ongoing process within the Company. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks to the business. Your company is always endeavored to identify and take appropriate and timely action to mitigate all type of risks involved in business of the company and in this regard a policy on risk management has been adopted by the Company.

At present the company has not identified any element of risk which may threaten the existence of the company.

## **SAFETY, HEALTH AND ENVIRONMENT**

Considering the risk involved in the manufacturing process, optimum safety provisions have been made in all segments of the Company and the same are checked periodically. The Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards. There were no major accidents in the plants during the year. Stringent quality control for all products and raw materials has been incorporated and the Company has well equipped laboratory to ensure quality control.

The Company has accredited with IATF 16949:2016 Certification from TUV SUD. Regular audits are conducted under this Certification.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report which covers the state of the Company's affairs is annexed herewith and forms part of this Report.

## **CORPORATE GOVERNANCE**

According to regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the provisions of Corporate Governance are not applicable to the Company as the paid up capital and net worth of the company are less than the stipulated limits. Also the regulations regarding Para C, D and E of Schedule V of the Listing Regulations are not applicable to the Company. Therefore, the report on corporate governance, Declaration by chief executive officer regarding affirmation of compliance with the code of conduct by the Directors & members of senior management and Certificate regarding compliance of conditions of corporate governance are not annexed with the directors' report/annual report for the year ended 31<sup>st</sup> March, 2022.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, the Company has complied with applicable Secretarial issued by the Institute of Company Secretaries of India.

## **LISTING OF SHARES**

The shares of the Company are listed on BSE Limited. The Annual Listing fee payable to the said stock exchange for the FY 2021-22, has been duly paid.

## KEY MANAGERIAL PERSONNEL (KMP)

In terms of the applicable provisions of the Companies Act, 2013, Mr. Rakesh M Kumar, Managing Director, Mr. Sandeep Kumar, Company Secretary and Mr. A.P.S. Grover, Chief Financial Officer of the Company are the Key Managerial Personnel (KMP) of the Company as on 31<sup>st</sup> March, 2022. There has been no change in the KMP's of the Company during the year under review.

## PARTICULARS OF EMPLOYEES

The details pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2021-22 are annexed as **Annexure- 4** to this report.

## SUSTAINABILITY INITIATIVE AND BUSINESS RESPONSIBILITY REPORT

Your Company is conscious of its responsibility towards preservation of natural resources and continuously takes various initiatives to reduce the consumption of electricity and water. The provisions of Regulation 34(2)(f) of the Listing Regulations regarding Business Responsibility Report are not applicable to the company.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013 are provided in **Annexure- 5** to this Report.

## ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to the bankers, financial institutions, stakeholders, business associates of the company and to the Central and State Government and district level authorities for their co-operation and support and look forward to their continued support for the future plans of the Company.

Your Directors also wish to acknowledge the contribution made by the workers and employees at all levels that has contributed to the growth of the Company.

For and on behalf of the Board

Place: Derabassi  
Dated: 13.08.2022

**Rakesh M. Kumar**  
**Managing Director**  
(DIN: 00066497)

**Ritu Joshi**  
**Director**  
(DIN: 01598873)



## MANAGEMENT DISCUSSION AND ANALYSIS

Your directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2022.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Economy picked up growth in Financial Year 2021-22, post the disruption caused by the COVID 19. Though the year started with a severe second wave of the pandemic, the country has since witnessed quarter on quarter improvement across all performance indicators, supported by proactive measures to vaccinate most population to mitigate the impact of third wave of the pandemic. The overall scenario intermittently has posed different challenges for Indian Forging Industry like soaring steel prices, supply chain related issues more particularly delay in procurement of raw material, availability of required manpower etc.

The predicted better monsoons did favor for the agriculture sector, boosting the tractor sales in line with the expectations which has favored the company to get better sale results from its customers into/ related to tractor manufacturing. However, the demand for commercial vehicles continued to be under pressure, with rising fuel prices and subdued manufacturing activity during the year particularly in the first half of FY 2021-22.

### OPPORTUNITIES AND THREATS

With Central Government's "Atamanirbhar Bharat" Abhiyan, reduction in Bank's interest, good harvest of rabi crop, initial forecast of consecutive normal monsoon is likely to help to sustain the domestic demand momentum. Further, the Government's continued thrust to enhance farmers' income through various initiatives like improving irrigation facilities, crop insurance, periodic revision in minimum support price (MSP), it is expected that the tractor industry will continue witnessing growth in medium to long term. In this backdrop, the business of the Company being connected to tractor industry to which the company has major supplies is likely to be improved.

The Company is trying to increase its volume of supplies to other customers also and explore new business opportunities in niche segments with special focus on export. Necessary initiatives and steps towards value engineering, cost reductions, products up gradation continue to be the main focus for the company this year too.

The volatility of prices of steel and furnace oil and supply chain related issues are the major concerns before the company. However, no threat is foreseen at present to be a stoppage of the company as going concern.

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company operates in single segment i.e. manufacturing of closed die steel forgings and machined components and all its operational performance reported in the financial statements and other reports forming part of the Annual Report are from this single segment only. The Company manufactures and supply wide range of components to its customers in automotive and non-automotive industries; thus, the evaluation of product wide performance is much complicated and not feasible to be reported and the performance of the company can be recognized as a whole as there is no separate segment for reporting.

### OUTLOOK

Considering the improvement in demand in the tractor industry where your company has major presence and new businesses coming from non-tractor segment overseas customers like Railways and construction equipment manufacturers and major focus on exports, it is expected that the

company would be able to make its business grow in coming years. Some sectors have been very bearish especially in the commercial vehicle; however, the Company striving to execute the orders from all its customers in various sectors.

The company has developed many new parts both for domestic as well as export markets and is very confident of growth. The Company has definite plan of capacity expansion in present financial year 2022-23. The company has already in process of commissioning capacity expansion of its crankshaft machining line by another 50% of its installed capacity. Also, company has been offered to machine engine camshafts, which presently is being supplied in raw forging's state thus increasing sales and value addition. In addition, more CNC machines are being planned to strengthen machining capacities.

### **RISKS AND CONCERNS**

Commodity risks, characterized by fluctuations in demand and supply, and price movements pose significant risk in manufacturing industries. In the Forging industry, Alloy steel, being the primary raw material for manufacturing is susceptible to risks arising from fluctuations in global steel price movement. The impact of such risks creates challenges in maintaining competitive advantage in price and strained working capital requirements of the company.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

All departments of the Company are adequately staffed with professionally qualified and experienced personnel. There are established internal control systems and procedures in place commensurate to the size and nature of business of the Company, which ensure efficient use and protection of business resources and compliance with the policies, procedures and statutes. The financial information is compiled periodically and reviewed by the management time to time. The reporting and monitoring system is elaborate and the same is reviewed by the management on regular basis. The internal control is supplemented by programs of internal audits, review by the management and documented policies, guidelines and procedures. The focus of these reviews is to identify the weaknesses and the areas of improvement, compliance with defined policies and processes, safeguarding the tangible and intangible assets and compliance with applicable statutes.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial year 2021-22 had continued to witness disruptions in operations due to unprecedented economic challenges faced by the Indian economy as the nation faced the severe second wave of COVID-19, followed by a third wave though its intensity was not that grave. The overall scenario intermittently has posed different challenges like increase in price of raw material and other consumables, supply chain related issues more particularly procurement of raw material, availability of required manpower etc. However, the Company by effectively managing all related matters, yet again able to post its highest ever performance.

In the above backdrop, the Company has achieved its highest ever turnover during the financial year ended 31st March, 2022. The net operating revenue for FY 2021-22 stood at Rs. 139.49 crore as against Rs. 117.71 crore of previous year. With continued focus on cost front, the Company has earned profit before tax of Rs. 5.18 crore against the previous year's profit before tax of Rs. 3.01 crore, profit after tax (before other comprehensive income) of Rs. 3.56 crore (previous year: Rs. 2.25 crore) translated into Earning Per Share of Rs. 7.13 (previous year: Rs. 4.50). Total comprehensive income (net of tax) for the year stood at Rs. 3.61 crore as against Rs. 2.39 crore of previous year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company believes that its human assets are the most valuable assets, which convert planning into execution and generate results. Hence, the Company always endeavor and attentive on having qualified and talented employees in all divisions. The management always keeps its focus to evaluate the performance of all employees and necessary steps are taken to strengthen the areas that need improvements. More experienced technical manpower is being taken at the senior level to streamline the whole business process and adequate facilities and opportunities are also being provided to the technical and professional staff to update themselves with the latest technologies and different other activities. The company continued to maintain good relationship with workers and staff during the last year.

As on March 31, 2022 the company had 643 permanent employees.

**KEY FINANCIAL RATIOS**

Particulars	Financial Year 2021-22	Financial Year 2020-21	Change as compared to previous Financial Year
Debtors Turnover Ratio	7.06	7.31	-3.42%
Inventory Turnover Ratio	2.58	2.34	10.26%
Interest Coverage Ratio	2.18	1.58	37.97%
Current Ratio	1.16	1.16	0.00%
Debt Equity Ratio	1.98	2.13	-7.04%
Operating Profit Margin%	11.01	11.55	-4.68
Net Profit Margin%	2.55	1.91	33.51%
Return on Net Worth%	15.19	11.34	33.95%

**Detail and reason of significant changes i.e. change of 25% or more:**

- Interest coverage ratio increased due to increase in sales and net profit in comparison of previous year.
- Net profit margin increased as the sales and profitability has increased in the current year in comparison of previous year.
- Return on net worth increased due to increase in sales and net profit in comparison of last year.

**CAUTIONARY STATEMENT**

This report may contain statements particularly which relate to Management Discussion and Analysis describing Company’s objectives, projections, estimates and expectations etc, which the Company believes are or may be considered to be “forward looking statements” within the meaning of applicable laws and regulations. The actual results might differ materially from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in the future on the basis of subsequent developments, information or events.

For and on behalf of the Board

Regd. Office:  
 Village & P.O. Ghollu Majra, Tehsil Derabassi,  
 Distt. Mohali, Punjab - 140506  
 Email: info@samratforgings.com  
 CIN: L28910PB1981PLC056444  
 Date: 13.08.2022  
 Place: Derabassi

**Rakesh M Kumar**  
**Managing Director**  
**(DIN: 00066497)**

**Ritu Joshi**  
**Director**  
**(DIN: 01598873)**

## ANNEXURES TO DIRECTORS REPORT

Annexure: 1

### EXTRACT FROM REMUNERATION POLICY

#### Statutory Requirement

Section 178 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a Nomination and Remuneration Committee (hereinafter referred as “the Committee”) and that such Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, senior management and other employees.

#### Appointment of Director, KMP and Senior Management Personnel

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. Term and Tenure of Director, Independent Director, Managing Director, Whole Time Director and KMP shall be governed by the provisions of Companies Act, 2013 as may be in force and amended from time to time.
- d. Due to reasons for any disqualification mentioned in the Companies Act, 2013 (hereinafter referred to as “the Act”) or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or other employee subject to the provisions and compliance of the said Act, rules and regulations.
- e. The Director, KMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel on the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- f. The remuneration/ compensation / commission/ increment etc. to the Directors and KMP will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / Commission/increment etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required under the Companies Act, 2013.
- g. Human Resource Department of the Company in consultation with Chairman/Managing Director of the Company is empowered to appoint the candidates in the Senior Management in terms of the criteria prescribed herein and report their appointment to the Committee. The Committee may also identify and recommend to the Board who may be appointed in senior management in accordance with the criteria laid down.

- h. Where any insurance is taken by the Company on behalf of its Whole time Director, Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **Remuneration to Director, KMP, Senior Management Personnel and Other Employees**

#### **A. Remuneration to Managing Director/Whole-time Director**

- **Remuneration**

The Company strives to provide fair compensation to Directors, KMP, Senior Management Personnel and other employees, taking into consideration following factors –

- Industry benchmark,
- Company's performance vis a vis industry,
- Scope of duties, roles and responsibilities,
- Skill, knowledge, performance/track record,
- Core performance requirements and expectations of individuals
- Legal and industrial Obligations

Managing Director/ Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Nomination and Remuneration Committee and the Board of Directors in terms of the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

The break-up of the pay scale and quantum of allowances, perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, car & driver facility etc. shall be decided and approved by the Board on the recommendation of the Nomination & Remuneration Committee. The remuneration may also be paid in the form of Profit linked Commission but with the overall limits as stated above.

- **Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director in accordance with the Schedule V and other applicable provisions of the Act and if it is not able to comply with such provisions, then with the prior approval of the Central Government.

- **Provisions for excess remuneration**

If any Managing Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **B. Remuneration to Non-Executive Directors and the Independent Directors**

- **Sitting Fees**

The Independent Directors and Non Executive Non Independent Directors of the Company shall be paid sitting fees as approved by the Board in terms of the provisions of the Act.

The Company may reimburse reasonable expenditure incurred by the Director for attending Board/ committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training organized by the Company for Directors and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

- **Remuneration**

Pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the non-executive directors of the Company (i.e. directors other than the Managing Director and / or the Whole-time Directors) be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013.

- **Stock Options**

Company can issue Stock Options to the directors. However, pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

## **C. Remuneration to KMP, Senior Management, other Employees**

Apart from the Directors, remuneration along with annual increment of all other KMP, Senior Management Personnel and other employees of the Company shall be determined by HR department in consultation with Managing Director/Whole-time Directors of the Company.

The remuneration and increment thereof should be in line with company's philosophy to provide fair compensation to employees based on their experience, roles and responsibilities, performance track record, legal obligation, industry benchmark, job complexity etc.

The various remuneration components such as basic salary, allowances, perquisites, etc may be combined to ensure an appropriate and balance remuneration package.

The Incentive pay shall be decided by HR department of the Company based on the HR policies in relation thereto and considering the balance between performance of the Company and performance of the Key Managerial Personnel, Senior Management Personnel and other employee.

The Committee may recommend to the Board a policy for granting Stock options to KMP, Senior Management Personnel and other employees in line with the provisions of the Act, SEBI regulation and the provision of any other applicable laws.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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,  
Samrat Forgings Limited  
Village & P.O. Ghollu Majra,  
Tehsil: Derabassi, Mohali, Punjab.

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

Based on my verification of the SAMRAT FORGINGS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SAMRAT FORGINGS LIMITED ("the Company") for the financial year ended on March 31, 2022 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable during the financial year under review.

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.
  - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
  - f) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
  - h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), being listed on BSE Limited;

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors; Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decisions are carried out through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The Company has proper board processes.



## Samrat Forgings Limited

Based on the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. 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.
2. On examination of the relevant documents and records, on test check basis, the Company has complied with the following laws specifically applicable to the company:
  - a. The Indian Electricity Act, 2003 and Indian Electricity Rules, 2005.
  - b. Petroleum Act, 1934

I further report that during the audit period,

- a. the company, with the approval of the members vide a special resolution passed in the 40<sup>th</sup> Annual General Meeting, filed an application for shifting of the registered office of the company from the Union Territory of Chandigarh to the state of Punjab. Pursuant to the company's application, the office of Regional Director, Northern Region, Ministry of Corporate affairs vide order dated 13.06.2022, approved the proposed shifting of the registered office of the company and the consequent alteration of the Memorandum of Association of the company. Accordingly, the company shifted its registered office from the Union Territory of Chandigarh to the State of Punjab with effect from 01.07.2022.
- b. the company has been advised to maintain a structural digital database of the designated personnel as prescribed under the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Apart from the business stated above, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Shimla  
Date: 09.08.2022  
UDIN: A046547D000765364

For ANIL NEGI & COMPANY  
Company Secretaries

ANIL NEGI  
(Proprietor)  
ACS No. 46547  
C P No.: 17213  
Peer Review Cert No. 2383/2022

Further, this report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

To,  
The Members,  
Samrat Forgings Limited  
Village & P.O. Ghollu Majra,  
Tehsil: Derabassi, Mohali, Punjab.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, we followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I 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 the management. My examination was limited to the extent of 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.

Place: Shimla  
Date: 09.08.2022  
UDIN: A046547D000765364

For ANIL NEGI & COMPANY  
Company Secretaries

ANIL NEGI  
(Proprietor)  
ACS No. 46547  
C P No.: 17213  
Peer Review Cert No. 2383/2022

**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.

Form for Disclosure of particulars of contracts/arrangements entered into during the Financial Year 2021-22 by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

a)	Name (s) of the related party & nature of relationship	There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022.
b)	Nature of contracts /arrangements/ transactions	
c)	Duration of the contracts/ arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

For and on behalf of the Board

Place: Derabassi  
Dated: 13.08.2022

Rakesh M. Kumar  
Managing Director  
(DIN: 00066497)

Ritu Joshi  
Director  
(DIN: 01598873)

**DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22	<b>Director's Name</b>	<b>Ratio to median remuneration</b>
		Mr. Rakesh M Kumar	95.46
		Mrs. Bindu Chowdhary	0.32
		Mrs. Ritu Joshi	0.34
		Mr. Ajay Arora	0.42
		Ms. Niveta Sharma	0.42
		Mr. Ashok Lakhanpal	0.18
(ii)	The percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer, during the financial year 2021-22	Mr. Rakesh M Kumar, MD	Nil
		Mr. Sandeep Kumar, CS	11.58%
		Mr. A.P.S. Grover, CFO	7.74%
(iii)	Percentage increase in the median remuneration of employees in the financial year	15.73%	
(iv)	Number of permanent employees on the rolls of company	643 as on 31.03.2022	
(v)	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration	Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year under review was 7.68%. Whereas there was no increase/decrease in the managerial remuneration during the financial year under review.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The Company hereby affirms that the remuneration paid is as per the remuneration policy of the Company	
(vii)	The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules read with Section 197(12) of the Act is given in Annexure 4(A), which forms part of this report.	

**Note:** The Median salary is arrived by taking into account the gross salary of the employees who were employed through the year. The employees who jointed or left in any part of the year have not been considered for computing the median.

**Annexure 4 (A)**

**Statement showing the detail of employees drawing remuneration exceeding one crore and two lakh rupees as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Employee name, designation and age	Qualification and experience (in years)	Remuneration (in Rs.)	Nature of employment	Date of commencement of employment	Previous employment and designation	%age of shares held	Relation with any other director
Rakesh M Kumar – Managing Director 56 years	B.E., MBA 31 years	1,20,21,600	Permanent	01.06.1994	Nil	23.60	Brother of Mrs. Ritu Joshi

**Detail of top ten employees in terms of remuneration drawn during the year**

Sr. No.	Name of employee	Designation	Remuneration (in Rs.)	Qualification and experience (in years)	Nature of employment	Date of commencement of employment	Age of employee (in years)	Last employment before joining the company
1	Rakesh M Kumar	Managing Director	1,20,21,600	B.E., MBA 31 years	Permanent	01.06.1994	56	Nil
2	Prem Lal	Vice President	23,76,000	B.Sc. Engg, LLB 40 years	Permanent	28.04.2008	65	Punjab Tractors Ltd
3	APS Grover	Chief Financial Officer	22,16,000	B.Com., FCA 40 years	Permanent	02.08.2006	65	Him Teknoforge Ltd
4	Sanjay Jain	DGM-Marketing	16,55,200	B.A. 33 years	Permanent	21.01.1989	55	Nil
5	Naveen Kumar	Asst. General Manager	12,34,000	Mech. Engg. 23 years	Permanent	02.07.2012	49	Harig Crankshafts Ltd
6	Faquir Chand	Manager-Maintenance	10,93,720	Diploma in Mechanical 33 years	Permanent	21.06.2010	57	Jai Parvati Forge Ltd
7	Daljit Sharma	Manager-Tool Room	9,50,280	Diploma in Mechanical 31 years	Permanent	30.08.1991	54	Nil
8	Rajinder Singh	Manager-Production	8,59,632	Graduation, ITI, 16 years	Permanent	07.11.2007	41	Nil
9	Parveen Kumar	Manager-Forge Shop	8,55,200	M.A. 27 years	Permanent	22.12.1995	50	Nil
10	Sanjay Singh	Asst. Manager-Maintenance	7,47,600	Diploma in Electronic & Communication 12 years	Permanent	01.12.2016	43	Electronica Hitech Machines Pvt Ltd

**Note:**

- The above information is as on 31.03.2022
- During the Financial Year under review, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees except Mr. Rakesh M Kumar, Managing Director, detail whereof is provided above.

## Samrat Forgings Limited

3. During the Financial Year under review, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month.
4. During the Financial Year under review, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
5. None of the above employees is related to any of the Directors except Mr. Rakesh M Kumar who is brother of Mrs. Ritu Joshi, Director.

For and on behalf of the Board

Place: Derabassi  
Dated: 13.08.2022

Rakesh M. Kumar  
Managing Director  
(DIN: 00066497)

Ritu Joshi  
Director  
(DIN: 01598873)

**Information as per rule 8(3) of the Companies (Accounts) Rules, 2014, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988.**

**A. CONSERVATION OF ENERGY**

**(i) Steps taken or impact on conservation of energy;**

The Company continues its efforts to improve methods for energy conservation and utilization by more usage of electricity purchased from Punjab State Power Corporation Limited and by close watch and regular inspection of the installed equipment and maintenance of the same.

**(ii) Steps taken by the company for utilizing alternate sources of energy;**

Appropriate actions have been taken to improve efficiency of own generation by usage of diesel generators only for emergencies and as stand by. Also, an intensified vigil on wastage/ leakage control has been kept by the company to mitigate the wastage of resources. The company plans to replace its existing oil-fired furnaces with Electric Induction Billet heaters thus saving energy and input material cost and also creating clean, smoke free working environment.

**(iii) Capital investment on energy conservation equipment;**

The company has invested 83.74 lakh during the year by installation of Induction Heater of 200 KW at its machining division. Also, adequate steps have been taken to keep the installed energy conservation equipment in prompt conditions, however exact expenditure incurred in this process is not ascertainable.

Disclosure of particulars with respect to conservation of energy:

Power & Fuel consumption			Year Ended 31.03.2022	Year Ended 31.03.2021
1	Electricity			
	a. Purchase	Unit in lakhs	69.40	65.10
	Total Amount	Rs. in lakhs	491.75	470.04
	Average Cost per unit	Rs.	7.09	7.22
	b. Own Generation	Unit in lakhs	2.80	1.50
	(Through diesel generation)			
	Unit per Ltr. of Diesel	Units	3.27	2.98
	Cost per Unit	Rs.	27.24	24.91
2	Furnace Oil / R.F.O./ L.D.O.			
	Quantity	KL	1,899	1,749
	Amount	Rs. in lakhs	812.14	524.72
	Average Rates per Ltr.	Rs.	42.77	30.00
3	Consumption per unit of prod.			
	1. Electricity Purchased	Units	718.06	659.84
	2. Electricity Generated	Units	28.98	15.17
	3. Furnace Oil/ R.F.O./L.D.O.	Ltrs.	196.45	177.25
	4. Production	MT	9,665	9,867

**B. TECHNOLOGY ABSORPTION**

Disclosure of particulars with respect to technology absorption: -

**Efforts made towards technology absorption**

The Company is committed to absorb new technology time to time to improve working efficiency of plants. Efforts have been made towards development of products of superior quality and implementation of total Quality Assurance System for this purpose.

**Benefits derived**

The above steps enabled the Company to carry on its operations in an efficient and cost-effective manner which in turn helps the Company offer its products and services in a most competitive manner.

**Imported technology**

No technology has been imported during the last three years.

**Research & Development**

Adequate efforts have been made towards quality up-gradation, development of wide range of products/components, productivity enhancement and quality control management. However, specific expenditure of recurring or capital nature is not involved.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	2021-22 (Rs in lakhs)	2020-21 (Rs in lakhs)
Earnings - on account of exports	817.11	374.89
Outgo - on account of import & expenditure	72.92	2.71

For and on behalf of the Board

Place: Derabassi  
Dated: 13.08.2022

Rakesh M. Kumar  
Managing Director  
(DIN: 00066497)

Ritu Joshi  
Director  
(DIN: 01598873)



## INDEPENDENT AUDITORS' REPORT

To the Members of SAMRAT FORGINGS LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of SAMRAT FORGINGS LIMITED ("the Company"), which comprises the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended March 31, 2022, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each matter below, our description of how our audit addressed the matter is provided in that context.

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

matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements:

S.No.	Key Audit Matter	Auditor's Response
1.	<p><b><i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</i></b></p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>We assessed the company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>● Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>● Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>● Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>● Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>a) Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>b) Compared these performance obligations with that identified and recorded by the company.</li> <li>c) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>d) Samples in respect of revenue recorded for time and material contracts were tested using a combina-</li> </ul> </li> </ul>

		<p>tion of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <p>e) Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.</p> <p>Obtained Confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p>
	<p><b><i>Evaluation of uncertain tax positions</i></b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

**Other Information**

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. 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 financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 and the operating effectiveness of such controls, refer to our separate Reporting "Annexure A". Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the Company's internal financial controls over financial reporting.

- (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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer **Note 31** to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts and equity shares, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For JAIN & ASSOCIATES**  
Chartered Accountants  
(Regd No.:001361N)

Date:18/05/2022  
Place : PANCHKULA  
UDIN:22513236AJTIRE9438

**KRISHAN MANGAWA**  
**Partner**  
(Membership No.: 513236)

## **Annexure “A” to the Independent Auditors’ Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Samrat Forgings Limited of even date).

### **Report on the Internal Financial Controls Over Financial Reporting 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 **M/s SAMRAT FORGINGS LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for the Internal Financial Controls**

The Board of Directors of the Company 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 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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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, both 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 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.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information and according to the explanations given to us, the Company has, 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<sup>st</sup>, 2022, based on the internal control over financial reporting criteria established by the respective companies 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 JAIN & ASSOCIATES**  
Chartered Accountants  
(Regd No.:001361N)

**KRISHAN MANGAWA**  
Partner  
(Membership No.: 513236)

Date:18/05/2022  
Place : PANCHKULA  
UDIN:22513236AJTIRE9438



## Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Samrat Forgings Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- 1) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2)
  - (a) As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.
  - (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year and hence reporting under clause 3(iii) of the Order is not applicable.
- 4) The Company has not advanced any loans, investments, guarantees, and security and therefore reporting under clause 3(iv) of the Order is not applicable.
- 5) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- 6) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the company and the company is adequately maintaining the same.
- 7) In respect of statutory dues:
  - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

- (b) There were no undisputed amounts payable in respect of Provident fund, Income-tax, Goods and Services Tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material 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, there are no dues outstanding on account of Income-tax, Goods and Services Tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess.
- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
  - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The term loans were applied for the purpose for which the loans were obtained;
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix) (e) of the Order is not applicable to the Company.
  - (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix) (f) of the Order is not applicable to the Company.
- 10) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- 11) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - (c) According to the information & explanations and representation made by the management, no whistle-blower complaints have been received during the year (and up to the date of the report) by the Company.
- 12) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- 13) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 14) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered the internal audit reports for the year under audit, issued to the

Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- 15) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies(Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) The company does not fulfill the conditions of section 135(i) of the Companies Act, 2013 and does not qualify for CSR expenditure Accordingly, provisions of clause (xx)(a) & (b) of the Order are not applicable to the Company..

**For JAIN & ASSOCIATES**  
Chartered Accountants  
(Regd No.:001361N)

**KRISHAN MANGAWA**  
Partner  
(Membership No.: 513236)

Date:18/05/2022  
Place : PANCHKULA  
UDIN:22513236AJTIRE9438

# Samrat Forgings Limited

## BALANCE SHEET AS ON 31.03.2022

(Amount in Rs.)

S.No. Particulars	Note	As at 31.03.2022	As at 31.03.2021
<b>A) ASSETS</b>			
<b>1 Non-Current assets</b>			
Gross Block		625,971,243	550,493,196
Less : Depreciation		308,982,815	282,395,522
<b>(a) Property Plant &amp; Equipment</b>	<b>3</b>	<b>316,988,428</b>	<b>268,097,675</b>
<b>(b) Capital Work in Progress</b>		-	-
<b>(c) Right of Use Asset</b>	<b>29</b>	<b>22,675,749</b>	<b>24,737,181</b>
<b>(d) Financial assets</b>			
(i) Investments		-	-
(ii) Other Financial Assets	<b>4</b>	12,776,930	19,127,032
<b>(e) Other non current assets</b>		-	-
<b>Total non-current assets</b>		<b>352,441,107</b>	<b>311,961,887</b>
<b>2 Current assets</b>			
<b>(a) Inventories</b>	<b>5</b>	<b>477,634,817</b>	<b>433,782,818</b>
<b>(b) Financial assets</b>			
(i) Trade receivables	<b>6</b>	184,967,306	210,422,169
(ii) Cash & Cash Equivalents	<b>7</b>	474,855	1,220,646
(iii) Other Bank Balances	<b>8</b>	7,705,576	6,835,949
(iv) Other financial assets	<b>9</b>	152,824	635,917
<b>(c) Other current assets</b>	<b>10</b>	<b>25,616,840</b>	<b>16,998,464</b>
<b>Total current assets</b>		<b>696,552,218</b>	<b>669,895,963</b>
<b>Total assets</b>		<b>1,048,993,325</b>	<b>981,857,850</b>
<b>B) EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
<b>(a) Equity Share Capital</b>	<b>11</b>	50,000,000	50,000,000
<b>(b) Other Equity</b>	<b>12</b>	184,519,952	148,429,781
<b>Total equity</b>		<b>234,519,952</b>	<b>198,429,781</b>
<b>2 Non current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	<b>13</b>	156,281,966	146,995,677
(ii) Lease Liabilities	<b>29</b>	23,177,819	24,745,625
<b>(b) Provisions</b>	<b>14</b>	11,403,813	11,649,847
<b>(c) Deferred tax liabilities (Net)</b>	<b>15</b>	24,405,229	21,131,245
<b>Total non-current liabilities</b>		<b>215,268,827</b>	<b>204,522,394</b>
<b>3 Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	<b>16</b>	307,625,278	275,936,475
(ii) Trade Payables	<b>17</b>		
- Total outstanding dues of Micro and Small Scale Industrial Enterprises		1,330,497	1,926,344
- Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises		261,154,740	263,090,074
(iii) Lease Liabilities	<b>29</b>	1,567,806	1,465,239
(iv) Other financial liabilities	<b>18</b>	21,231,633	20,659,717
<b>(b) Current Tax Liabilities (Net)</b>	<b>19</b>	4,884,058	3,333,083
<b>(c) Other current Liabilities</b>	<b>20</b>	1,410,534	12,494,742
<b>Total current liabilities</b>		<b>599,204,546</b>	<b>578,905,675</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,048,993,325</b>	<b>981,857,850</b>

Notes from 1 to 39 form integral part of Financial Statements.

(A P S GROVER) Chief Financial Officer	(SANDEEP KUMAR) Company Secretary M. No. F9075	(RAKESH M. KUMAR) Managing Director DIN 00066497	(BINDU CHOWDHARY) Director DIN 01154263
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AUDITORS' REPORT  
As per our separate report of even date  
FOR JAIN & ASSOCIATES  
(Firm Regn. No.: 001361N)

Place: Derabassi  
Date : 18/05/2022  
UDIN: 22513236AJTIRE9438

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

## Samrat Forgings Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(Amount in Rs.)

Particulars	Note	As at 31.03.2022	As at 31.03.2021
Revenue from operations	21	1,394,861,734	1,177,139,429
Other Income	22	4,878,343	2,121,260
<b>Total Income</b>		<u>1,399,740,077</u>	<u>1,179,260,689</u>
Expenses:			
Cost of materials consumed	23	729,819,806	629,044,336
Change in F.G, WIP, and Stock-in-Trade	24	(656,249)	4,862,202
Employee Benefit Expenses	25	170,000,828	146,584,968
Finance costs	26	48,663,906	56,104,190
Depreciation and amortization expense	27	28,682,595	29,647,360
Other expenses	28	371,415,866	282,923,046
<b>Total expenses</b>		<u>1,347,926,751</u>	<u>1,149,166,102</u>
Profit before exceptional items and tax		51,813,327	30,094,587
Exceptional items		-	-
Profit on Sale/transfer of Fixed Asset		33870	-
<b>Profit before tax</b>		<u>51,847,197</u>	<u>30,094,587</u>
Tax expense:			
(1) Current tax		12,099,738	8,459,816
(2) Deferred tax		3,273,984	(868,999)
Income tax of Previous Year		846,707	4,580
<b>Profit after tax</b>		<u>35,626,767</u>	<u>22,499,190</u>
Other comprehensive income			
<b>(i) Items that will not be re-classified to profit or loss:</b>			
- Remeasurements of defined benefit obligation (net)		463,404	1,394,072
- Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>(ii) Items that may be re-classified to profit or loss:</b>			
- Income tax relating to items that may be reclassified to profit or loss		-	-
- Remeasurements of long term assets		-	-
<b>Total other comprehensive income (net of tax)</b>		<u>463,404</u>	<u>1,394,072</u>
<b>Total comprehensive income</b>		<u>36,090,171</u>	<u>23,893,262</u>
Earnings per equity share-basic		7.13	4.50
Earnings per equity share-diluted		7.13	4.50
Nominal Value of each share		10.00	10.00

**Notes from 1 to 39 form integral part of Financial Statements.**

(A P S GROVER) Chief Financial Officer	(SANDEEP KUMAR) Company Secretary M. No. F9075	(RAKESH M. KUMAR) Managing Director DIN 00066497	(BINDU CHOWDHARY) Director DIN 01154263
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**AUDITORS' REPORT**

As per our separate report of even date  
FOR JAIN & ASSOCIATES  
(Firm Regn. No.: 001361N)

(KRISHAN MANGAWA)

PARTNER

Membership No. 513236

Place: Derabassi  
Date : 18/05/2022  
UDIN: 22513236AJTIRE9438

# Samrat Forgings Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022

(Amount in Rs.)

PARTICULARS	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Total comprehensive income	36,090,171	23,893,262
<b>ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
INCOME TAX CHARGED IN PROFIT AND LOSS A/C	16,220,430	7,595,397
DEPRECIATION AND AMORTIZATION	28,682,595	29,647,360
FINANCE COSTS	48,663,906	56,104,190
PROFIT/LOSS ON SALE OF FIXED ASSETS	33,870	-
INTEREST INCOME RECEIVED	(2,378,903)	(1,537,859)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>127,312,068</b>	<b>115,702,350</b>
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>		
TRADE RECEIVABLES	25,454,863	(98,732,924)
OTHER RECEIVABLES	(6,340,472)	(7,367,562)
INVENTORY	(43,851,999)	(29,658,907)
PROVISIONS	(246,034)	(155,899)
TRADE AND OTHER PAYABLES	17,180,089	62,963,311
<b>CASH GENERATED FROM OPERATIONS</b>	<b>119,508,516</b>	<b>42,750,369</b>
INCOME TAX PAID (NET)	6,840,180	493,456
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>112,668,336</b>	<b>42,256,913</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
NET PURCHASE OF FIXED ASSETS	(75,545,787)	(5,467,084)
CHANGE IN CAPITAL WIP	-	-
CHANGE IN INVESTMENTS	-	-
INTEREST INCOME RECEIVED	2,378,903	1,537,859
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(73,166,884)</b>	<b>(3,929,225)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
PROCEEDS FROM LONG-TERM BORROWINGS	9,286,289	18,399,883
FINANCE COST	(48,663,906)	(56,104,190)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(39,377,617)</b>	<b>(37,704,307)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>123,836</b>	<b>623,381</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>8,056,595</b>	<b>7,433,214</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>8,180,431</b>	<b>8,056,595</b>

Notes:

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard-7 on Statement of Cash Flow
- 2) Additions of fixed assets include movement of Capital work-in-progress during the year.
- 3) Proceeds/(repayment) of Short-term & Long-Term borrowings have been shown on net basis.
- 4) Figure in brackets represents cash outflow from respective activities.

**Notes from 1 to 39 form integral part of Financial Statements.**

(A P S GROVER) Chief Financial Officer	(SANDEEP KUMAR) Company Secretary M. No. F9075	(RAKESH M. KUMAR) Managing Director DIN 00066497	(BINDU CHOWDHARY) Director DIN 01154263
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**AUDITORS' REPORT**

As per our separate report of even date  
FOR JAIN & ASSOCIATES  
(Firm Regn. No.: 001361N)

(KRISHAN MANGAWA)

PARTNER

Membership No. 513236

Place: Derabassi

Date : 18/05/2022

# Samrat Forgings Limited

## Statement of Changes in Equity

### A. Equity share capital

(Also refer Note 11)

Particulars	Amount in Rs.
As on 1st April 2020	50,066,125
Changes during the year	(66,125)
<b>Balance as at March 31, 2021</b>	<b>50,000,000</b>
Balance as at April 1, 2021	50,000,000
Changes during the year	-
<b>Balance as at March 31, 2022</b>	<b>50,000,000</b>

### B. Other Equity

(Also refer Note 12)

PARTICULARS	SURPLUS			OTHER RESERVES	Total
	Capital Incentive Reserve	Capital Reserve	Retained Earnings	Remeasurement of Defined Benefit Obligations	
<b>As at 1st April 2020</b>	1,500,000	-	119,489,060	3,481,333	124,470,393
Cancellation of Forfeited Shares	-	66,125	-	-	66,125
Profit for the period	-	-	22,499,190	-	22,499,190
Other Comprehensive Income	-	-	-	1,394,072	1,394,072
<b>As At 31st March 2021</b>	<b>1,500,000</b>	<b>66,125</b>	<b>141,988,251</b>	<b>4,875,405</b>	<b>148,429,781</b>
<b>As at 1st April 2021</b>	<b>1,500,000</b>	<b>66,125</b>	<b>141,988,251</b>	<b>4,875,405</b>	<b>148,429,781</b>
Profit for the period	-	-	35,626,767	-	35,626,767
Other Comprehensive Income	-	-	-	463,404	463,404
<b>As At 31st March 2022</b>	<b>1,500,000</b>	<b>66,125</b>	<b>177,615,018</b>	<b>5,338,809</b>	<b>184,519,952</b>

#### NATURE AND PURPOSE OF RESERVES

**1 Capital Incentive Reserve**

Capital Incentive Reserve represents the amount of Government Grant received by the Company.

**2 Capital Reserve**

Capital Reserve represents the profit/(loss) on cancellation of forfeited shares of the Company.

**3 Retained Earnings**

Retained earnings is the amount of net income retained by the Company after it has paid out dividends(if any) to its shareholders.

**4 Remeasurement of Defined Benefit Obligations**

Remeasurements of the defined benefit plans comprises of actuarial gains and losses on calculation of defined benefit obligations and differences between the fair value of plan assets, return on plan assets and actual interest income on plan assets. These remeasurements are recognised in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

(A P S GROVER)  
Chief Financial Officer

(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(BINDU CHOWDHARY)  
Director  
DIN 01154263

FOR JAIN & ASSOCIATES  
(Firm Regn. No.: 001361N)

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

Place: Derabassi  
Date : 18/05/2022

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31.03.2022

### 1 Background

Samrat Forgings Limited (“Company”) is public limited company domiciled in India and is listed on the BSE Limited. The Company is one of the largest suppliers of quality forgings in the country and accredited with IATF 16949-2016 certification from one of the renowned international agency. The company has highly sophisticated specialized CNC machines and also supplying fully machined components to renowned OEM’s.

### 2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation and presentation

##### (a) Statement of Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

##### (b) Basis of Measurement

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy 2.9 on financial instruments)
- ii) Defined benefit and other long-term employee benefits

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### (c) Use of estimates

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management’s evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years if the revision effects such periods.

Also key sources of estimation uncertainty is mentioned below:

##### *i) Useful lives of property, plant and equipment and intangible assets:*

As described in the significant accounting policy, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.



**ii) The fair value measurements and valuation processes:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 input are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs, used in determining the fair value of various assets, liabilities are disclosed in notes to standalone financial statements.

**iii) Actuarial valuation:**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the statement of profit or loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to standalone financial statements.

**2.2 Property, Plant and Equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, and expenses incidental to acquisition and installation. Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**Depreciation methods, estimated useful lives**

Depreciation on Property, plant and equipment is provided when the assets are ready for use on the straight line method, on a pro rata basis, over the estimated useful lives of assets, in order to reflect the period over which the depreciable asset is expected to be used by the Company. Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment measured as the difference between amount realized and net carrying value which are carried at cost are recognized in the Statement of Profit and Loss. under 'Other Income/ Other Expenses'. Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as change in accounting estimates. Estimated residual lives and residual value of the assets is given below.

**i) Estimated Useful Lives:**

Asset	Useful
FACTORY BUILDING	30 Years
ADMINISTRATIVE BUILDING	30 Years
PLANT & MACHINERY	15 Years
FURNITURE & FIXTURE	10 Years
AIR CONDITIONERS	5 Years
COMPUTERS	3 Years
OFFICE EQUIPMENTS	5 Years
VEHICLES	8-10Years

**ii) Estimated residual value:**

The Estimated residual value of assets other than Land is taken as 5% of its original cost. Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

## 2.3 Impairment of Financial Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Statement to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exists or may have decreased.

## 2.4 Employee Benefits

### (a) Short Term Obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

### (b) Long Term Defined Benefit Obligation

**Gratuity:** The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income (OCI) as income or expense (net of taxes).

**Compensated absences:** The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Leave encashment vests with employees on an annual basis for leave balance above the upper limit as per the Company's policy. At the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance subject to an upper limit as per the Company's policy. Liability for such benefit is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Profit and Loss Statement as income or expense.

### (c) Long Term Defined Contribution Plan

The Company has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance and Labour Welfare Fund which are administered through Government of India and/or Life Insurance Corporation of India (LIC).

## 2.5 Fair Value Measurement

The Company measures financial instruments, such as, investments at fair value at each Balance Sheet date. 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 accessible to the Company.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The management determines the policies and procedures for both recurring fair value measurement and disclosure. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.6 Inventories

Inventories of Raw Material, Stores and Spares are valued at lower of cost (determined on weighted average basis) and net realisable value. Finished Goods are valued at weighted average cost / net realizable value whichever is less and all expenses attributable to production. Work-in-Progress is valued at estimated cost plus expenses attributable to production or net realizable value whichever is less. Tools Dies and Die Blocks are valued at cost less depreciation/estimated consumption. Scrap is valued at estimated net realisable value.

## 2.7 Taxes

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws.

### (a) Current Income Tax

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid. Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amount and there is an intention to settle the asset and liability on a net basis.

### (a) Deferred Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income 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 income tax asset to be utilized. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax assets and liabilities relate to taxes on income levied by the same governing taxation laws.

## **2.8 Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## **2.9 Provisions and contingent liabilities**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the standalone financial statements.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the requirements for revenue recognition.

## **2.10 Financial instruments**

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payables are recognized net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non derivative financial assets comprising amortized cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and non derivative financial liabilities at amortized cost or FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

### **(a) Non-derivative financial assets**

#### **(i) Financial assets at amortized cost**

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

(a) the financial asset is held within a business model whose objective 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 (SPPI) on the principal amount outstanding. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss. Amortized cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and noncurrent assets.

## **(ii) Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

## **(b) Non-derivative financial liabilities**

### ***(i) Financial liabilities at amortized cost***

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

### ***(ii) Financial liabilities at FVTPL***

Financial liabilities at FVTPL represented by contingent consideration (if any) are measured at fair value with all changes recognized in the statement of profit and loss.

## **2.11 Earnings per Share**

Basic earnings per share (EPS) are calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares.

The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

## **2.12 Rounding off Amounts**

All amounts disclosed in standalone financial statements and notes have been rounded off to the nearest Lakhs as permitted in Schedule III of the Act, unless otherwise stated.

**Note 3 Property, Plant & Equipment**

(Amount in Rs.)										
	Land	Building	Plant & Machinery	Building(Office Flat)	Furniture & Fixture	Office Equipment	Vehicle	Air Conditioner	Computer	Total
<b>Gross carrying Amount</b>										
Deemed cost at April 1, 2020	2,077,432	61,417,792	441,482,002	6,589,432	3,781,019	2,833,155	20,957,721	1,034,813	4,852,746	545,026,112
Additions	-	-	5,165,025	-	-	155,741	-	129,318	17,000	5,467,084
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	2,077,432	61,417,792	446,647,027	6,589,432	3,781,019	2,988,896	20,957,721	1,164,131	4,869,746	550,493,196
Additions	-	15,252,123	63,023,680	-	31,610	21,045	-	31,245	318,344	78,678,047
Disposals	-	-	(3,200,000)	-	-	-	-	-	-	(3,200,000)
Balance as at March 31, 2022	2,077,432	76,669,915	506,470,707	6,589,432	3,812,629	3,009,940	20,957,721	1,195,376	5,188,090	625,971,243
<b>Accumulated Depreciation</b>										
As at April 1, 2020	-	20,843,245	207,118,534	2,864,404	2,720,988	2,308,116	13,808,876	735,927	4,409,504	254,809,593
Depreciation charged for the year	-	1,747,647	23,971,090	194,770	140,373	111,834	1,276,080	26,439	117,697	27,585,929
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	22,590,891	231,089,624	3,059,174	2,861,360	2,419,950	15,084,956	762,366	4,527,201	282,395,522
Depreciation charged for the year	-	1,711,094	23,053,530	194,770	98,318	116,614	1,281,293	24,849	160,696	26,621,163
Disposals	-	-	33,870	-	-	-	-	-	-	33,870
Balance as at March 31, 2022	-	24,301,985	254,109,285	3,253,943	2,959,678	2,536,564	16,346,248	787,215	4,687,896	308,982,815
<b>Net Carrying Amount</b>										
As at March 31, 2022	2,077,432	52,367,930	252,361,422	3,335,488	852,951	473,377	4,611,473	408,162	500,194	316,988,428
As at March 31, 2021	2,077,432	38,826,901	215,557,403	3,530,258	919,659	568,946	5,872,765	401,766	342,546	268,097,675

**Note 3(A) Details of under capital work-in-progress as on 31.03.2022 is as under:**

(Amount in Rs.)										
	Land	Building	Plant & Machinery	Building(Office Flat)	Furniture & Fixture	Office Equipment	Vehicle	Air Conditioner	Computer	Total
<b>PARTICULARS</b>										
Opening Balance of Capital Work in Progress as at 1st April 2020	-	-	-	-	-	-	-	-	-	-
(+) Additions	-	-	3,398,100	-	-	-	-	-	-	3,398,100
(-) Transfers	-	-	(3,398,100)	-	-	-	-	-	-	(3,398,100)
(-) Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance of Capital Work in Progress as at 31st March 2021	-	-	-	-	-	-	-	-	-	-
(+) Additions	-	-	53,165,672	15,282,429	-	-	-	-	-	68,448,101
(-) Transfers	-	-	(53,165,672)	(15,282,429)	-	-	-	-	-	(68,448,101)
(-) Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance of Capital Work in Progress as at 31st March 2022	-	-	-	-	-	-	-	-	-	-

## Samrat Forgings Limited

(Amount in Rs.)

<b>NOTE 4 OTHER FINANCIAL ASSETS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Unsecured, considered good <b>Security Deposit</b>	12,776,930	19,127,032
<b>TOTAL</b>	<b>12,776,930</b>	<b>19,127,032</b>

<b>NOTE 5 INVENTORIES</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>(As per inventories taken, valued &amp; certified by the management)</b>		
Raw Materials	86,062,046	50,941,501
Work In Progress	290,462,222	281,263,638
Finished Goods	22,012,694	31,997,326
Stores & Spares	13,073,765	13,445,376
Tools & Dies	63,712,556	55,265,740
Scrap	2,311,534	869,237
<b>TOTAL</b>	<b>477,634,817</b>	<b>433,782,818</b>

*\* refer note on significant accounting policies for the valuation of inventories*

## Samrat Forgings Limited

(Amount in Rs.)

NOTE 6 TRADE RECEIVABLES	As at 31.03.2021	As at 31.03.2020
<b>(i) Undisputed Trade receivables- considered good</b>	<b>183,240,780</b>	<b>208,695,643</b>
a) Less Than 6 Months	183,194,778	208,135,156
b) 6 months - 1 Year	-	313,785
c) 1- 2 Yrs	46,002	246,702
d) 2-3 Yrs	-	-
e) More Than 3 Yrs	-	-
<b>(ii) Undisputed Trade Receivables- Considered Doubtful</b>	<b>-</b>	<b>-</b>
a) Less Than 6 Months	-	-
b) 6 months - 1 Year	-	-
c) 1- 2 Yrs	-	-
d) 2-3 Yrs	-	-
e) More Than 3 Yrs	-	-
<b>(iii) Disputed Trade Receivables considered good</b>	<b>1,726,526</b>	<b>1,726,526</b>
a) Less Than 6 Months	-	-
b) 6 months - 1 Year	-	-
c) 1- 2 Yrs	-	893,979
d) 2-3 Yrs	893,979	-
e) More Than 3 Yrs	832,547	832,547
<b>(iv) Disputed Trade Receivables considered doubtful</b>	<b>-</b>	<b>-</b>
a) Less Than 6 Months	-	-
b) 6 months - 1 Year	-	-
c) 1- 2 Yrs	-	-
d) 2-3 Yrs	-	-
e) More Than 3 Yrs	-	-
<b>TOTAL</b>	<b>184,967,306</b>	<b>210,422,169</b>

NOTE 7 CASH & CASH EQUIVALENTS	As at 31.03.2022	As at 31.03.2021
<b>(a) Cash &amp; Cash Equivalents</b>		
- Cash in Hand	119,371	56,087
<b>(b) Balance with Banks</b>		
- in Current Accounts	355,484	1,164,559
<b>TOTAL</b>	<b>474,855</b>	<b>1,220,646</b>



## Samrat Forgings Limited

(Amount in Rs.)

<b>NOTE 8 OTHER BANK BALANCES</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a) Fixed Deposits Maturing within 12 Months	7,705,576	6,835,949
<b>TOTAL</b>	<b>7,705,576</b>	<b>6,835,949</b>

<b>NOTE 9 OTHER FINANCIAL ASSETS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Considered Good</b>		
Interest accrued on deposits	152,824	635,917
<b>TOTAL</b>	<b>152,824</b>	<b>635,917</b>

<b>NOTE 10 OTHER CURRENT ASSETS</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>(Unsecured considered good unless otherwise stated)</b>		
<b>Advances other than Capital Advances</b>		
Advance to Vendors	18,356,904	10,044,343
Security Deposits	376,190	740,030
Prepaid expenses	3,262,357	3,391,147
Balance with Government Authorities	1,833,738	551,558
Others	1,787,651	2,271,385
<b>TOTAL</b>	<b>25,616,840</b>	<b>16,998,464</b>

## Samrat Forgings Limited

(Amount in Rs.)

NOTE	11 EQUITY SHARE CAPITAL	As at 31.03.2022	As at 31.03.2021
<b>A) AUTHORISED</b>			
	10000000 Equity shares of Rs. 10/- each	100,000,000	100,000,000
<b>B) ISSUED :</b>			
	5000000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<b>C) ISSUED SUBSCRIBED &amp; PAID UP</b>			
	Fully called up and paid up.	50,000,000	50,000,000
		<b>50,000,000</b>	<b>50,000,000</b>
<b>D) RIGHTS ATTACHED TO EQUITY SHARES :</b>			
	i) Each Shareholder is entitled to one vote per share.		
	ii) Each Shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding.		
	iii) In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.		
<b>E) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES</b>			
		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
		<b>No. of Shares held</b>	<b>No. of Shares held</b>
	1. Jandwani Poly Products Pvt Ltd	1,361,200	1,361,200
	2. Susoka Enterprises Pvt. Ltd. (Formerly Natrajan Investments & Finance Pvt Ltd)	820,000	820,000
	3. Jitya Enterprises Pvt Ltd (Formerly Jay Dee Holdings Pvt Ltd)	280,000	280,000
	4. Prem Lal	500,000	500,000
	5. Rakesh M Kumar	1,180,100	1,180,100
<b>F) RECONCILIATION OF NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD:</b>			
		No. of Shares	No. of Shares
	<b>Subscribed and fully paid up Equity Shares:</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Opening Balance	5,000,000	5,000,000
	Closing Balance	5,000,000	5,000,000
	* There is no change in the number of shares outstanding at the beginning and at the end of the financial year.		

## Samrat Forgings Limited

### G) DETAILS OF SHAREHOLDING OF PROMOTERS

	Promoter Name	No. of Shares Held	Percentage of Total Shares	Percentage of Change During The Year*
1	Rakesh Mohan Kumar	1,180,100	23.60	-
2	Ritu Joshi	20	0.00	-
3	Bindu Chowdhary	20	0.00	-
4	Rajinder Nath Sood	10	0.00	-
5	Kiran Mohini Kumar	90,000	1.80	-
6	Jandwani Poly Products Pvt Ltd	1,361,200	27.22	-
7	Jitya Enterprises Pvt Ltd (Formerly Jay Dee Holdings Pvt Ltd)	280,000	5.60	-
8	Susoka Enterprises Pvt Ltd (Formerly Natrajan Investments And Finance Pvt Ltd)	820,000	16.40	-
9	Kanjam Enterprises Private Limited (Formerly R Kumar Investment & Finance Pvt Ltd)	17,701	0.35	-
	<b>TOTAL</b>	<b>3,749,051</b>	<b>74.98</b>	<b>-</b>

\*There is no change in promoters shareholding during the financial year 2021-22

(Amount in Rs.)

NOTE 12 OTHER EQUITY	As at 31.03.2022	As at 31.03.2021
<b>A) CAPITAL INCENTIVE</b>	1,500,000	1,500,000
<b>B) PROFIT &amp; LOSS ACCOUNT</b>		
As Per Last Balance Sheet	141,988,251	119,489,061
Net Profit during the year	35,626,767	22,499,190
	177,615,018	141,988,251
<b>C) CAPITAL RESERVE</b>	66,125	66,125
<b>D) OTHER RESERVE</b>		
Remeasurement of Defined Benefit Obligation	5,338,809	4,875,405
<b>Total (A+B+C+D)</b>	<b>184,519,952</b>	<b>148,429,781</b>

## Samrat Forgings Limited

(Amount in Rs.)

NOTE 13 LONG TERM BORROWINGS (AT AMORTIZED COST)	As at 31.03.2022	As at 31.03.2021
<b>I. Secured</b>		
<b>A. LOANS &amp; ADVANCES</b>		
<b>TERM LOANS FROM BANKS</b>	90,560,086	77,644,367
(Secured against Hypothecation of respective vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)		
<b>TERM LOANS FROM OTHER PARTIES</b>	13,050,466	14,620,955
From Non-Banking Financial Companies (Secured against hypothecation of respective Machinery/Vehicle and personal guarantee of directors)		
<b>TOTAL SECURED LOANS</b>	<b>103,610,552</b>	<b>92,265,322</b>
<b>II. Unsecured</b>		
<b>LOAN &amp; ADVANCES FROM BANKS</b>	5,107,098	6,322,907
<b>LOAN &amp; ADVANCES FROM RELATED PARTIES (Refer Note - 38C)</b> (From Promoters & Directors)	7,747,723	5,314,519
<b>OTHER LOANS &amp; ADVANCES</b> (Against personal guarantee of directors)	39,816,593	43,092,929
<b>TOTAL UNSECURED LOANS</b>	<b>52,671,414</b>	<b>54,730,355</b>
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>156,281,966</b>	<b>146,995,677</b>

NOTE 14 LONG TERM PROVISIONS	As at 31.03.2022	As at 31.03.2021
Provision For Employees Benefit		
- Gratuity	10,443,918	10,299,367
- Leave Encashment	959,895	1,350,480
<b>TOTAL</b>	<b>11,403,813</b>	<b>11,649,847</b>

NOTE 15 DEFERRED TAX (NET)	As at 31.03.2022	As at 31.03.2021
<b>A. Deferred Tax Liability</b>	36,842,992	34,612,684
<b>B. Deferred Tax Asset</b>	12,437,764	13,481,439
<b>C. MAT Credit Entitlement</b>	-	-
<b>Net Deferred Tax Liability (A-B-C)</b>	<b>24,405,229</b>	<b>21,131,245</b>

## Samrat Forgings Limited

(Amount in Rs.)

NOTE 16	SHORT TERM BORROWINGS (AT AMORTIZED COST)	As at 31.03.2022	As at 31.03.2021
<b>I.</b>	<b>SECURED LOANS</b>		
	<b>A. LOANS REPAYABLE ON DEMAND FROM BANKS</b>	210,049,598	203,382,305
	The Jammu & Kashmir Bank Ltd (Cash Credit facility) (Secured against hypothecation of stock in trade, Book Debts, Stores & Spares, Tools, Implements, Die Blocks. Further, the above loans are secured by the first mortgage of Land, Building and Machinery of the Company and personal guarantees of the Promotor Directors of the Company.)		
	<b>B FROM OTHERS</b>	18,511,374	13,395,428
	The National Small Industries Corp. Ltd. (Against Bank guarantee)		
<b>II.</b>	<b>UNSECURED LOANS FROM RELATED PARTIES</b>	21,751,538	20,637,133
	(From Promoters & Directors)		
<b>III.</b>	<b>CURRENT MATURITIES OF LONG TERM DEBTS</b>		
	Against Secured Loans	37,925,611	16,267,810
	Against Unsecured Loans	19,387,156	22,253,799
	<b>TOTAL</b>	<b>307,625,278</b>	<b>275,936,475</b>

## Samrat Forgings Limited

(Amount in Rs.)

NOTE	17	TRADE PAYABLES	As at 31.03.2021	As at 31.03.2020
<b>Sundry Creditors</b>				
(i)	<b>Total outstanding dues of Micro and Small Scale Industrial Enterprises</b>		<b>1,330,497</b>	<b>1,926,344</b>
	Less Than 1 Year		1,330,497	1,926,344
	1-2 Years		-	-
	2-3 Years		-	-
	More than 3 Years		-	-
(ii)	<b>Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises</b>		<b>260,052,021</b>	<b>262,855,676</b>
	Less Than 1 Year		259,893,677	256,966,830
	1-2 Years		158,344	4,373,963
	2-3 Years		-	492,519
	More than 3 Years		-	1,022,364
(iii)	<b>Total outstanding dues of Micro and Small Scale Industrial Enterprises - Disputed</b>		<b>-</b>	<b>-</b>
	Less Than 1 Year		-	-
	1-2 Years		-	-
	2-3 Years		-	-
	More than 3 Years		-	-
(iv)	<b>Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises- Disputed</b>		<b>1,102,719</b>	<b>234,398</b>
	Less Than 1 Year		-	-
	1-2 Years		-	234,398
	2-3 Years		234,398	-
	More than 3 Years		868,321	-
<b>TOTAL</b>			<b>262,485,237</b>	<b>265,016,418</b>

## Samrat Forgings Limited

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022, is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	(Amount in Rs.) As at 31.03.2022	As at 31.03.2021
(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
<b>Principal</b>	1,330,497	1,926,344
<b>Interest</b>	-	-
(b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:		
<b>Principal</b>	-	-
<b>Interest</b>	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The 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 of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

NOTE 18 OTHER FINANCIAL LIABILITIES	As at 31.03.2022	As at 31.03.2021
Expenses Payable	18,481,660	18,859,287
Interest accrued but not due on borrowings	1,664,315	704,153
Director Remuneration & Fee payable	1,085,658	1,096,277
<b>TOTAL</b>	<b>21,231,633</b>	<b>20,659,717</b>

## Samrat Forgings Limited

(Amount in Rs.)

<b>NOTE 19 CURRENT TAX LIABILITY (NET)</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Current Tax Payable for the year	12,099,738	5,993,472
Less : Tax Paid during the year	(7,215,680)	(2,660,389)
<b>TOTAL</b>	<b>4,884,058</b>	<b>3,333,083</b>

<b>NOTE 20 OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Statutory Dues	1,310,918	6,117,190
Advance received from customers	99,616	6,377,552
<b>TOTAL</b>	<b>1,410,534</b>	<b>12,494,742</b>

<b>NOTE 21 DETAIL OF REVENUE</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>FROM OPERATIONS</b>		
<b>Revenue from sale of products</b>		
Gross Sales	1,393,274,827	1,175,902,212
<b>Sale of Services</b>		
Conversion/Job Work Charges	1,586,907	1,237,217
<b>TOTAL</b>	<b>1,394,861,734</b>	<b>1,177,139,429</b>

<b>NOTE 22 OTHER INCOME</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Interest Income	2,378,903	1,537,859
<b>Other non-operative Income</b>		
Duty Draw Back Received	1,393,983	292,572
Foreign Fluctuation Gain	673,616	250,553
Misc Income	431,842	40,276
<b>TOTAL</b>	<b>4,878,343</b>	<b>2,121,260</b>

<b>NOTE 23 COST OF RAW MATERIAL CONSUMED</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Opening Stock of Raw Materials	50,941,501	21,327,220
Add Purchases during the year	764,940,351	658,658,617
Less Closing Stock	86,062,046	50,941,501
<b>TOTAL</b>	<b>729,819,806</b>	<b>629,044,336</b>



## Samrat Forgings Limited

(Amount in Rs.)

NOTE 24 CHANGES IN FINISHED GOODS, WIP, STOCK IN TRADE	As at 31.03.2022	As at 31.03.2021
<b>Opening Stock</b>		
Work In Progress	281,263,638	296,718,067
Finished Goods	31,997,326	20,943,831
Scrap	869,237	1,330,505
<b>TOTAL 'A'</b>	<b>314,130,201</b>	<b>318,992,403</b>
<b>Closing Stock</b>		
Work In Progress	290,462,222	281,263,638
Finished Goods Stock	22,012,694	31,997,326
Scrap	2,311,534	869,237
<b>TOTAL 'B'</b>	<b>314,786,450</b>	<b>314,130,201</b>
<b>TOTAL (A - B)</b>	<b>(656,249)</b>	<b>4,862,202</b>
<hr/>		
NOTE 25 EMPLOYEE BENEFIT EXPENSES	As at 31.03.2022	As at 31.03.2021
Salaries & Wages	148,475,618	125,316,986
Remuneration to Director	12,000,000	11,200,000
Contribution to Provident Fund & Other Funds	4,519,710	3,661,191
Staff Welfare	4,983,900	6,386,091
Provident Fund - Directors	21,600	20,700
<b>TOTAL</b>	<b>170,000,828</b>	<b>146,584,968</b>
<hr/>		
NOTE 26 FINANCE COST	As at 31.03.2022	As at 31.03.2021
<b>Interest Expense</b>		
Interest on Financial Liabilities other than Lease Liabilities	44,118,659	52,184,709
Interest on Lease Liabilities (Refer Note 29)	1,834,761	1,930,617
<b>Other Borrowing Cost</b>		
Bank Charges	2,710,486	1,988,863
<b>TOTAL</b>	<b>48,663,906</b>	<b>56,104,190</b>
<hr/>		
NOTE 27 DEPRECIATION AND AMORTIZATION EXPENSE	As at 31.03.2022	As at 31.03.2021
Depreciation of Tangible Assets (Refer Note 3)	26,621,163	27,585,929
Depreciation of Right-of-use Assets (Refer Note 29)	2,061,432	2,061,432
<b>TOTAL</b>	<b>28,682,595</b>	<b>29,647,360</b>

## Samrat Forgings Limited

(Amount in Rs.)

NOTE 28	OTHER EXPENSES	As at 31.03.2022	As at 31.03.2021
	<b>Manufacturing Expenses</b>		
	Power & Fuel	59,781,584	52,357,010
	Tools & Dies Consumed	6,539,850	5,029,440
	Stores & Consumables	201,073,975	146,582,437
	Production/Job Work Expenses	42,529,113	27,578,202
	Repair & Maintenance Machinery	13,099,003	9,538,380
	<b>Total A</b>	<b>323,023,525</b>	<b>241,085,469</b>
	<b>Selling Expenses</b>		
	Freight & Forwarding	11,348,832	6,894,235
	Business Promotion	1,700,115	1,472,810
	Rebates & Discounts	19,420,816	14,815,236
	R & M Vehicles (LCV)	4,973,006	4,366,388
	<b>Total B</b>	<b>37,442,768</b>	<b>27,548,669</b>
	<b>Administrative &amp; Other Expenses</b>		
	Travelling & Conveyance		
	i) Directors	252,367	334,118
	ii) Others	1,351,981	947,923
	Professional & Legal Expenses	1,646,281	2,631,760
	Telephone & Postage	197,355	300,867
	Printing & Stationary	863,557	477,913
	Running & Maintenance-Vehicles	1,463,296	1,105,363
	Revaluation of Security Deposits	-	1,140
	Miscellaneous Expenses	390,504	280,651
	Repairs & Maintenance		
	R & M - Building	853,199	2,262,040
	R & M - General	413,113	384,548
	Subscription & Membership Fee	31,099	35,064
	Rates, Fee & Taxes	1,697,513	1,515,809
	Insurance	982,081	767,714
	Auditors' Remuneration		
	i) Audit Fee	150,000	150,000
	ii) Tax Audit Fee	40,000	40,000
	iii) Tax Matters Fee	30,000	30,000
	iv) Certification work Fee	10,000	10,000
	Advertisement	85,627	58,592
	Rent	281,600	256,000
	Sitting Fee	210,000	260,000
	Sundry Balances Written off	-	2,439,407
	<b>Total C</b>	<b>10,949,572</b>	<b>14,288,907</b>
	<b>Grand Total (A+B+C)</b>	<b>371,415,866</b>	<b>282,923,046</b>

**NOTE 29 RIGHT OF USE ASSETS & LEASE LIABILITY**

The right-of-use assets are initially recognized at cost , which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.In such cases,the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.The lease liability is initially measured at amortized cost at the present value of the future lease payments.The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Companychanges its assessment if whether it will exercise an extension or a termination option.

**A. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:**

	(Amount in Rs.)	
<b>Particulars: Land</b>	<b>2021-22</b>	<b>2020-21</b>
Opening Balance	28,860,044	28,860,044
Additions	-	-
Disposals	-	-
<b>Original Cost as on 31st March 2022 (31st March 2021)</b>	<b>28,860,044</b>	<b>28,860,044</b>
<b>Accumulated Depreciation</b>		
Opening Balance	4,122,853	2,061,432
Additions	2,061,432	2,061,432
Disposals	-	-
<b>Acc. Depreciation as on 31st March 2022 (31st March 2021)</b>	<b>6,184,295</b>	<b>4,122,863</b>
<b>WDV of ROU Asset as on 31st March 2022 (31st March 2021)</b>	<b>22,675,749</b>	<b>24,737,181</b>

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**B. Set out below are the carrying amounts of lease liabilities and the movements during the period:** (Amount in Rs.)

Particulars	2021-22	2020-21
Opening Balance	26,210,865	27,580,247
Add : Accretion of interest	1,834,761	1,930,617
Less : Payments	3,300,000	3,300,000
Less : Termination	-	-
<b>Balance as at 31st March 2021 (31st March 2020)</b>	<b>24,745,625</b>	<b>26,210,865</b>
<b>Current</b>	<b>1,567,806</b>	<b>1,465,239</b>
<b>Non Current</b>	<b>23,177,819</b>	<b>24,745,625</b>

The effective interest rate for lease liabilities is 7%.

**C. The following are the amounts recognised in profit or loss:**

Particulars	2021-22	2020-21
Depreciation expense of right-of-use assets	2,061,432	2,061,432
Interest expense on lease liabilities	1,834,761	1,930,617
Expense relating to short-term leases and low value leases (included in other expenses)	281,600	256,000
<b>Total amount recognised in profit or loss</b>	<b>4,177,792</b>	<b>4,248,049</b>

**D. The Company had total cash outflows for leases of INR 35.816 lacs in March 31, 2022. There are no non-cash additions to right-of-use assets and lease liabilities .**

**E. The maturity analysis of lease liabilities based on contractual undiscounted payment is as follows :**

Particulars	2021-22	2020-21
On Demand	-	-
0-12 months	3,300,000	3,300,000
1 - 5 years	16,500,000	16,500,000
More than 5 years	16,500,000	19,800,000
<b>Total</b>	<b>36,300,000</b>	<b>39,600,000</b>

**NOTE 30 Employee Benefits**

**A Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**B Defined contribution plan**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the benefit plan to fund the benefits. Contribution paid for provident fund are recognised as expense for the year:

	(Amount in Rs.)	
Particulars	As at 31.03.2022	As at 31.03.2021
Employer's contribution to provident fund/pension scheme	4,541,310	3,681,891

**C Defined benefit plan**

**Gratuity (funded)**

The employees' gratuity fund scheme is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation(LIC).

The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The plan assets are also managed by the Life Insurance Corporation (LIC).

**D Compensated absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan is based on the market yields as at the balance sheet date on Government securities, having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur.

To the extent the Company does not have an unconditional right to defer the utilization or encashment of the accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

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(i) Components of Expense recognised	(Amount in Rs.)	
Particulars	For Year Ended 31st March, 2022	For Year Ended 31st March, 2021
<b>Recognised in the Statement of Profit and Loss</b>		
1 Current Service Cost	3,627,329	3,091,515
2 Past Service Cost	-	-
3 Net Interest Cost	1,102,278	942,890
4 Actuarial Gain/Loss of obligations	(1,634,211)	(409,834)
5 Actuarial Gain/Loss of Plan Assets	252,637	115,119
6 Direct Benefit Payments	(245,502)	(233,243)
7 Expected Return on Plan Assets	252,637	(205,031)
<b>8 Total Expense Recognised in Profit and Loss Account</b>	<b>2,849,894</b>	<b>3,301,416</b>
<b>Re-measurements recognised in Other Comprehensive Income</b>		
9 Return on plan assets (excluding amounts included in Net interest cost)	466,121	103,429
10 Effect of changes in demographic assumptions	-	-
11 Effect of changes in financial assumptions	-	-
12 Changes in asset ceiling(excluding interest income)	-	-
13 Effect of experience adjustments	(929,525)	(1,347,501)
<b>14 Total re-measurements included in Other Comprehensive Income</b>	<b>(463,404)</b>	<b>(1,244,072)</b>
<b>15 Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (8+14)</b>	<b>2,386,490</b>	<b>2,057,344</b>

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(ii) **Net Asset/(Liability) Recognised in Balance Sheet :**

<b>I Defined Benefit Obligation Liability</b>		(Amount in Rs.)	
<b>Particulars</b>	<b>As at</b>	<b>As at</b>	
	<b>31st March, 2022</b>	<b>31st March, 2021</b>	
1 Present Value of DBO at the beginning of the year	21,935,649	20,748,027	
2 Current Service Cost	3,627,329	3,091,515	
3 Past Service Cost	-	-	
4 Interest Cost	1,568,399	1,296,752	
5 Remeasurement gains/(losses)			
a. Effect of changes in demographic assumptions	-	-	
b. Effect of changes in financial assumptions	-	-	
c. Changes in asset ceiling (excluding interest income)	-	-	
d. Effect of experience adjustments	(929,525)	(1,347,501)	
6 Curtailment Cost/ (Credits)	-	-	
7 Settlement Cost/ (Credits)	-	-	
8 Liabilities assumed in business combination	-	-	
9 Actuarial Gain/Loss on Obligations	(1,634,211)	(409,834)	
10 Effect of transfer In / (out)	-	-	
11 Benefits Paid	(1,947,505)	(1,443,310)	
<b>12 Present Value of DBO at the end of the year (TOTAL I)</b>	<b>22,620,136</b>	<b>21,935,649</b>	
<b>II Change in Fair Value of Assets</b>			
<b>Particulars</b>	<b>As at</b>	<b>As at</b>	
	<b>31st March, 2022</b>	<b>31st March, 2021</b>	
1 Plan Assets at the beginning of the year	9,769,939	8,942,281	
2 Asset acquired in Business Combination	-	-	
3 Interest Income	282,620	558,893	
4 Remeasurement Gains/ (Losses) on plan assets	-	(218,548)	
5 Actual Company Contributions Benefits Paid	2,865,767	1,980,000	
6 Benefits Paid	(1,702,003)	(1,492,687)	
7 Effects of transfer In/(Out)	-	-	
<b>8 Plan Assets at the end of the year (TOTAL II)</b>	<b>11,216,323</b>	<b>9,769,939</b>	

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Net Liability/(Asset)		(Amount in Rs.)	
Particulars	As at 31st March, 2022	As at 31st March, 2021	
III	Present Value of Defined Benefit Obligations (Total I)	22,620,136	21,935,649
IV	Fair Value of Plan Assets (Total II)	11,216,323	9,769,939
	<b>Net Liability/(Asset) (III-IV)</b>	<b>11,403,813</b>	<b>12,165,710</b>

(iii) **Investment details of plan assets**      **As at 31st March, 2022**      **As at March 31, 2021**  
Insurance Fund

(iv) **The principal assumptions used in determining gratuity are:**  
Mortality table - LIC

	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)	
	As at 31st March, 2022	As at March 31, 2021
Discount rate	7.15%	6.25%
Withdrawal Rate	10.00%	10.00%
Estimated rate of return on plan assets	7.15%	6.25%
Estimated future salary growth	6.00%	5.00%

(iv) **Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

- Interest rate Risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher proportion. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM Risk.
- Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- Concentration Risk:** Plan is having a concentration risk all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.



## Samrat Forgings Limited

(Amount in Rs.)

NOTE	31	COMMITMENTS AND CONTINGENCIES	As at 31st March 2022	As at 31st March 2021
		<b>Commitments :</b>		
		Estimated value of contracts remaining to be executed on Capital Account and not provided for	90,981,680	13,997,000
		<b>Contingent liabilities :</b>		
	(a)	Claims against companies not acknowledged as debt* * Includes claims from revenue departments and other claims	NIL	NIL
	(b)	In respect of unassessed cases of Income Tax, Goods and Services Tax, Excise Duty & Service Tax	Undeterminable	Undeterminable

### NOTE 32 IMPAIRMENT OF ASSETS

In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

### NOTE 33 DISCLOSURE AS PER IND AS-33 EARNING PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of equity shares outstanding during the year.

	As at 31st March 2022	As at 31st March 2021
Profit attributable to the equity holders of the Company	35,626,767	22,499,190
Weighed average number of equity shares	5,000,000	5,000,000
Basic earnings per share (Face value of INR 10/- per share)	7.13	4.50

### NOTE 34 DISCLOSURE AS PER IND AS-108 SEGMENT REPORTING

The Company operates in Single segment hence requirements of Ind AS 108 is not applicable to the same.

### NOTE 35 REGROUPING OF FIGURES

The previous year figures have been recast/ regrouped whenever considered necessary to facilitate comparison with revised Schedule III.

**NOTE 36 Financial Instruments and Related Disclosures**

**1 CAPITAL MANAGEMENT**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The funding requirements are primarily met through equity and operating cash flows generated. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders.

**2. CATEGORIES OF FINANCIAL INSTRUMENTS**

(Amount in Rs.)

Particulars	Fair Value Hierarchy	As at March 31, 2022		As at March 31, 2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A Financial Asset</b>					
<b>(i) Measured at Amortised Cost</b>					
<b>Non Current</b>					
Security Deposits	3	12,776,930	12,776,930	19,127,032	19,127,032
<b>Current</b>					
Trade receivables	3	184,967,306	184,967,306	210,422,169	210,422,169
Cash & Cash Equivalents	3	474,855	474,855	1,220,646	1,220,646
Other Bank Balances	3	7,705,576	7,705,576	6,835,949	6,835,949
Other financial assets	3	152,824	152,824	635,917	635,917
<b>Total Financial Assets</b>		<b>206,077,491</b>	<b>206,077,491</b>	<b>238,241,713</b>	<b>238,241,713</b>
<b>B Financial Liabilities</b>					
<b>(i) Measured at Amortised Cost</b>					
<b>Non Current</b>					
Borrowings	3	156,281,966	156,281,966	146,995,677	146,995,677
Lease Liabilities	3	23,177,819	23,177,819	24,745,625	24,745,625
<b>Current</b>					
Borrowings	3	307,625,278	307,625,278	237,414,867	237,414,867
Trade Payables	3	262,485,237	262,485,237	265,016,418	265,016,418
Lease Liabilities	3	1,567,806	1,567,806	1,465,239	1,465,239
Other Financial Liabilities	3	21,231,633	21,231,633	59,181,326	59,181,326
<b>Total Financial Liabilities</b>		<b>772,369,739</b>	<b>772,369,739</b>	<b>734,819,153</b>	<b>734,819,153</b>

**Fair Value Hierarchy**

- Level 1** quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2** inputs other than quoted prices included in 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).

**3 Financial Risk Management Objectives**

The activities of the Company expose it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance.

**(i) Management of market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, investments and derivative financial instruments.

**(ii) Management of Interest Rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**(iii) Management of Price risk:**

Investments in unlisted equities and preference shares are susceptible to market price risk, arising from changes in availability of future free cash flow which may impact the return and value of the investments. The Company has no such investments

**(iv) Management of currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency trade receivables and is therefore not exposed to foreign exchange risk.

**(v) Management of Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterpart to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits and loans given, investments and balances at bank.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected credit loss is based on actual credit loss experienced and past trends based on the historical data.

The Company does not have any significant concentration of credit risk.

The average credit period on sales is 45 days. No interest is charged on overdue trade receivables.

The management has evaluated that there will be no credit loss in respect of Trade Receivables.

**(vi) Management of liquidity risk:**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a robust cash management system in place.

## Samrat Forgings Limited

(Amount in Rs.)

NOTE 37 Income Tax Expense	As at 31.03.2022	As at 31.03.2021
<b>A Income Tax Expense</b>		
<b>Current Tax</b>		
Current Tax on Profits for the Year	12,099,738	8,459,816
Adjustments for current tax of prior year	846,707	4,580
<b>Deffered Tax</b>		
Deferred Tax Charge/(Income)	3,273,984	(868,999)
<b>Total Tax Expense</b>	<b>16,220,430</b>	<b>7,595,397</b>
<b>B Reconciliation of Tax Expense and Accounting Profit Multiplied as per applicable Tax Rate for the year ended March 31, 2022 and March 31, 2021</b>		
Accounting Profit Before Tax	51,847,197	30,094,587
<b>Income Tax calculated on Accounting Profit</b>	<b>14,423,890</b>	<b>8,372,314</b>

### NOTE 38 DISCLOSURE AS PER IND AS-24 RELATED PARTY

**(A) List of Related Parties and Relationships:**

**1) Key Management Personnel & Their Relatives**

Mr. Rakesh M. Kumar, Managing Director  
 Mrs. Bindu Chowdhary, Non-Executive Director  
 Mrs. Ritu Joshi, Non-Executive Director  
 Mr. Ajay Arora, Non-Executive Independent Director  
 Mr. Ashok Lakhanpal, Non-Executive Independent Director  
 Ms. Niveta Sharma, Non-Executive Independent Director  
 Mr. Sandeep Kumar, Company Secretary  
 Mr. A.P.S Grover, Chief Financial Officer  
 Mr. Siddharth Joshi, Relative of Director

**2) Entities in which Directors are interested**

Punjab Pre-Stressed Concrete Works Pvt Ltd.  
 Jandwani Poly Products Pvt. Ltd.  
 Jitya Enterprises Pvt Ltd (Formerly known as Jay Dee Holdings Pvt Ltd)  
 Susoka Enterprises Pvt. Ltd (Formerly known as Natrajan Investments & Finance Pvt Ltd)  
 Samedha Enterprises Pvt Ltd (Formerly known as Gee Cee Investments & Finance Pvt. Ltd.)  
 Divyendu Enterprises Pvt Ltd (Formerly known as Alacrity Holdings Pvt. Ltd)  
 Kanjam Enterprises Pvt Ltd (Formerly known as R Kumar Investments & Finance Pvt Ltd)

## Samrat Forgings Limited

(Amount in Rs.)

<b>(B) Related Party Transactions:</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Remuneration to Key Managerial Personnel</b>		
Mr. Rakesh M. Kumar (Managing Director)	12,021,600	11,220,700
Mr. A.P.S. Grover (Chief Financial Officer)	2,216,000	295,429
Mr. Sandeep Kumar (Company Secretary)	676,600	541,420
<b>Total remuneration to key managerial personnel</b>	<b>14,914,200</b>	<b>12,057,549</b>
<b>Sitting Fees</b>		
Mrs. Ritu Joshi, Non-Executive Director	42,500	37,500
Mrs. Bindu Chowdhary, Non-Executive Director	40,000	62,500
Mr. Ajay Arora, Non-Executive Independent Director	52,500	80,000
Mr. Ashok Lakhnupal, Non-Executive Independent Director	22,500	7,500
Ms. Niveta Sharma, Non-Executive Independent Director	52,500	72,500
<b>Interest &amp; Expense</b>		
Jandwani Poly Products Pvt. Ltd.	1,238,228	1,173,120
Mr. Rakesh M. Kumar, Managing Director	145,360	123,728
Mrs. Bindu Chowdhary, Director	175,978	131,276
<b>Rent</b>		
Jandwani Poly Products Pvt. Ltd.	3,300,000	3,300,000
<b>Professional Expenses</b>		
Mr. Siddharth Joshi	900,000	-
<b>(C) Balance outstanding with related parties</b>		
	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Mr. Rakesh M. Kumar -Loan	3,141,987	2,411,163
Mrs. Bindu Chowdhary -Loan	4,605,736	2,903,356
Jandwani Poly Products Pvt. Ltd. -Loan	21,751,538	20,637,133
Jandwani Poly Products Pvt. Ltd. -Rent payable	2,970,000	4,723,625
Mrs. Bindu Chowdhary -Sitting Fee payable	22,500	57,809
Mrs. Ritu Joshi, Director -Sitting Fee payable	24,750	18,500
Mr. Siddharth Joshi -Professional Fee payable	90,000	-

## Samrat Forgings Limited

### NOTE 39 DISCLOSURE OF RATIOS

PARTICULARS	As at 31.03.2022	As at 31.03.2021	Percentage Change	Reasons for more than 25% change
Current Ratio = Current Assets / Current Liabilities	1.16	1.16	0%	
Debt Equity Ratio = Total Debt / Total Equity	1.98	2.13	-7%	
Debt Service Coverage Ratio = Earnings before Interest, Depreciation and Amortization but after Tax / (Interest + Principal Repayment)	1.04	1.29	-20%	
Return on Equity Ratio = Profit After Tax / Shareholders' Equity	15.19%	11.34%	34%	Due to increase in sales and net profit
Inventory Turnover Ratio = Cost Of Goods Sold (Cost of material consumed+Purchases+Changes in Inventory+Manufacturing Expenses) / Average Inventory	2.58	2.34	10%	
Trade Receivables Turnover Ratio = Revenue From Operations / Average Trade Receivables	7.06	7.31	-3%	
Trade Payables Turnover Ratio = Purchases / Average Trade Payables	3.72	3.27	14%	
Net Capital Turnover Ratio = Revenue from Operations / Working Capital	14.33	12.94	11%	
Net Profit Ratio = Net Profit / Revenue from Operations	2.55%	1.91%	34%	Due to increase in sales and net profit
Return on Capital Employed = Profit Before Interest & Tax / Capital Employed	24.56%	23.82%	3%	
Return on Investment = Net Profit / Capital Employed	9.12%	6.51%	40%	Due to increase in sales and net profit

(A P S GROVER)  
Chief Financial Officer

(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(BINDU CHOWDHARY)  
Director  
DIN 01154263

FOR JAIN & ASSOCIATES  
(Firm Regn. No.: 001361N)

Place: Derabassi  
Dated : 18/05/2022

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

# **Samrat Forgings Limited**

CIN : L28910PB1981PLC056444



REGISTERED OFFICE :  
Village & P.O. Gholu Majra,  
Tehsil Derabassi, Distt. Mohali,  
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