



# **SAMRAT FORGINGS LIMITED**

**CIN: L28910PB1981PLC056444**

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

**Unit II (Machining Division)** : Village & P.O. Bhankarpur, Distt. Mohali, Punjab - 140 201 India

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

Website: www.samratforgings.com



SFL/2024-25/199

Dated: 05.09.2024

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

**Scrip Code: 543229**

**Sub: Annual Report for Financial Year 2023-24**

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 2023-24 of the Company including inter alia Notice of the Company's 43<sup>rd</sup> Annual General Meeting (AGM), which is being sent through electronic mode to the Members of the Company. The 43<sup>rd</sup> AGM of the Company will be held on Monday, 30<sup>th</sup> September, 2024 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 above on record.

Thanking you,

Yours faithfully,

**For Samrat Forgings Limited**

**Sandeep Kumar  
Company Secretary  
FCS 9075**

Encl: As above



**43<sup>rd</sup>**  
*Annual Report*  
**2023-24**

**Samrat Forgings Limited**

**SAMRAT FORGINGS LIMITED**

**43<sup>rd</sup> ANNUAL REPORT 2023-24**

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr. A.P.S. Grover

**COMPANY SECRETARY**

Mr. Sandeep Kumar

**AUDITORS**

M/s. Rattan Kaur & 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: investor@masserv.com

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**43<sup>rd</sup> ANNUAL GENERAL MEETING**

on Monday, 30th September, 2024  
at 11:30 A.M. through

Video Conferencing / Other Audio Visual Means

## **NOTICE**

Notice is hereby given that the 43rd Annual General Meeting of Samrat Forgings Limited will be held on Monday, the 30<sup>th</sup> day of September, 2024 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, 2024 and the Reports of the Board of Directors and Auditors thereon, and in this regard, pass the following resolution as an Ordinary Resolution:-**

“**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, 2024 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, and in this regard, pass the following resolution as a Special Resolution: -**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013 and Rules framed thereunder, along with Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any Statutory modification(s) or re-enactment thereof for the time being in force), the extant Rules / Regulations / Guidelines / Notifications and Circulars prescribed by any relevant authorities including but not limited to the Securities Exchange Board of India, and as per the provisions of Articles of Association of the Company, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the Members of the company, be and is hereby accorded to the reappointment of Smt. Bindu Chowdhary (DIN 01154263), who having attained the age of about Eighty Four (84) years, offers herself for reappointment as Non Executive Non-Independent Director of the Company, liable to retire by rotation.”

### **SPECIAL BUSINESS**

3. **Appointment of Statutory Auditor to fill casual vacancy**

**To appoint Statutory Auditors of the Company and to fix their remuneration and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s Rattan Kaur & Associates, Chartered Accountants (Firm Registration No. 022513N) be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by resignation of M/s Rajesh Aggarwal & Associates, Chartered Accountants, to hold the office from August 15, 2024, until the conclusion of the 43<sup>rd</sup> Annual General Meeting of the Company, as such remuneration and reimbursement of out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and approved by the Board of Directors of the Company.”

**4. Appointment of Statutory Auditors**

**To appoint Statutory Auditors of the Company and to fix their remuneration and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with 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 recommendations of the Audit Committee and the Board of Directors of the Company M/s Rattan Kaur & Associates, Chartered Accountants (Firm Registration No. 022513N) be and are hereby appointed as Statutory Auditor of the Company, to hold the office for a period of 5 (five) consecutive years from the conclusion of this 43<sup>rd</sup> Annual General Meeting till the conclusion of 48<sup>th</sup> Annual General Meeting to be held in the calendar year 2029, at such remuneration and reimbursement of out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and approved by the Board of Directors of the Company.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in this, be and is hereby authorized to do all such acts, deeds, and things, as it may in its absolute discretion deem necessary, proper or desirable in this regard.”

**5. To appoint Mrs. Amita Arora (DIN: 10752924) as an Independent Director**

**To consider and, if thought fit, to pass the following Resolution as 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’), Mrs. Amita Arora (DIN: 10752924) who was appointed as an Additional Director (Non-Executive Independent) w.e.f. 31.08.2024, 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 she 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. August 31, 2024 to August 30, 2029.”

**6. Re- Appointment of Ms Niveta Sharma (DIN: 08056816) as an Independent Director of the Company**

**To consider and if thought fit, to pass, the following as special resolution: -**

“**RESOLVED THAT** pursuant to provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the ‘Act’), the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and the applicable

provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms Niveta Sharma (DIN: 08056816), who was appointed as an independent director of the Company for a term of five years up to 14<sup>th</sup> November, 2024 and is eligible for re-appointment as an independent director and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner and considering the report of her performance evaluation for the year 2023-24, be and is hereby re-appointed as an independent director on the Board of the Company for a second term of five consecutive years, effective from 15<sup>th</sup> November, 2024 to 14<sup>th</sup> November, 2029.

**FURTHER RESOLVED THAT** pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Ms Niveta Sharma be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

**7. 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, 2025, 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.”

Regd. Office:  
Village & P.O. Ghollu Majra, Tehsil Derabassi,  
Distt. Mohali, Punjab 140506  
Email: info@samratforgings.com  
CIN: L28910PB1981PLC056444  
Date: 27.08.2024

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. 3 to 5 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, 10/2022 dated 28th December, 2022 and 09/2023 dated 25th September, 2023 (“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, SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167, dated 7th October, 2023 (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. The deemed venue for the meeting shall be registered office of the Company at Village & P.O. Ghollu Majra, Tehsil Derabassi, Distt. Mohali, Punjab - 140506.  
  
The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 21.
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 30 (thirty) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 30 (thirty) 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 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 2023-24 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 2023-24 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, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110 020, Tel. 011-26387281, 282, 283, Email: [investor@masserv.com](mailto:investor@masserv.com) 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 26.09.2024 to 30.09.2024 (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.

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.

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 and send the documents to RTA. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://samratforgings.com/investors/downloads/>

The shareholders can also download the forms mentioned in SEBI circular from the website of RTA i.e. [www.masserv.com](http://www.masserv.com).

16. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8, dated 25th January, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <https://samratforgings.com/investors/downloads/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

Further, SEBI, vide its circular dated 3rd November, 2021 (subsequently amended by circulars dated 14th December, 2021, 16th March, 2023 and 17th November, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1st April, 2024, only upon furnishing all the aforesaid details to the Company's Registrar and Share Transfer Agent. The relevant FAQs published by SEBI in this regard on its website can be viewed at [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)

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 investor@masserv.com in case the shares are held in physical form by quoting their Folio No.
18. 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.

19. 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 23<sup>rd</sup> September, 2024.

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.

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.

20. Appointment /Re-appointment of Director

Mrs. Amita Arora (DIN: 10752924) who was appointed as Additional Director (Non-Executive Independent) w.e.f. August 31, 2024, is proposed to be regularized as an Independent Director of the Company in the forthcoming Annual General Meeting.

Ms Niveta Sharma (DIN: 08056816), whose term of appointment as Independent Director is upto 14<sup>th</sup> November, 2024 is proposed to be reappointed for another term of five years i.e. from 15<sup>th</sup> November, 2024 to 14<sup>th</sup> November, 2029.

Further, Mrs. Bindu Chowdhary (DIN: 01154263) 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, are annexed hereto and marked as Annexure A, forms part of the Notice.

21. 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, 2024 at 9:00 AM and ends on 29<sup>th</sup> September, 2024 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, 2024, 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, 2024, may obtain the User ID and Password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Company's Registrar and Share Transfer Agent at [investor@masserv.com](mailto:investor@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 member's / retail member's 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:

| Type of Member   | Login Methods   |
|--|---|
| <p><b>Individual share-holders holding shares in demat mode with CDSL Depository</b></p> | <p>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.</p> <p>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.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></p> <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> |
| <p><b>Individual member holding shares in demat mode with NSDL</b></p>                   | <p>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.nsd.com">https://eservices.nsd.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</p>  |

| <b>Type of Member</b>  | <b>Login Methods</b>  |
|--|---|
|  | <p>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.</p> <p>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></p> <p>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.</p> |
| <p><b>Individual member (holding shares in demat mode) login through their Depository Participants</b></p> | <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>   |

## Samrat Forgings Limited

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 which is 240904091.
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 meeting. 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.  
Further, Shareholders will be required to allow camera and use internet connection with a good speed to avoid any disturbance during the meeting.
- V. 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.
- VI. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to the meeting mentioning their name, demat account number / folio number, email id, mobile number at sandeepsharma@samratforgings.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting 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.
- VII. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the meeting.
- VIII. 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.
- IX. 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 meeting 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 meeting.



**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 meeting 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 meeting, 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 23rd September, 2024.
- 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, 2024.

Regd. Office:  
Village & P.O. Ghollu Majra, Tehsil Derabassi,  
Distt. Mohali, Punjab - 140506  
Email: [info@samratforgings.com](mailto:info@samratforgings.com)  
CIN: L28910PB1981PLC056444  
Date: 27.08.2024

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**

**ITEM NO. 2**

Smt. Bindu Chowdhary (DIN: 01154263), aged about 84 (eighty four) years, Non-Executive Non Independent Director of the Company, retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible seeks re-appointment under Item No. 2 of this Notice.

In accordance with Regulation 17(1A) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 consent of the members is required to appoint/continue the directorship of any person as a Non-Executive Director who has attained the age of 75 (seventy-five) years. Accordingly, consent of the members by way of Special Resolution is sought for the continuation of Directorship of Smt. Bindu Chowdhary, who has attained the age of about 84 (eighty four) years.

The Board of Directors, upon recommendation of Nomination and Remuneration Committee, in its meeting held on 27.08.2024, has recommended the Continuation of Directorship of Smt. Bindu Chowdhary, Non-Executive Non Independent Director of the Company, till the date she retires by rotation in terms of Section 152 of the Companies Act, 2013, subject to the approval of the members of the Company at the ensuing Annual General Meeting. A brief justification for her continuation of Directorship as Non-Executive Director of the Company is as under:

Smt. Bindu Chowdhary is a promoter of the Company. She has wide and varied experience of more than four decades in business management and making and implementing the business strategies. The Company is benefitted from her vision and vast experience in the various industrial fields and her contribution towards the growth of the Company.

A brief resume of Smt. Bindu Chowdhary, the nature of her expertise, Directorships held in other companies, Committee Memberships/ Chairmanships, her shareholding etc., is separately annexed to the Notice of AGM.

The Board recommends the Special Resolution as set out in Item No. 2 for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Smt. Bindu Chowdhary (whose continuation of directorship is proposed in the resolution) is in any way concerned or interested financially or otherwise in the resolution mentioned at Item No. 2 of the accompanying notice.

**ITEM NO. 3**

The Members of the Company at its 40<sup>th</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2022 had appointed M/s Rajesh Aggarwal & Associates, Chartered Accountants (Firm Registration No. 009831N) as Statutory Auditors of the Company to hold office from the conclusion of 40<sup>th</sup> AGM till the conclusion of 45<sup>th</sup> AGM of the Company.

M/s Rajesh Aggarwal & Associates, Chartered Accountants vide their letter dated August 10, 2024 have resigned from the position of Statutory Auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors in its meeting held on August 14, 2024, as per the recommendation of the Audit Committee and pursuant to the provisions of Section 139(8) of the Companies Act, 2013 has appointed M/s Rattan Kaur & Associates, Chartered Accountants (Firm Registration No. 022513N), to hold office as Statutory Auditor of the Company till the conclusion of 43<sup>rd</sup> Annual General Meeting and to fill the casual vacancy caused by the resignation of M/s Rajesh Aggarwal & Associates subject to the approval by the members at the 43<sup>rd</sup> Annual General Meeting of the Company, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommend by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s Rattan Kaur & Associates, Chartered Accountants to act as Statutory Auditor of the Company in place of M/s Rajesh Aggarwal & Associates, Chartered Accountants along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

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

### ITEM NO. 4

The Board of Directors in its meeting held on August 27, 2024, as per the recommendation of Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, recommended the appointment of M/s Rattan Kaur & Associates, Chartered Accountants (Firm Registration No. 022513N), as Statutory Auditors of the Company, on the basis of review of their audit experience, clients served, technical knowledge, etc. to hold office for a period of five years, from the conclusion of the 43<sup>rd</sup> Annual General Meeting, till the conclusion of 48<sup>th</sup> Annual General Meeting of the Company to be held in the year 2029. The fee for Statutory Audit and Limited Review proposed to be paid to M/s Rattan Kaur & Associates for the Financial Year 2024-25 is Rs. 1.50 lacs plus applicable taxes and reimbursement of out of pocket expenses. The proposed fee amount is the same as the company has paid to the former auditors for the Financial Year 2023-24.

The Company has received consent letter and eligibility certificate from M/s Rattan Kaur & Associates, Chartered Accountants to act as Statutory Auditor of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Brief profile of M/s Rattan Kaur & Associates:

M/s Rattan Kaur & Associates, Chartered Accountants ("the Audit Firm") was established in the year 2009. It is a partnership firm based at Chandigarh having Peer Review Certificate Number 014929 valid till 31.01.2027. The firm has rich experience of Statutory Audit, Tax Audit, Internal Audit, concurrent audit etc. The firm provide their audit and advisory services to various Banks, NBFC's, Corporates and Government Companies etc.

The Board recommends the Ordinary Resolution set out at Item No. 4 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. 4.

### ITEM NO. 5

On the recommendation of Nomination & Remuneration Committee Mrs. Amita Arora (DIN: 10752924) was appointed as an Additional Director (Non-Executive Independent) of the Company by the Board with effect from August 31, 2024. 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"), she will hold office upto the date of the forthcoming Annual General Meeting of the Company. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

She is an Advocate by profession and has rich experience in the field of legal practice, consultancy and advisory service. The Board, upon recommendation of the Nomination and Remuneration Committee, is of the view that Mrs. Amita Arora's varied experience will be of immense value to the Company and, therefore, recommends her appointment as an Independent Director of the Company for a period of five years from the original date of appointment i.e. August 31, 2024, to the members in terms of Resolution set out in Item No. 5 of the Notice. The Company has received a declaration from Mrs. Amita Arora declaring that she 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 her to be appointed as an Independent Director of the Company.

In the opinion of the Board, Mrs. Amita Arora 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. Except for Mrs. Amita Arora 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 as set out in Item Nos. 5 of this Notice.

The Directors recommend the Resolution set out at Item No. 5 of the Notice to be passed by the Members as a Special Resolution.

### ITEM NO. 6

Ms Niveta Sharma was appointed as Independent Director of the Company for a term of 5 (Five) years starting from November 15, 2019 upto November 14, 2024. The Nomination and Remuneration Committee and the Board of Directors at their Meetings held on August 27, 2024, had recommended re-appointment of Ms Niveta Sharma as the Non- Executive Independent Director of the Company, subject to the approval of the Members, for a second term

starting from November 15, 2024 upto November 14, 2029.

The Company has received the consent from the said director and also her declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board, based on her performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background and expertise in the relevant field and valuable contribution made by the Director during her tenure, continued association of Ms Niveta Sharma would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director.

Ms Niveta Sharma is independent of the management of the Company and in the opinion of the Board of Directors of the Company, she fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as the Independent Director of the Company. A copy of the draft letter of appointment in respect of Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members upto the date of AGM at the Registered Office of the Company during all days between 10:00 am to 04:00 pm excluding Sundays and Public Holidays.

**Brief profile of Ms Niveta Sharma as under:**

Ms Niveta Sharma is a Company Secretary by profession having rich professional experience of ten years to her credit. She serves as a Director on the Board of various public limited companies. She has an expertise in secretarial, listing, corporate governance and financial matter and her association with the Company as an independent director is very advantageous to gain the advisory services from her in various aspects.

Detailed disclosure of the profile and other credentials of Ms Niveta Sharma is given in the annexure to this Notice. Other than Ms Niveta Sharma and her relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolution as set out in Item Nos. 6 of this Notice. The Board recommends the Special Resolution as set out at Item Nos. 6 of the Notice for approval by the Members.

**ITEM NO. 7**

The Board of Directors of the Company, on 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 2024-25 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

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. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 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: 27.08.2024

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

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

## Samrat Forgings Limited

### Annexure A

**ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 43<sup>RD</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>Mrs. Amita Arora</b>   | <b>Ms Niveta Sharma</b>   | <b>Mrs. Bindu Chowdhary</b>   |
|--|---|---|---|
| Director Identification Number (DIN)   | 10752924  | 08056816  | 01154263  |
| Date of Birth  | 10.04.1963  | 06.03.1992  | 13.04.1940  |
| Age (in years)   | 61  | 32  | 84  |
| Nationality  | Indian  | Indian  | Indian  |
| Date of appointment  | 31.08.2024  | 15.11.2019  | 25.04.1990  |
| Qualification  | B.A. (HONS) & LLB   | B.Com, ACS  | B.A.  |
| Experience (including expertise in specific functional area)                   | Extensive experience of more than three decades in legal practice, consultancy and advisory services.   | Rich experience of around ten years of Secretarial, Legal, Listing and Finance fields.  | Vast experience of more than four decades in Business Administration and Management.  |
| Brief Resume   | Mrs. Amita Sharma is an Advocate by profession. She is practicing in legal field from the past more than thirty years and represent her corporate as well as non corporate clients before the Courts, Tribunals and other Judicial and Non Judicial Authorities. She also serves as legal consultant and counsel to various corporate and non corporate clients on retainership or assignment basis before the National Company Law Tribunal. | Ms Niveta Sharma is Company Secretary by profession. She is serving as director of various companies. She has rich experience of Secretarial, Legal, Listing and Accounts fields and contributing in strategic planning, corporate governance and managerial decision of the companies. | 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. She has enriched experience of management and business administration and contributing successfully to the company in strategic management and business planning. |
| List of Directorship   | <b>Listed entities:</b><br>Samrat Forgings Ltd<br><b>Others:</b><br>Nil   | <b>Listed entities:</b><br>Samrat Forgings Ltd<br><b>Others:</b><br>Cheema Boilers Ltd<br>Spray Engineering Devices Ltd<br>Leeford Healthcare Ltd<br>Ind Sphinx Precision Ltd   | <b>Listed entities:</b><br>Samrat Forgings Ltd<br><b>Others:</b><br>Jandwani Poly Products Pvt Ltd  |
| Committee Membership   | Nil   | <b>Samrat Forgings Ltd:</b><br>Audit Committee (Member)<br>Stakeholders Relationship Committee (Member)<br>Nomination and Remuneration Committee (Chairperson)<br><b>Others:</b><br>Nil   | <b>Samrat Forgings Ltd:</b><br>Stakeholders Relationship Committee (Member)<br><b>Others:</b><br>Nil  |
| Listed entities from which the person has resigned in the past three years     | Nil   | Nil   | Nil   |
| Number of Board Meetings of Samrat Forgings Limited attended during FY 2023-24 | N.A.  | 6 out of 6  | 6 out of 6  |
| Shareholding in Samrat Forgings Limited  | Nil   | Nil   | 20 equity shares  |

## Samrat Forgings Limited

|   |   |  |   |
|---|---|--|---|
| Relationship with other Directors, Manager and Key Managerial Personnel           | Nil   | Nil  | Nil   |
| Terms and conditions of appointment or re-appointment                             | Independent Director not liable to retire by rotation   | Reappointment as Non Executive Independent Director  | Non Executive Non Independent Director liable to retire by rotation   |
| Remuneration last drawn (including Sitting fees, if any)                          | Nil   | Sitting fee of Rs. 67,500/- for attending Meetings during FY 2023-24.  | Sitting fee of Rs. 52,500/- for attending Meetings during FY 2023-24. |
| Justification for choosing the appointees for appointment as Independent Director | Mrs. Amita Arora has extensive experience in legal field. Based upon her profile and other information available she would be beneficial to the Company and its Board in taking decision on various legal issues. Also, the company enters into various agreements with its customers, suppliers etc. in the regular course of business. Therefore, she being having specific legal background would be extensively helpful to the Board and company in analyzing and entering into those contracts, agreements etc. in the best interest of the Company. | Her term of appointment as Independent Director for five years is completing on November 14, 2024 and the Board, based on her performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considered that, taking into account her background and expertise in the relevant field and valuable contribution made as an Independent Director during her tenure, continued association of Ms Niveta Sharma would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director for another term of five years. | Not applicable  |

## DIRECTORS'S REPORT

Dear Members,

Your directors have pleasure in presenting the 43<sup>rd</sup> Annual Report together with Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024.

### 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<br/>31.03.2024</b> | <b>Year ended<br/>31.03.2023</b> |
| Net Operating Revenue  | 16,202.83                        | 18,131.45                        |
| Other Income   | 91.31                            | 35.87                            |
| Profit before Finance Cost, Depreciation,<br>Exceptional items and tax | 1,393.21                         | 1,524.92                         |
| Finance Cost   | 599.93                           | 506.00                           |
| Depreciation   | 364.66                           | 322.23                           |
| Profit before exceptional items & tax                                  | 428.62                           | 696.69                           |
| Exceptional items  | 0.21                             | 2.01                             |
| Profit before tax  | 428.83                           | 698.70                           |
| Provision for current tax  | 0.00                             | 80.59                            |
| Deferred tax   | 123.20                           | 122.49                           |
| Income tax of previous year  | 8.22                             | 7.00                             |
| Net profit after tax   | 297.41                           | 488.62                           |
| Other Comprehensive Income (net of tax)                                | 10.24                            | 15.81                            |
| Total Comprehensive Income   | 307.65                           | 504.43                           |
| Transfer to General Reserve  | 0.00                             | 0.00                             |

### OPERATIONAL REVIEW

Continuing with positive momentum of previous fiscal year FY 2022-23, the company started FY 2023-24 with robust sales. The steel prices too started to cool down thus putting less pressure on working capital in H1. However, market slowed down in H2 and sales slumped. This is largely due to less spending on infrastructure and agriculture in H2 after the Parliamentary Lok Sabha elections were announced.

In the above backdrop, the Company managed to achieve turnover of Rs. 162 Crores during the financial year ended 31st March 2024. With continued focus on cost front, the Company, despite above adverse factor, has earned profit before tax of 4.29 crore against the previous year's profit before tax of 6.99 crore; profit after tax (before other comprehensive income) of Rs. 2.97 (previous year: Rs. 4.89 crore) translated into Earning Per Share of Rs. 5.95 (previous year: Rs. 9.77). Total comprehensive income (net of tax) for the year stood at Rs. 3.08 crore as against Rs. 5.04 crore of previous year.

No material changes and commitments which could affect your Company's financial position for FY 2023-24 have occurred between the end of the financial year of your Company and date of this report.

## **FUTURE PROSPECTS/ EXPANSION**

The Indian economy is expected to sustain its growth momentum in 2025 due to stable Government at Center, and its industry positive policies. Despite the challenges such as escalating input costs, higher inflation etc. company does not foresee any major challenges. Tractor industry where your company has major supplies and new businesses coming from non-tractor segment, overseas customers like Railways and construction equipment manufacturers and focus on exports, it is expected that the company would be able to make its business grow in coming years.

The company has developed many new parts both for domestic as well as export markets and is very confident of growth. The Company has expanded its production capacity during the financial year 2023-24 and more machines are planned in forging as well as machining division to strengthen production capacities of the Company.

## **TRANSFER TO RESERVES**

The Company has not transferred any amount to General Reserves.

## **CAPITAL STRUCTURE**

There has been no change in the Capital Structure of the Company during the FY 2023-24.

The Company has not issued any bonus shares, Employee Stock Option Schemes, Shares with Differential rights etc. Further, there were no instances of buy back of shares during the year under review.

## **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, 2024 is available on the website of the Company at the web link <https://samratforgings.com/wp-content/uploads/2024/08/Annual-Return-2023-24.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

In the last Annual General Meeting, held on 30<sup>th</sup> September, 2023, the Members had re-appointed Mr. Rakesh M Kumar as Managing Director of the Company for a period of three years with effect from December 1, 2023.

Mr. Ajay Arora (DIN: 00314161) Independent Director has resigned with effect from closure of business hours on August 21, 2024 due to his other professional commitments. The Board at its meeting held on August 27, 2024 recorded its deep appreciation for his valuable contribution to the Company during his tenure as an Independent Director of the Company.

The Board, on the recommendation of its Nomination & Remuneration Committee, has appointed Mrs. Amita Arora (DIN: 10752924) as an Additional Director (Non-Executive Independent) of the Company with effect from August 31, 2024. She holds office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a Member signifying intention to propose Mrs. Amita Arora to be appointed as an Independent Director for five years at the ensuing Annual General Meeting. The Directors recommends her appointment as an Independent Director for a term of five years in the ensuing Annual General Meeting of the Company.

Tenure of the first term of five years of Ms Niveta Sharma (DIN: 08056816) as an Independent Director is completing on November 14, 2024 and she has offered herself for reappointment. Based on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on August 27, 2024 has proposed to the members of the company the re-appointment of Ms Niveta Sharma as an Independent Director for another term of five years with effect from November 15, 2024.

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 43<sup>rd</sup> Annual General Meeting of the Company.

### II. Declaration by Independent Directors

All 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 (Listing Regulations) 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

Six Board meetings of the Company were held during the financial year 2023-24 on following dates:

I. 20.05.2023, II. 12.08.2023, III. 27.09.2023, IV. 14.11.2023, V. 10.02.2024 and VI. 30.03.2024

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. Attendance detail in board meetings is provided in the Corporate Governance Report forms a part of this report.

One meeting of Independent Directors was held on 23.03.2024 during the year under review which was attended by all three Independent Directors of the Company i.e. Mr. Ajay Arora, Mr. Satish Chander Sharma 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 Chairman 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 Chairman and the Non Independent Directors was carried out by the Independent Directors who have also reviewed the performance of the Company Secretary.

The Independent Directors had met separately on 23.03.2024 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 Chairman of the Board after taking into consideration the views of Executive and Non-Executive Directors of the Company.

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 <https://samratforgings.com/wp-content/uploads/2024/08/Familiarisation-programmes-conducted-for-F.Y.-2023-24.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, 2024, 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, 2024 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, 2024;
- (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, 2024.

## **COMMITTEES OF THE BOARD**

The Board has the following committees:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders Relationship Committee

All the recommendations made by the Committees, including the Audit Committee were accepted by the Board. The details of composition, powers and duties, meetings and attendance therein are provided in the Corporate Governance Report which forms a part of this Report.

## **SUBSIDIARIES, JOINT VENTURES AND 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.

## STATUTORY AUDITORS & AUDITORS' REPORT

M/s Rajesh Aggarwal & Associates, Chartered Accountants (ICAI Firm Registration Number 009831N) were appointed as Statutory Auditors of the company in 41<sup>st</sup> Annual General Meeting (AGM) of the company held on 30<sup>th</sup> September, 2022 for a term of five years i.e. till the conclusion of 46<sup>th</sup> AGM of the Company to be held in the year 2027. However, they have tendered their resignation to act as the Statutory auditors of the Company with effect from closing business hours of August 14, 2024.

To fill up this casual vacancy, the Board in its meeting held on August 14, 2024 has approved the appointment of M/s Rattan Kaur & Associates, Chartered Accountants (Firm Registration No.: 022513N) as the Statutory Auditors of the Company till the conclusion of ensuing Annual General Meeting. Subsequently, based on the recommendation of the Audit Committee, the Board in its meeting held on August 27, 2024 has approved the appointment of M/s Rattan Kaur & Associates as Statutory Auditors of the Company for five years from the conclusion of the ensuing Annual General Meeting subject to the approval of the members of the Company. Your Company has received an eligibility letter from the Auditors for their appointment in accordance with Sections 139 and 141 of the Act. Necessary resolutions have been put in the notice of the ensuing Annual General Meeting for getting approval of shareholders for appointment done in casual vacancy and also for further appointment for the term of 5 years from the conclusion of Annual General Meeting.

The Audit Report given by the Statutory Auditors on the financial statements of the Company for the financial year 2023-24 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer given by the Auditors in their report.

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.

## SECRETARIAL AUDITORS AND THEIR REPORT

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 Anil Negi & Company, Practicing Company Secretaries (Certificate of Practice No. 17213) to undertake the Secretarial Audit of the Company. However, Anil Negi & Company had resigned as Secretarial Auditor of the Company for the Financial Year 2023-24 due to personal reasons. Consequently, the Board in its meeting held on March 30, 2024, appointed Ms Arshdeep Kaur Judge, Company Secretary in Practice (C.P. No. 27198) as Secretarial Auditor of the Company, to conduct the Secretarial Audit of the Company for Financial Year 2023-24. 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 AUDITORS AND THEIR REPORT

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 2023-24. The Cost Auditor has submitted their report and the said report does not contain any qualification, reservation or adverse remark.

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 2024-25 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 arm's 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 43<sup>rd</sup> Annual General Meeting.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year 2023-24 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. It 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. The code has been posted on the website of the Company i.e. [www.samratforgings.com](http://www.samratforgings.com).

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, 2024.

### **DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has followed prescribed Indian Accounting Standards (Ind AS) in preparation of its financial statements for the financial year under review.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism through Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the policy are explained in the Corporate Governance Report forms a part of this report.

The Whistle Blower Policy to provide Vigil Mechanism for Directors and Employees is available on the website of the company at the web link [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)

## **INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has laid down adequate internal financial controls. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms a part of this report.

## **PREVENSON 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 rules there under. 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 2023-24.

## **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, 2024, which may affect the financial position of the Company or require disclosure.

## **CORPORATE SOCIAL RESPONSIBILITY**

Keeping with Company's core value of Good Corporate Citizenship, your Company is committed to its social responsibility by taking various initiatives that would benefit society. In line with the Company's CSR Policy and CSR thrust areas, your Company's CSR efforts are directed towards public health, community welfare and education. Most of the activities, particularly relating to community welfare, health and education, being planned by giving due attention to the needy and underprivileged community as key beneficiaries.

On Public health front, the Company has provided medical equipment's & material to the Civil Hospital, Derabassi (Punjab) to augment their infrastructure for the welfare of the community.

The Annual Report on CSR activities is annexed as "**Annexure 4**" to this report.

The CSR policy is uploaded on the website of the Company and can be accessed from the web link <https://samratforgings.com/wp-content/uploads/2023/08/Corporate-Social-Responsibility-Policy.pdf>

Since, the amount required to be spent is less than rupees fifty lakh, therefore pursuant to the provisions of the Companies Act, 2013 (Act), constitution of Corporate Social Responsibility Committee is not mandatorily required to the Company. Hence, the said committee has not yet been constituted and the Board is discharging the functions of such committee according to the provisions of the Act.

### **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. As the company is not in the top 1000 listed entities, based on the market capitalization as at the end of the preceding financial year and also not a high value debt listed entity, therefore, the provisions of listing regulations to constitute Risk Management Committee are not applicable to the company.

### **SAFETY, HEALTH AND ENVIRONMENT**

The Company continues to demonstrate strong commitment to safety, health and environment which have been adopted as core organizational values. The Company ensures safety and audits its facilities in accordance with statutory and regulatory requirements and the Directors review these areas periodically. Employees are continuously made aware of hazards / risks associated with their job and their knowledge and skills are updated through requisite training to meet any emergency. 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 for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which covers the state of the Company's affairs is annexed herewith and forms part of this report.

### **CORPORATE GOVERNANCE**

A report on corporate governance together with the Certificate from Ms Arshdeep Kaur Judge, Practicing Company Secretary, confirming compliance of corporate governance norms as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith and forms a part of this report.

### **SECRETARIAL STANDARDS**

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

### **CODE FOR PREVENTION OF INSIDER TRADING**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), the Company has formulated the Code of Conduct for Prevention of Insider Trading ("Code") to regulate and monitor trading by Designated Persons (DPs) and their immediate relatives. The Code, inter alia, lays down the procedures to be followed by DPs while trading/ dealing in Company shares and while sharing Unpublished Price Sensitive Information (UPSI). The Code includes the Company's obligation to maintain the digital database, mechanism for prevention of insider trading and handling of UPSI, process to familiarise with the sensitivity of UPSI, transactions which are prohibited and manner in which permitted transactions in the securities of the Company shall be carried out.

### **TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AMOUNTS AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year no dividend or shares were due to be transferred to Investor Education and Protection Fund.

### **LISTING OF SHARES**

The shares of the Company are listed on BSE Limited. The Annual Listing fee for the FY 2024-25, has been duly paid to the stock exchange.

### **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, 2024. There has been no change in the KMP's of the Company during the year under review.

### **PARTICULARS OF EMPLOYEES**

The detail pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2023-24 is annexed as **Annexure-5** and forms a part of this report. In terms of first proviso to Section 136 of the Companies Act, 2013, this report and the financial statements are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing AGM. If any Member wishes to obtain a copy thereof, such Member may write to the Company Secretary at sandeepsharma@samratforgings.com.

### **SUSTAINABILITY INITIATIVE AND BUSINESS RESPONSIBILITY REPORT**

Your Company is conscious of its responsibility towards preservation of natural resources and 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- 6** to this Report.

### **ACKNOWLEDGEMENT**

Your Directors place on record their heartfelt appreciation to the stakeholders, bankers, financial institutions, government agencies for their co-operation and support to the Company and looking forward to their continued support for the future plans of the Company.

We extend our gratitude to our business associates and suppliers for their collaboration with the Company. Also, we wish to acknowledge the diligent service of the workers and employees at all levels. Last but not least, we express our sincere thanks to our valued shareholders for their unwavering support and the trust they have placed in the Company.

For and on behalf of the Board

Place: Derabassi  
Dated: 27.08.2024

**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, 2024.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Economy has been on rock solid ground now, scripting a recovery after the bruising impact of COVID 19 pandemic. Indian industry has made a strong foothold, not only in domestic markets but also in international markets. World has started to recognize India as a major contributor to its need for engineering goods, medical, IT and various other products.

India has shown remarkable resilience to global headwinds in Financial Year 2023-24 and remains in a sweet spot owing to its strong microeconomic fundamentals. Government initiatives such as Make in India, production-linked incentive schemes are expected to boost manufacturing and accelerate economic growth.

The domestic Industry posted a solid growth during H1 of FY 2023-24 which has favored the company to get better sale results from its customers, however slowdown in H2 of FY 2023-24 of Indian economy impacted the sales growth in H2 of FY 2023-24.

### OPPORTUNITIES AND THREATS

Stable government at the center, its Industry positive policies specially for farming community and its Make in India thrust offer great opportunity for business growth. Indian industry has made its mark in international market as dependable, quality conscious and cost-effective supplier. With isolation of China & Russia, India has emerged to be a force to reckon with thus offering growth opportunity.

With the installation of further machinery during last year, the Company has expanded its production capacity and is striving to increase its volume of supplies to other customers also and explore new business opportunities in niche segments with special focus on exports. 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 reduction and stability in prices of steel is also an added advantage.

However inadequate availability of manpower remains the major concern for the company.

### 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

The Indian industry is expected to sustain its growth momentum in FY 2024-25 due to stability at the Center Government, reduction and stability in steel prices and inflow of international companies for Indian suppliers.

Despite the challenges such as manpower, rising input costs etc. Tractor industry where of your company has major supplies and new businesses coming from non-tractor segment, overseas customers like Railways and construction equipment manufacturers and focus on exports, it is expected that the company would be able to make its business grow in coming years.

The company has developed many new parts both for domestic as well as export markets and is very confident of growth. The Company has expanded its production capacity and machining facilities during the financial year 2023-24 to take care of the anticipated volumes. More machines are planned in forging as well as machining division to strengthen production capacities of the Company.

### **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.

Further, risk due to conflicts such as between countries like Russia/Ukraine, Israel/Iran pose logistical issues with rising fright costs thus impacting cost competitiveness.

### **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**

Continuing with positive momentum of previous fiscal year FY 2022-23, the company started FY 2023-24 with robust sales. The steel prices too started to cool down thus putting less pressure on working capital in H1. However, market slowed down in H2 and sales slumped. This is largely due to less spending on infrastructure and agriculture in H2 after the Parliamentary Lok Sabha elections were announced.

In the above backdrop, the Company managed to achieve turnover of Rs. 162 Crores during the financial year ended 31st March 2024. With continued focus on cost front, the Company, despite above adverse factor, has earned profit before tax of 4.29 crore against the previous year's profit before tax of 6.99 crore; profit after tax (before other comprehensive income) of Rs. 2.97 (previous year: Rs. 4.89 crore) translated into Earning Per Share of Rs. 5.95 (previous

year: Rs. 9.77). Total comprehensive income (net of tax) for the year stood at Rs. 3.08 crore as against Rs. 5.04 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, 2024 the company had 748 permanent workers & employees.

**KEY FINANCIAL RATIOS**

| Particulars              | Financial Year 2023-24 | Financial Year 2022-23 | Change as compared to previous Financial Year | Reason for changes of 25% or more                                     |
|--------------------------|------------------------|------------------------|---|---|
| Debtors Turnover Ratio   | 7.29                   | 8.67                   | -15.92%                                       | NA  |
| Inventory Turnover Ratio | 2.86                   | 3.30                   | -13.33%                                       | NA  |
| Interest Coverage Ratio  | 1.80                   | 2.51                   | -28.29%                                       | Due to higher interest cost and lower sales & profits during the year |
| Current Ratio            | 1.05                   | 1.13                   | -7.08%  | NA  |
| Debt Equity Ratio        | 2.41                   | 2.09                   | 15.31%  | NA  |
| Operating Profit Margin% | 9.79                   | 10.98                  | -10.84%                                       | NA  |
| Net Profit Margin%       | 1.84                   | 2.69                   | -31.89%                                       | Lower sales due to market slowdown in second half of the year         |

**RETURN ON NET WORTH**

Return on net worth for FY 2023-24 (9.42%) has decreased in comparison of previous FY 2022-23 (17.15%) by 45.06% due to decrease in profits after tax.

**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

## Samrat Forgings Limited

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.

Regd. Office:  
Village & P.O. Ghollu Majra, Tehsil Derabassi,  
Distt. Mohali, Punjab - 140506  
Email: info@samratforgings.com  
CIN: L28910PB1981PLC056444  
Date: 27.08.2024  
Place: Derabassi

For and on behalf of the Board

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

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

## CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the combination of voluntary practice and compliance with laws and regulations leading to effective control and management of the Company. The Company believes that good corporate governance contemplates that corporate actions balance the interest of all stakeholders and satisfy the tests of accountability, transparency and fair play. The Company believes that all its operations and actions must be directed towards overall shareholders' value.

The best Corporate Governance practices has been adopted by Samrat Forgings Limited to protect the interest of its stakeholders, customers and employees and the same is being continuously reviewed to ensure that they adhere to the latest corporate developments and conform to the best Corporate Governance ethics.

### II. BOARD OF DIRECTORS

#### (a) Composition of the Board

The composition of the Board of Directors confirms to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has total six Directors out of which one is an executive director (Managing Director), two are Non-Executive Non-Independent Directors the three are Independent Directors (1/2 of the total number of directors). There are three women directors on the Board. The chairperson of the Board is an executive promoter director and designated as Managing Director of the Company. All Directors possess variety of skills and professional expertise to ensure effectiveness of the Board facilitating efficient discharge of duties and adding value in the overall growth of the Company.

All independent Directors were appointed in accordance with the Companies Act, 2013 and Listing Regulations and they have declared to the Company that they meet the criteria of 'independence' set out in the Listing Regulations and the Companies Act, 2013. The Board of Directors, based on the declarations received from the Independent Directors, has verified the veracity of such disclosures and confirms that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management of the Company.

None of the Directors of the Company is:

- (i) a director in more than ten public limited Companies
- (ii) an independent director in more than seven listed companies or three listed companies (in case he/she serves as a whole time director in any listed company)
- (iii) is a Member of more than ten Committees or Chairman of more than five Committees across all Indian public limited Companies in which he/she is a Director.

#### (b) Board Meetings

Six Board meetings of the Company were held during the financial year 2023-24 on following dates:

- I. 20.05.2023, II. 12.08.2023, III. 27.09.2023, IV. 14.11.2023, V. 10.02.2024 and VI. 30.03.2024

The meetings of the Board have been held on regular intervals and the gap between two

meetings did not exceed one hundred and twenty days. Different corporate operations were elaborately reviewed in the Board Meetings in context of business plans of the Company.

### **Board procedure and information placed before the Board**

The Board meets at regular intervals and a detailed Agenda is sent to all Directors prior to Board and Committee Meetings. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and to enable the Board to take efficient decisions. The Board of Samrat Forgings Limited is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in the Listing Regulations. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, compliance reports of laws applicable to the Company, adoption of quarterly/half-yearly/annual results, significant labour issues, if any and Minutes of Meetings of the Audit and other Committees of the Board. Details of the familiarization programme to the independent directors are available on the website of the Company [www.samratforgings.com](http://www.samratforgings.com).

### **(c) Attendance and other Directorships**

The details of attendance of the Directors at the Board Meetings during the financial year 2023-24 and the last Annual General Meeting held on 30<sup>th</sup> September, 2023 and also the number of other Directorship and Committee Membership / Chairmanship as on 31st March 2024 is as follows:

| Name of the Director                                     | Category                      | Board Meetings during FY 2023-24 |                   | Attendance at last AGM | No. of Directorships in other Public Companies* | No. of Committee position held in public Companies** |        |
|--|-------------------------------|----------------------------------|-------------------|------------------------|---|--|--------|
|  |                               | Meetings held                    | Meetings attended |                        |   | Chairperson  | Member |
| Mr. Rakesh Mohan Kumar (DIN: 00066497) Managing Director | Executive                     | 6                                | 6                 | Yes                    | Nil   | Nil  | 2      |
| Mrs. Bindu Chowdhary (DIN: 01154263)                     | Non-Executive Non-Independent | 6                                | 6                 | Yes                    | Nil   | Nil  | 1      |
| Mrs. Ritu Joshi (DIN: 01598873)                          | Non-Executive Non-Independent | 6                                | 6                 | Yes                    | Nil   | 1  | 1      |
| Mr. Ajay Arora (DIN: 00314161)                           | Independent (Non-Executive)   | 6                                | 6                 | Yes                    | 1   | 1  | 1      |
| Ms. Niveta Sharma (DIN: 08056816)                        | Independent (Non-Executive)   | 6                                | 6                 | Yes                    | 3   | Nil  | 2      |
| Mr. Satish Chander Sharma (DIN: 09654654)                | Independent (Non-Executive)   | 6                                | 6                 | Yes                    | Nil   | Nil  | Nil    |

\* Excludes Directorships in Private, Foreign Companies and companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013.

\*\* Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for Committee positions.

No extra ordinary general meeting has been held during the financial year 2023-24.



**(d) Detail of Directors holding Directorship in listed entities and the category of their directorship:**

| Name of the Director      | Name of the Listed Entity where Directorship is held | Category of Directorship               |
|---------------------------|--|--|
| Mr. Rakesh Mohan Kumar    | Samrat Forgings Limited                              | Executive (Managing Director)          |
| Mrs. Bindu Chowdhary      | Samrat Forgings Limited                              | Non-Executive Non Independent Director |
| Mrs. Ritu Joshi           | Samrat Forgings Limited                              | Non-Executive Non Independent Director |
| Mr. Ajay Kumar Arora*     | Samrat Forgings Limited                              | Non-Executive Independent Director     |
| Mr. Satish Chander Sharma | Samrat Forgings Limited                              | Non-Executive Independent Director     |
| Ms Niveta Sharma          | Samrat Forgings Limited                              | Non-Executive Independent Director     |
| Mrs. Amita Arora **       | Samrat Forgings Limited                              | Non-Executive Independent Director     |

\* Resigned w.e.f. closure of business hours on August 21, 2024

\*\* Appointed w.e.f. August 31, 2024

**(e) Disclosure of relationship between directors inter se**

No Director is related to any other Director on the Board in terms of the definition of “relative” given under the Companies Act, 2023, except Mr. Rakesh M. Kumar and Mrs. Ritu Joshi as siblings.

**(f) Details of equity shares & convertible instruments held by non executive directors of the company as on March 31, 2024 are given below:**

| Name of Director     | No. of Shares held | % of total shares |
|----------------------|--------------------|-------------------|
| Mrs. Bindu Chowdhary | 20                 | 0.00              |
| Mrs. Ritu Joshi      | 20                 | 0.00              |

There has been no change in the aforesaid shareholding of the non executive directors during the year under review.

**(g) Independent Directors, separate meeting thereof and familiarization program**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (“the Act”). The maximum tenure of Independent Directors is in compliance with the Act. All Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The Familiarization Program for Independent Directors can be accessed from the website of the Company at the weblink <http://samratforgings.com/wp-content/uploads/2017/03/Familiarization-programme-for-independent-directors.pdf>.

During the FY 2023-24, a separate meeting of the Independent directors of the Company was held on 23<sup>rd</sup> March, 2024 in accordance with the Companies Act, 2013 and Listing Regulations, to review the performance of non-independent Directors, the Chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board. All independent Directors as on that date have attended the meeting.

**(h) Skills/Expertise/Competencies of the Board of Directors**

The Board of Directors of the Company brings a wide range of skills and experience from various field, functions and sectors, which enhance the governance framework of the Company and the Board's decision making process. The Board has identified Strategic Planning, Knowledge with regard to Company's business / activities, Sales & Marketing, Risk Management, Business Management, Finance, Business Strategy, Legal, Secretarial, Corporate affairs & Administration, Accounts and Taxation, Human Resource Management, Technical, Project Management and General Management as the key skills/ expertise/ competencies for the effective functioning of the Company and the same are currently available with the Board.

| Sr. No. | Name of Director                           | Expertise/Skill   |
|---------|--|---|
| 1       | Mr. Rakesh M. Kumar<br>(Managing Director) | General Management, Business Management, Business Strategy, Finance & Accounts, Legal, Technical, Corporate affairs & Administration, Sales & Marketing, Project Management and Risk Management |
| 2       | Mrs. Bindu Chowdhary                       | General Management, Business Strategy   |
| 3       | Mrs. Ritu Joshi                            | General Management, Business Strategy, Human Resource Management, Corporate Affairs & planning  |
| 4       | Mr. Ajay Arora*                            | Legal, Secretarial, Listing, Accounts & Taxation, Risk Management   |
| 5       | Ms Niveta Sharma                           | Secretarial, Listing Regulations, Legal and Accounts  |
| 6       | Mr. Satish Chander<br>Sharma               | Banking, Budgeting, Insurance and Finance   |
| 7       | Mrs. Amita Arora**                         | Legal practice, legal consultancy and advisory  |

\* Resigned w.e.f. closure of business hours on August 21, 2024

\*\* Appointed w.e.f. August 31, 2024

**(i) Opinion of the Board regarding Independent Directors**

The Board confirms that, in its opinion, the independent directors on the Board fulfill the conditions specified in the Listing Regulations and Companies Act, 2013 and are independent of the management.

**(j) Reason for resignation of Independent Director who resigns before the expiry of his tenure**

None of the Independent Directors of the Company had resigned during the financial year 2023-24.

**(k) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own, performance of the directors individually as well as the evaluation of working of 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 Chairman 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 Chairman and the Non Independent Directors was carried out by the Independent Directors who have also reviewed the performance of the Company Secretary.

The Independent Directors had met separately on 23.03.2024 without 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 Chairman of the Board after taking into consideration the views of Executive and Non-Executive Directors.

### III. COMMITTEES OF THE BOARD

The Company currently has three committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The provisions/regulations regarding constitution of Corporate Social Responsibility Committee and Risk Management Committee are presently not applicable to the Company. The details of the committees are as under:

#### (A) Audit Committee

The Audit Committee of the Company is constituted with the members having proficient experience and knowledge of corporate affairs & financial management and they possess accounting and financial management expertise.

The role, terms of reference and the authority and powers of this Committee are in conformity with the requirements and governing provisions of the Companies Act, 2013 (Section 177) and the Listing Regulations (Part C of Schedule II) and inter alia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Review with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval.
- Review with the management, statutory and internal auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management systems;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Discussion with statutory auditors the nature and scope of audit as well as post-audit areas of concern;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Discussion with internal auditor of any significant findings and follow up thereof;
- Review findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

## Samrat Forgings Limited

- Approval (or any subsequent modification) of transactions of the Company with related parties;
- Review functioning of the Whistle Blower mechanism;

The Company Secretary acts as the Secretary to the Audit Committee.

Mr. Ajay Arora, Chairman of the Audit Committee, attended the last Annual General Meeting held on 30<sup>th</sup> September, 2023.

Audit Committee meetings are usually attended by the Chief Financial Officer, Company Secretary and representative of Statutory Auditors. Senior functionaries of the Company are also invited to participate in the deliberations whenever appropriate. During the financial year 2023-24 under review, five meetings of the committee were held on the following dates:

I. 20.05.2023, II. 12.08.2023, III. 27.09.2023, IV. 14.11.2023 and V. 10.02.2024

Composition of the committee and attendance record of the Members in committee meetings held during FY 2023-24 is as under:

| Name of the Member Director | Designation | Category of Directorship      | No. of Meetings Attended |
|-----------------------------|-------------|-------------------------------|--------------------------|
| Mr. Ajay Arora              | Chairman    | Non-Executive Independent     | 5                        |
| Ms Niveta Sharma            | Member      | Non-Executive Independent     | 5                        |
| Mr. Rakesh M. Kumar         | Member      | Executive (Managing Director) | 5                        |

There was no change in the composition of the Audit Committee during the year under review.

Mr. Ajay Arora has resigned from the Directorship of the Company w.e.f. closure of business hours on August 21, 2024 and as a result of the same, he has also ceased to be the member of the Audit Committee from that date. Consequently, Mr. Satish Chander Sharma was appointed as member of the Audit Committee and Ms Niveta Sharma was designated as Chairperson of the Audit Committee w.e.f. August 22, 2024. The composition of the Audit Committee after these changes is as under:

| Name of the Member Director | Designation | Category of Directorship      |
|-----------------------------|-------------|-------------------------------|
| Ms Niveta Sharma            | Chairperson | Non-Executive Independent     |
| Mr. Rakesh M. Kumar         | Member      | Executive (Managing Director) |
| Mr. Satish Chander Sharma   | Member      | Non-Executive Independent     |

### (B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted in compliance with the requirements of the Companies Act, 2013 and Listing Regulations. The Committee comprises three members out of which one member is the Non-Executive Non Independent Director and two members are the Independent Directors including Chairperson of the committee.

During the Financial Year 2023-24, one meeting of the committee was held on 12.08.2023 and attendance record of the Members of the committee is as under:

| Name of the Member Director | Designation | Category of Directorship      | No. of Meetings Attended |
|-----------------------------|-------------|-------------------------------|--------------------------|
| Ms Niveta Sharma            | Chairperson | Non Executive Independent     | 1                        |
| Mr. Ajay Arora              | Member      | Non Executive Independent     | 1                        |
| Mrs. Ritu Joshi             | Member      | Non Executive Non Independent | 1                        |

There was no change in the composition of the committee during the year under review.

Mr. Ajay Arora has resigned from the Directorship of the Company w.e.f. closure of business hours on August 21, 2024 and as a result of the same, he has also ceased to be the member of the Nomination and Remuneration Committee from that date. Consequently, Mr. Satish Chander Sharma was appointed as a Member of the Committee. The Composition of the Nomination & Remuneration Committee after these changes is as under:

| <b>Name of the Member Director</b> | <b>Designation</b> | <b>Category of Directorship</b> |
|------------------------------------|--------------------|---------------------------------|
| Mrs. Ritu Joshi                    | Chairperson        | Non-Executive Non Independent   |
| Ms Niveta Sharma                   | Member             | Non-Executive Independent       |
| Mr. Satish Chander Sharma          | Member             | Non-Executive Independent       |

Terms of reference of the committee inter alia includes:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Recommend to the Board, remuneration payable to Senior Management, in whatever form.
- Formulation of criteria for evaluation of director's performance including independent directors and the Board.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The company secretary acts as secretary of the committee.

Performance evaluation criteria for Independent Director

The Company has following criteria for evaluation of the Independent Directors of the Company;

1. Experience and ability to contribute to the decision making process
2. Problem solving approach and guidance to the Management
3. Attendance and Participation in the Meetings
4. Personal competencies and contribution to strategy formulation
5. The evaluation of independent directors shall be done by the entire board of directors which shall include –
  - i. Performance of the directors; and
  - ii. Fulfillment of the specified independence criteria and their independence from the management.

### **Nomination and Remuneration Policy:**

The company has adopted a Nomination and Remuneration Policy for Directors, KMP's and other employees in accordance with the provisions of the Act and Listing Regulations. The policy is part of the Directors Report and also available at website of the company at weblink <https://samratforgings.com/wp-content/uploads/2022/08/Remuneration-Policy.pdf>

### **(C) Stakeholders Relationship Committee**

The Company has constituted Stakeholders Relationship Committee to consider inter-alia share transfer/transmission, issue of duplicate share certificates and Investor grievances matters like non-receipt of annual report etc. The committee also oversees the perfor-

## Samrat Forgings Limited

mance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

Three meetings of the committee were held during the financial year 2023-24 on I. 14.10.2023, II. 18.12.2023 and III. 26.02.2024, which were attended by all members of the Committee. The composition, attendance and other details of the Stakeholders Relationship Committee are as under:

| Name of the Member<br>Director | Designation | Nature of Directorship                 | No. of Meetings<br>attended |
|--------------------------------|-------------|--|-----------------------------|
| Mrs. Ritu Joshi                | Chairperson | Non-Executive Non Independent Director | 3                           |
| Mrs. Bindu Chowdhary           | Member      | Non-Executive Non Independent Director | 3                           |
| Mr. Rakesh M Kumar             | Member      | Executive (Managing Director)          | 3                           |
| Ms Niveta Sharma               | Member      | Non-Executive Independent Director     | 3                           |

There was no other change in the composition of the committee during the year under review.

Mr. Sandeep Kumar, Company Secretary, is the Compliance Officer of the Company and acts as Secretary to this committee.

During the FY 2023-24, no grievance/complaint was received from any of the shareholders. No complaint was pending at the beginning or at the end of the financial year.

### III A. SENIOR MANAGEMENT

The details of the senior management of the Company as on 31.03.2024 is as under:

| Sr. No. | Name              | Designation               |
|---------|-------------------|---------------------------|
| 1       | Mr. Prem Lal      | Vice President            |
| 2       | Mr. A P S Grover  | Chief Financial Officer   |
| 3       | Mr. Sandeep Kumar | Company Secretary         |
| 4       | Mr. Sanjay Jain   | DGM-Marketing             |
| 5       | Mr. Naveen Kumar  | Assistant General Manager |
| 6       | Mr. V P Atri      | Manager - HR              |

There has been no change in the senior management since the close of the previous year.

### IV. REMUNERATION OF DIRECTORS

Remuneration paid to the Managing Director was decided by the Board on the recommendations of the Nomination and Remuneration Committee and approved by the Members of the Company. Non Executive Directors (including Independent Directors) were paid sitting fee of Rs. 7,500/- per meeting for attending the Board meetings and Rs. 2,500/- per meeting for attending the Committees Meetings.

Apart from the above stated, there have been no other pecuniary relationships or transactions by the Company with Non-executive directors during the year.

The details of Directors' remuneration for FY 2023-24 is as follows:

#### Managing Director

| Name                | Salary      | Allowances | Contribution to Provident Fund | Other Perquisites | Stock Option | Total       | Service contract (Tenure) |
|---------------------|-------------|------------|--------------------------------|-------------------|--------------|-------------|---------------------------|
| Mr. Rakesh M. Kumar | 1,28,00,000 | -          | 21,600                         | -                 | -            | 1,28,21,600 | Upto 30.11.2026           |

**Non Executive Directors**

| <b>Name of the Director</b> | <b>Sitting Fee for Board and Committee meetings held during FY 2023-24</b> |
|-----------------------------|--|
| Mrs. Bindu Chowdhary        | 52,500   |
| Mrs. Ritu Joshi             | 55,000   |
| Mr. Ajay Arora              | 60,000   |
| Ms Niveta Sharma            | 67,500   |
| Mr. Satish Sharma           | 45,000   |

Criteria of making payment to the non-executive directors is posted and can be referred from the website of the Company at <https://samratforgings.com/wp-content/uploads/2017/03/Criteria-of-making-payment-to-the-non-executive-directors.pdf>

**V. GENERAL BODY MEETINGS**

Details of the last three Annual General Meetings (AGMs) of the Company are given below:

| <b>Financial Year</b> | <b>Date &amp; Time</b> | <b>Venue</b>   | <b>Special Resolutions passed</b>   |
|-----------------------|------------------------|--|---|
| 2021-22               | 30.09.2021<br>11:30 AM | Through VC/OAVM<br>(Deemed Venue - #406, First Floor, Sector 15-A, Chandigarh)                           | 1. Shifting of registered office from the Union Territory of Chandigarh to the State of Punjab  |
| 2022-23               | 30.09.2022<br>11:30 AM | Through VC/OAVM<br>(Deemed Venue – Village & P.O. Ghollu Majra, Tehsil Derabassi, Distt. Mohali, Punjab) | 1. Appointment of Mr. Satish Chander Sharma (DIN: 09654654) as an Independent Director<br>2. Increase in borrowing powers of the Company<br>3. Mortgage or creation of charge over properties of the Company against borrowings |
| 2023-24               | 30.09.2023<br>11:30 AM | Through VC/OAVM<br>(Deemed Venue – Village & P.O. Ghollu Majra, Tehsil Derabassi, Distt. Mohali, Punjab) | 1. Reappointment of Mr. Rakesh M. Kumar (DIN: 00066497) as Managing Director of the Company for a term of three years   |

No extraordinary general meeting was held during the financial year 2023-24

During the financial year 2023-24, the Company has not passed any Special Resolution through postal ballot and no Special Resolution requiring a Postal Ballot is being proposed at the ensuing AGM of the Company.

**VI. MEANS OF COMMUNICATION**

The Company is listed on BSE Limited and following means of communication has been adopted by the Company:

**a. Website**

The Company's website [www.samratforgings.com](http://www.samratforgings.com) displays the information prescribed to be made available on the website of the Company under the Listing Regulations, which inter alia includes details of business of the Company, terms and conditions for appointment of Independent Directors, Composition of Board and Board Committees, Policies adopted by the Company, Shareholding Patterns, Quarterly and Annual Financial results, announcements/disclosures made by the Company, Newspaper publications, contact for investors assistance etc.

During the year ended 31<sup>st</sup> March, 2024, the Company has not displayed any official news releases and no presentations were made to institutional investors or analysts.

**b. Stock Exchange**

The Company's shares are listed on BSE Limited and it makes timely disclosure of necessary information to the said stock exchange in terms of the Listing Regulations and other Rules and Regulations issued by SEBI electronically vide listing centre.

**c. Publication of results**

In compliance with the requirements of the Listing Regulations, the Company regularly intimates quarterly un-audited as well as annual audited financial results to the Stock Exchange within statutory time period from the conclusion of the Board Meeting(s) in which these were considered and approved. The financial results of the Company are normally published in leading English and vernacular language newspapers viz., Financial Express (English), and Desh Sewak (Punjabi) and are also displayed on the website of the Company [www.samratforgings.com](http://www.samratforgings.com).

**VII. GENERAL SHAREHOLDER INFORMATION**

1. 43<sup>rd</sup> Annual General Meeting:
  - Day & Date : Monday 30<sup>th</sup> September, 2024
  - Time : 11:30 AM
  - Venue : Through Video Conferencing/Other Audio Visual Means facility.
  - Deemed venue for the meeting:  
Registered office of the Company i.e. Village & P.O. Ghollu Majra,  
Tehsil Derabassi, Distt. Mohali, Punjab - 140506
2. Financial Calendar (tentative):  
The Financial year covers the period from 1st April to 31st March  
Board meetings to be held to review/approve the financial results of the Company for FY 2024-25 is given below:
  - Quarter ended on 30<sup>th</sup> June, 2024 : Second week of August, 2024
  - Quarter ended on 30<sup>th</sup> Sept, 2024 : Second week of November, 2024
  - Quarter ended on 31<sup>st</sup> Dec, 2024 : Second week of February, 2025
  - Year ended on 31<sup>st</sup> March, 2025 : Last week of May, 2025

Note: The above schedule is indicative and can be varied from actual.
3. Book Closure : 26<sup>th</sup> Sept., 2024 to 30<sup>th</sup> Sept., 2024  
(Both days inclusive)
4. Dividend Payment : No dividend recommended by the Board for FY 2024
5. Listing on Stock Exchanges : BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001  
Listing fee for FY 2023-24 has been paid to BSE.
6. Stock Code : 543229
7. Corporate Identification Number : L28910PB1981PLC056444

**8. Stock Market Data**

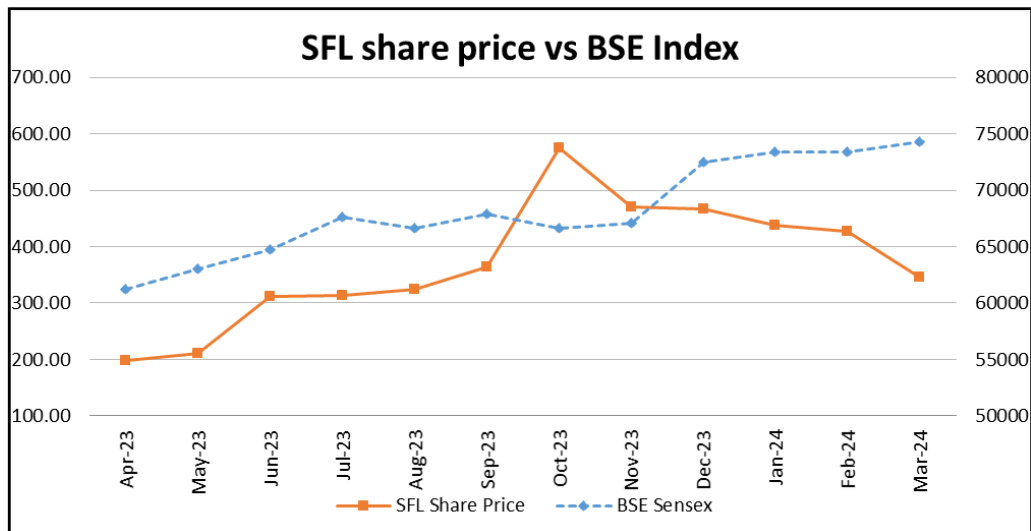
Month wise high and low price during the financial year 2023-24 for one equity share of Rs. 10/- each of the Company at BSE is given below:

| Month     | BSE Limited |           |
|-----------|-------------|-----------|
|           | High (Rs.)  | Low (Rs.) |
| 2023      |             |           |
| April     | 197.85      | 155.00    |
| May       | 209.95      | 155.05    |
| June      | 311.85      | 183.05    |
| July      | 314.00      | 275.50    |
| August    | 325.00      | 275.00    |
| September | 364.30      | 286.90    |
| October   | 575.00      | 285.05    |
| November  | 470.00      | 351.50    |
| December  | 467.00      | 403.40    |
| 2024      |             |           |
| January   | 438.00      | 360.50    |
| February  | 427.95      | 326.85    |
| March     | 345.95      | 287.00    |



## 9. Stock Price Performance

The stock price performance relative to S&P BSE Sensex during the financial year 2023-24 is given below:



## 10. Registrars and Transfer Agents

M/s Mas Services Limited (MAS) is the Registrar and Share Transfer Agent for physical shares of the Company. MAS is also the depository interface of the Company with both depositories viz. NSDL and CDSL. Contact details of MAS as below:

Address: Mas Services Limited, T-34, 2<sup>nd</sup> Floor,

Okhla Industrial Area, Phase – II, New Delhi-110020

Tel.: 011-26387281, 282, 283,

E-Mail: investor@masserv.com

Contact Person: Mr. Sharwan Mangla, General Manager

Share Transfer and other communication regarding share certificates, change of address etc. may be addressed to the Registrar & Share Transfer Agent M/s Mas Services Limited at their above mentioned address or to the Company Secretary at its registered office at Village & P.O. Gholu Majra, Tehsil Derabassi, Distt. Mohali, Punjab 140506.

## 11. Transfer/Transmission System for physical shares

Trading in Equity Shares of the Company through recognized Stock Exchange is permitted only in dematerialized form.

SEBI effective from 1st April, 2019, has barred physical transfer of shares of listed companies and mandated transfers only through demat. The Shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest to avoid any inconvenience in future while transferring the shares. The Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account to seek guidance in the demat procedure. The Shareholders may also visit web site of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited viz. <https://www.cdslindia.com/Investors/open-demat.html> for further understanding of the demat procedure. Further, with effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service

## Samrat Forgings Limited

requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25th January, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

There are no shares in the unclaimed suspense account at the beginning and at the end of the financial year 2023-24.

The Company obtains yearly certificate of compliance, with respect to issue of share certificates, from a Company Secretary in Practice as required under Regulation 40(9) of the Listing Regulations and submit a copy of the said certificate with Stock Exchange.

**12. Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2024 is as under:**

| Category                     | Number of shares held | % age of holding |
|------------------------------|-----------------------|------------------|
| Promoters / Associates       | 37,49,051             | 74.98            |
| Financial Institutions/Banks | 1,65,000              | 3.30             |
| Public -Bodies Corporate     | 67,567                | 1.35             |
| Public –Individuals          | 10,18,382             | 20.37            |
| <b>Total</b>                 | <b>50,00,000</b>      | <b>100.00</b>    |

**13. Distribution of Shareholding as on 31<sup>st</sup> March, 2024 is as under:**

| Shareholding of nominal value of Rs. | Number of shareholders | % age of total | Number of shares | % age to total |
|--------------------------------------|------------------------|----------------|------------------|----------------|
| Upto --- 5,000                       | 2,005                  | 98.19          | 1,05,955         | 2.12           |
| 5,001 --- 10,000                     | 15                     | 0.73           | 10,093           | 0.20           |
| 10,001 --- 20,000                    | 8                      | 0.39           | 10,603           | 0.21           |
| 20,001 --- 30,000                    | 1                      | 0.05           | 2,345            | 0.05           |
| 30,001 --- 40,000                    | 0                      | 0.00           | 0                | 0.00           |
| 40,001 --- 50,000                    | 1                      | 0.05           | 4,329            | 0.09           |
| 50,001 --- 1,00,000                  | 0                      | 0.00           | 0                | 0.00           |
| 1,00,001 & above                     | 12                     | 0.59           | 48,66,675        | 97.33          |
| <b>Total</b>                         | <b>2,042</b>           | <b>100.00</b>  | <b>50,00,000</b> | <b>100.00</b>  |

**14. Dematerialization of Shares**

Trading in equity shares of the Company (Samrat Forgings Limited) is permitted only in dematerialize form. The Company has connectivity with Central Depository Services (India) Ltd (CDSL) and National Securities Depository Limited (NSDL) and availing dematerialization facility from both these depositories. 92.45% of the Company's shares were held in dematerialized form as on 31<sup>st</sup> March, 2024. The International Securities Identification Number (ISIN) for the Company's shares in Demat mode is – INE412J01010.

For shares held in electronic form, all instructions regarding change of address, nomination, power of attorney should be given directly to their Depository Participants and the Company will not be able entertain any such requests directly from Shareholders.

15. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

**16. Commodity price risk or foreign exchange risk and hedging activities**

The Company being a user of wide variety of commodities such as steel, furnace oil, tooling etc is exposed to commodity price risk. Therefore, the Company continuously focuses on mitigating the inflationary impact of commodity prices, if any, through various cost reduction measures. As the nature of business of the Company does not involve any significant foreign exchange exposure, no hedging activity was done during the year. The details of foreign currency exposure are disclosed in “Annexure 5” of the Directors Report.

**17. Plant Location:**

Unit I (Forgings Division): Village Ghollumajra, Tehsil Derabassi, Distt. Mohali, Punjab 140506

Unit II (CNC Machining Division): Village Bhankerpur, Tehsil Derabassi, Distt. Mohali, Punjab 140201

Unit III: Plot No. 11, Behind Nector Life Sciences Plant No. 1, Village Saidpura, Tehsil Derabassi, Distt. Mohali, Punjab 140507

**18. Address for correspondence (for Investor queries etc.)**

|   |  |
|---|--|
| Registrar and Share Transfer Agents<br>M/s Mas Services Limited<br>T-34, 2 <sup>nd</sup> Floor,<br>Okhla Industrial Area, Phase II,<br>New Delhi – 110020<br>Tel.: 011-26387281, 282, 283<br>E-Mail: investor@masserv.com | Company Secretary & Compliance Officer<br>Mr. Sandeep Kumar<br>Samrat Forgings Limited<br>Regd. Office: Village & P.O. Ghollu Majra,<br>Tehsil Derabassi, Distt. Mohali, Punjab 140506<br>Tel.: +91-9257240444<br>E-mail: sandeepsharma@samratforgings.com |
|---|--|

**19. Website Address of the Company:** www.samratforgings.com

**20. Credit Ratings**

The details of credit ratings from CRISIL Ratings Limited, held by the Company as on March 31, 2024 and revision /changes in the credit rating of the Company during the financial year 2023-24 are as under:

| Instrument       | Amount (Rs. in Crores) | Rating (as on 31.03.2024) | Revision/change during FY 2023-24   |
|------------------|------------------------|---------------------------|---|
| Bank Guarantee   | 2.00                   | A4+                       | During the financial year 2023-24 the outlook of Long Term Bank Facilities was revised from Stable to Negative; rating reaffirmed.<br>Credit rating of Short Term Bank Facilities was reaffirmed as A4+ |
| Letter of Credit | 5.00                   | A4+                       |   |
| Bill Discounting | 1.00                   | BB+/Negative              |   |
| Cash Credit      | 22.50                  | BB+/Negative              |   |
| Term Loan        | 12.75                  | BB+/Negative              |   |

**VIII. OTHER DISCLOSURES**

**i) Disclosure on materially significant related party transactions which may have potential conflict with the interest of the Company at large:**

There were no materially significant related party transactions during the period under review that may have potential conflict with the interest of the Company.

**ii) Details of non-compliance etc.**

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, strictures imposed by SEBI, Stock Exchange, any regulatory/statutory authorities regarding any matter relating to capital markets during the last three years.

### iii) **Vigil Mechanism / Whistle Blower Policy**

The Company has established adequate vigil mechanism for its directors and employees to report genuine concerns by implementing Whistle Blower Policy & Vigil Mechanism. The Company has adopted a policy in this regard. According to the said policy the directors and employees can report actual or suspected frauds, defaults or violation of Company's Code of Conduct etc, if any, comes to their notice to the Chairman of the Audit Committee or to the Vigilance and Ethics Officer of the Company. During the year under review, no person was denied access to the Chairman of the Audit Committee or Vigilance and Ethics Officer of the Company.

Whistle Blower Policy of the Company is available on Company's website at the web link: <https://samratforgings.com/wp-content/uploads/2021/08/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf>

### iv) **Compliance with mandatory requirements**

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Listing Regulations. The Company has also complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations and Paras (2) to (10) mentioned in Part C of Schedule V of the Listing Regulations to the extent applicable to the Company.

### v) **Material Subsidiaries and Policy on determining Material Subsidiary**

The Company has no subsidiary.

### vi) **Policy on Related Party Transactions**

The Company has adopted a policy for Related Party Transactions and the same is available at the Company's website and can be accessed at <https://samratforgings.com/wp-content/uploads/2022/08/Policy-on-Related-Party-Transactions.pdf>

During the year there were no material related party transactions made by the Company that would have required shareholders' approval. The Company has not entered into any transaction of material nature that may have any potential conflict with the interest of the Company. The details of the related party transactions as per Ind AS 24 'Related Parties Disclosures' are set out in note 38 to the Financial Statements.

### vii) **Certificate regarding Non Disqualification of Directors**

A certificate from Ms Arshdeep Kaur Judge, Practicing Company Secretary has been obtained stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report.

### viii) **Recommendation of Committees**

The Board accepted the recommendations of all its committees, wherever made, during the financial year 2023-24.

### ix) **Disclosure of certain types of agreements binding listed entity**

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

### x) **Fees to Statutory Auditors**

The Company has paid Audit Fee amounting to Rs. 1,50,000/- (One lakh fifty thousand only) to M/s Rajesh Aggarwal & Associates, Chartered Accountants (Firm Registration No. 009831N), Statutory Auditors of the Company.

Further, M/s Rajesh Aggarwal & Associates have resigned as statutory auditor of the Company effective from closure of business hours on August 14, 2024 due to their other professional commitments. M/s Rattan Kaur & Associates, Chartered Accountants (Firm Registration Number 022513N) have been appointed as statutory auditor of the company to fill the casual vacancy upto the ensuing Annual General Meeting and also proposed to be appointed for the term of five years from the conclusion of the ensuing Annual General Meeting subject to the approval of the members of the company.

**xi) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has 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 there under. 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. Internal complaints committee has been set up to redress complaints received, if any, regarding sexual harassment.

During the financial year ended 31<sup>st</sup> March, 2024, no complaint pertaining to sexual harassment was received to the Committee and no such earlier complaints were pending for redressal.

**xii) Loans and advances in the nature of loans to firms/companies in which directors are interested**

Nil

**xiii) Adoption of discretionary requirements**

**1. Audit Qualifications**

During the financial year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinion.

**2. Reporting of Internal Auditor**

The Internal Auditor of the Company periodically reports to the Audit Committee.

The Company has not adopted the other non-mandatory requirements as specified in Part E of Schedule II of the Listing Regulations during the year.

**xiv) Details of utilization of funds raised through preferential allotment or qualified institutions placement under Regulation 32(7A)**

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations during the financial year under review.

**xv) Accounting treatment**

In preparation of the Financial Statements, the Company has followed the Indian Accounting Standards (Referred to as Ind AS) prescribed under Section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent applicable. The significant accounting policies are set out under Note 2 of the Financial Statements for the year ended 31<sup>st</sup> March, 2024.

**xvi) Disclosure with respect to demat suspense account/unclaimed suspense account**

No shares were lying under the Demat Suspense Account/Unclaimed Suspense Account at the beginning, during or at the end of the financial year under consideration.

**xvii) Management Discussion and Analysis Report**

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a detailed Management Discussion and Analysis Report form part of the Directors Report.

**xviii) Code for prevention of Insider Trading Practices**

The Company has instituted a comprehensive Code of Conduct for prevention of insider trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof. The Code lays down guidelines and procedures to be followed and disclosures to be made, by Designated Persons, while dealing with shares of the Company and cautioning all concerned of the consequences of violations.

**xix) CEO/CFO Certification**

The Managing Director and Chief Financial Officer (CFO) of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. As the Company has no post of Chief Executive Officer (CEO), the said Certificate has been signed by the Managing Director of the Company along with CFO which is annexed with this Report.

**xx) Code of Conduct**

The Board of Directors has laid down a well defined Code of Conduct (the Code) to be followed by the Members of the Board and members of the senior management of the company. The code is available 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 at 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. A declaration in this regard signed by the Managing Director is enclosed with this Report.

**xxi) Certificate regarding compliance of conditions of Corporate Governance**

Certificate from Practicing Company regarding the compliance of conditions of Corporate Governance is annexed with this report.

For and on behalf of Board

Place: Derabassi  
Dated: 27.08.2024

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

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

**Declaration by the Managing Director with respect to compliance  
with Code of Conduct of the Company**

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2024.

Place: Derabassi

Date: 27.08.2024

Rakesh M Kumar

Managing Director

DIN: 00066497

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**Certificate pursuant to Regulation 17(8) of SEBI (LODR), Regulations, 2015**

We hereby confirm and certify for the financial year ended 31<sup>st</sup> March, 2024, that:

- A. We have reviewed the financial statements and cash flow statement for the year and to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
1. significant change in internal control, if any, over financial reporting during the year;
  2. significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Derabassi

Date: 29.05.2024

**A.P.S. Grover**  
**(Chief Financial Officer)**  
**PAN: ABAPG8168L**

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

**CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI  
(Listing Obligations and Disclosure Requirements), Regulations, 2015)**

To,  
The Members of  
Samrat Forgings Limited  
Village & P.O. Ghollu Majra,  
Tehsil Derabassi, Mohali, Punjab 140506.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Samrat Forgings Limited having CIN: L28910PB1981PLC056444 and having registered office at Village & P.O. Ghollu Majra, Tehsil Derabassi, Mohali, Punjab 140506 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of the Director      | DIN      | Date of appointment in the company |
|---------|---------------------------|----------|------------------------------------|
| 1.      | Mr. Rakesh Mohan Kumar    | 00066497 | 01.06.1994                         |
| 2.      | Mrs. Bindu Chowdhary      | 01154263 | 25.04.1990                         |
| 3.      | Mrs. Ritu Joshi           | 01598873 | 25.05.2011                         |
| 4.      | Mr. Ajay Arora            | 00314161 | 13.11.2010                         |
| 5.      | Ms. Niveta Sharma         | 08056816 | 15.11.2019                         |
| 6.      | Mr. Satish Chander Sharma | 09654654 | 30.06.2022                         |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 18.07.2024  
Place: Chandigarh  
UDIN: A033911F000769030

Arshdeep Kaur Judge  
M No. 33911  
C P No. 27198  
Peer Review Cert No. 5799/2024



**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Samrat Forgings Limited

We have examined the compliance of the conditions of Corporate Governance by Samrat Forgings Limited (“the Company”) for the Financial Year ended 31st March, 2024, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Date: 18.07.2024  
Place: Chandigarh  
UDIN: A033911F000769063

Arshdeep Kaur Judge  
M No. 33911  
C P No. 27198  
Peer Review Cert No. 5799/2024

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, 2024**

[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, 2024 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, 2024 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.
  - 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 and Sweat Equity) Regulations, 2021- Not Applicable to the company 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) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
  - g) 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.
  - h) 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 audit period.
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.

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

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 under Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh  
Date: 18.07.2024  
UDIN: A033911F000769074

Arshdeep Kaur Judge  
M No. 33911  
C P No. 27198  
Peer Review Cert No. 5799/2024

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: Chandigarh  
Date: 18.07.2024  
UDIN: A033911F000769074

Arshdeep Kaur Judge  
M No. 33911  
C P No. 27198  
Peer Review Cert No. 5799/2024



**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 2023-24 by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length 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, 2024, 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, 2024. |
| 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: 27.08.2024

Rakesh M. Kumar  
Managing Director  
(DIN: 00066497)

Ritu Joshi  
Director  
(DIN: 01598873)

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

The Corporate Social Responsibility (CSR) provisions became applicable to the Company first time in the year 2023-24.

**1. A brief outline on CSR Policy of the Company is given below:**

The Company firmly believes in Corporate Social Responsibilities (CSR) and commits to take initiatives to contribute to harmonious and suitable development of the society and its inhabitants. All CSR projects will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013. It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefiting only the employees of the Company, or contributions of any amount directly or indirectly to any political party.

**2. Composition of CSR Committee:**

Financial year 2022-23 was the first year when CSR provisions became applicable to the Company as its net profit for the year ended 31st March, 2022 crossed the prescribed limit under section 135(1). Since, the amount required to be spent is less than rupees fifty lakh, therefore pursuant to the provisions of the Companies Act, 2013 (Act), constitution of Corporate Social Responsibility Committee provisions is not mandatorily required to the Company. Hence, the said committee has not yet constituted and the Board is discharging the functions of such committee according to the provisions of the Act.

**3. The web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

As stated above, constitution of Corporate Social Responsibility Committee is not mandatorily required to the Company. Hence, the said committee has not yet constituted and the Board is discharging the functions of such committee according to the provisions of the Companies Act, 2013. The CSR policy and projects approved by the board can be viewed at the website of the Company at web link <https://samratforgings.com/investors/corporate-social-responsibility/>

**4. The executive summary along with the web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable**

- |    |   |   |                  |
|----|---|---|------------------|
| 5. | (a) Average net profit of the company as per sub-section (5) of section 135                             | : | Rs. 505.26 Lakhs |
|    | (b) Two per cent of average net profit of the company as per sub-section (5) of section 135             | : | Rs. 10.16 Lakhs  |
|    | (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | : | Nil              |
|    | (d) Amount required to be set off for the financial year, if any  | : | Nil              |
|    | (e) Total CSR obligation for the financial year [(b)+(c)-(d)]   | : | Rs. 10.16 Lakhs  |
| 6. | (a) Amount spent on CSR project (both ongoing project and other: than ongoing project)                  | : | Nil              |
|    | (b) Amount spent in administrative overheads  | : | Nil              |
|    | (c) Amount spent on impact assessment, if applicable  | : | Not Applicable   |
|    | (d) Total amount spent for the financial year [(a)+(b)+(c)]   | : | 10.16 Lakhs      |
|    | (e) CSR amount spent or unspent for the financial year:   |   |                  |

## Samrat Forgings Limited

| Total Amount Spent for the Financial Year (Rs. in Lakhs) | Amount Unspent (Rs. in Lakhs)   |                  |   |        |                  |
|--|---|------------------|---|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per Sub-Section (6) of Section 135 |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135 |        |                  |
|  | Amount  | Date of Transfer | Name of Fund  | Amount | Date of Transfer |
| 10.16  | Nil   |                  | Nil   |        |                  |

(f) Excess amount for set off, if any: Nil

Sr. No. Amount (Rs. in lakhs)

| Sr. No. | Particulars   | Amount (Rs. in lakhs) |
|---------|---|-----------------------|
| (i)     | Two percent of average net profit of the Company as per sub-section (5) of section 135                      | 10.16                 |
| (ii)    | Total amount spent for the Financial Year   | 10.16                 |
| (iii)   | Excess amount spent for the Financial Year [(ii)-(i)]   | Nil                   |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil                   |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | Nil                   |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 | Amount spent in the Financial Year | Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any |                  | Amount remaining to be spent in succeeding financial years | Deficiency, if any |
|---------|-----------------------------|--|------------------------------------|--|------------------|--|--------------------|
|         |                             |  |                                    | Amount   | Date of Transfer |  |                    |
| 1       | 2022-23                     | Nil  | Nil                                | 5.66 Lakhs   | 20.09.2023       | Nil  | N.A.               |
| 2       | 2021-22                     |  |                                    | Not applicable   |                  |  |                    |
| 3       | 2020-21                     |  |                                    | Not applicable   |                  |  |                    |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

9. Specify the reason(s), if any company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not applicable

### For Samrat Forgings Limited

|                  |                   |                 |                         |
|------------------|-------------------|-----------------|-------------------------|
|                  | Rakesh M Kumar    | Ritu Joshi      | A.P.S. Grover           |
| Date: 27.08.2024 | Managing Director | Director        | Chief Financial Officer |
| Place: Derabassi | (DIN: 00066497)   | (DIN: 01598873) |                         |

**DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) 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 2023-24   | <b>Director's Name</b>   | <b>Ratio to median remuneration</b> |
|       |  | Mr. Rakesh M. Kumar  | 87.22                               |
|       |  | Mrs. Bindu Chowdhary   | 0.36                                |
|       |  | Mrs. Ritu Joshi  | 0.37                                |
|       |  | Mr. Ajay Arora   | 0.41                                |
|       |  | Ms. Niveta Sharma  | 0.46                                |
| (ii)  | The percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer, during the financial year 2023-24   | Mr. Rakesh M Kumar, MD   | 6.67%                               |
|       |  | Mr. Sandeep Kumar, CS  | 13.89%                              |
|       |  | Mr. A.P.S. Grover, CFO   | 6.63%                               |
| (iii) | Percentage increase in the median remuneration of employees in the financial year  | 9.15%  |                                     |
| (iv)  | Number of permanent employees on the rolls of company  | There were 748 permanent employees as on 31.03.2024  |                                     |
| (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 8.81%. Whereas the managerial remuneration was increased by 6.67% 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   |                                     |

**Note:** The Median remuneration 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 remuneration.

**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 switching from existing Furnace Oil usage to usage of electricity and also 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 is replacing its oil fired furnaces with Electric Induction Billet heaters thus saving energy and input material cost and also creating clean, smoke free working environment which improves productivity of the workmen.

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

The company has invested Rs. 136.20 lakh during the year by installation of Induction Heaters of 650/450 KW at its forging 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<br>31.03.2024 | Year Ended<br>31.03.2023 |
|--------------------------|-------------------------------|---------------|--------------------------|--------------------------|
| 1                        | Electricity                   |               |                          |                          |
|                          | a. Purchase                   | Unit in lakhs | 140.87                   | 91.26                    |
|                          | Total Amount                  | Rs. in lakhs  | 1,121.46                 | 664.71                   |
|                          | Average Cost per unit         | Rs.           | 7.96                     | 7.28                     |
|                          | b. Own Generation             | Unit in lakhs | 2.16                     | 2.42                     |
|                          | (Through diesel generation)   |               |                          |                          |
|                          | Unit per Ltr. of Diesel       | Units         | 3.03                     | 3.01                     |
|                          | Cost per Unit                 | Rs.           | 29.37                    | 29.39                    |
| 2                        | Furnace Oil / R.F.O./ L.D.O.  |               |                          |                          |
|                          | Quantity                      | KL            | 1,221                    | 1,850                    |
|                          | Amount                        | Rs. in lakhs  | 577.25                   | 939.37                   |
|                          | Average Rates per Ltr.        | Rs.           | 47.27                    | 50.79                    |
| 3                        | Consumption per unit of prod. |               |                          |                          |
|                          | 1. Electricity Purchased      | Units         | 1,453.87                 | 865.13                   |
|                          | 2. Electricity Generated      | Units         | 22.30                    | 22.97                    |
|                          | 3. Furnace Oil/ R.F.O./L.D.O. | Ltrs.         | 126.03                   | 175.34                   |
|                          | 4. Production                 | MT            | 9,689                    | 10,549                   |

**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. Latest technology machines have been procured and installed by the Company during the financial year 2023-24 to expand its production base. 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. Also the production capacity of the Company has increased with the installation of latest technology machines during the year under review.

**Imported technology**

While no technology has been imported in the recent past, the Company has gone for high technology imported machines during the previous to previous year which helped to enhance the overall productivity and reduction in rework/rejection.

**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**

|  | 2023-24<br>(Rs in lakhs) | 2022-23<br>(Rs in lakhs) |
|--|--------------------------|--------------------------|
| Earnings - on account of exports           | 1,074.40                 | 908.41                   |
| Outgo - on account of import & expenditure | 48.16                    | 811.74                   |

For and on behalf of the Board

Place: Derabassi  
Dated: 27.08.2024

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 Financial Statements

### Opinion

We have audited the accompanying financial statements of SAMRAT FORGINGS LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended March 31, 2024, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, 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 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 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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:

| <b>S.No.</b> | <b>Key Audit Matter</b>   | <b>Auditor's Response</b>   |
|--------------|---|---|
| 1.           | <p><b><i>Property, plant and equipment (including capital work in progress)</i></b></p> <p>As at 31st March 2024 the Company has Property, Plant and Equipment ('PPE'), and Capital Work in-Progress ('CWIP') with carrying value of INR 50,82,71,695 and INR 18,72,01,961 respectively, as disclosed in note 3, note 3A of the accompanying Standalone Financial Statements. Refer note 2.2 for the accounting policies adopted by the Company for recognition and measurement of such non-current assets.</p> <p>Determination of carrying values and their respective depreciation and amortisation amounts of PPE and CWIP requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16 – Property, Plant and Equipment</p> <p>The carrying value of CWIP also includes balances pertaining to long term projects which requires careful examination of continuity and viability of such projects. Considering the significance of amounts involved in the context of the balance sheet of the Company and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p> | <p><b><i>Principal Audit Procedures</i></b></p> <ul style="list-style-type: none"> <li>● Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by the company and evaluated the accounting policies adopted by the company in accordance with the requirements of Ind AS 16.</li> <li>● Tested the design and operating effectiveness of the controls put in place by the management in relation to the above process.</li> <li>● Tested the amounts capitalized during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalized satisfied the recognition criteria and were recognized accurately in the correct periods and with correct amounts.</li> <li>● Reviewed the judgements made by management in determination of carrying values of the specified noncurrent assets including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required.</li> </ul> |



|  |  |  |
|--|--|--|
|  |  | <ul style="list-style-type: none"> <li>● Evaluated the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards.</li> <br/> <li>● We evaluated the appropriateness of management's methods and assumptions used in determining the carrying amounts of PPE, including the selection of appropriate valuation techniques, discount rates, and assumptions regarding useful lives.</li> </ul> |
|--|--|--|

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors and management 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Ind AS Financial Statements**

The Company's Board of Directors and management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and board of directors 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 and Management are responsible for overseeing the Company's financial reporting process.

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

Our objectives is to obtain reasonable assurance about whether the 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 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 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 and the board of directors.
- Conclude on the appropriateness of the management and board of directors 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 Ind AS financial statements – Refer **Note 31** to the 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.
  - iv.
    - (a) The Management and board of directors has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management and board of directors has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of

Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year in contravention of the provision of Section 123 of the Companies Act, 2013.
  - vi. Based on our examination, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software, however it was observed that in one of the branch the audit trail feature was enabled after 29<sup>th</sup> of April, 2024. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
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.
  3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

**For RAJESH AGGARWAL & ASSOCIATES**

Chartered Accountants  
(Regd No.:009831N)

RAJESH KUMAR

Partner

(Membership No.: 088425)

Date: 29-05-2024

Place: Chandigarh

UDIN: 24088425BKAJSC5261

**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”)**

**Opinion**

We have audited the internal financial controls over financial reporting of **M/s SAMRAT FORGINGS LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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>, 2024, 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.

**Management and Board of Directors Responsibility for the Internal Financial Controls**

The Management and Board of Directors of the Company are 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 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.

**For RAJESH AGGARWAL & ASSOCIATES**

Chartered Accountants

(Regd No.:009831N)

RAJESH KUMAR

Partner

(Membership No.: 088425)

Date: 29-05-2024

Place: Chandigarh

UDIN: 24088425BKAJSC5261

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M/s 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:

- i. In respect of the Company's property, plant and equipment, right-of-use assets 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 and right-of-use assets 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 property included in fixed assets are held in the name of 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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (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) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account.
- iii. The Company has not made investments in Companies, Firms, Limited Liability Partnerships, and also not granted unsecured loans to other parties, during the year and hence reporting under clause (iii) of the order is not applicable.
- iv. The Company as per its policy has advanced salary to staff which is reclaimed through uniform monthly deductions from their salaries.



- v. 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.
- vi. We have broadly reviewed the books of accounts maintained by the company in pursuance to the rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, for certain products of the company and are of the opinion that prima facie prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
  - (b) According to the records of the Company, there are no disputed dues outstanding on account of Income-tax, Goods and Services Tax, sales-tax, duty of custom, duty of excise, value added tax and cess, therefore, reporting under this clause of Order is not applicable.
- viii. 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 (43of1961).
- ix.
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
  - (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.

- x. (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.
- xi. (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 upto the date of this report.  
(c) According to the information & explanations and representation made by the management, no whistle blower complaints have been received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. 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.
- xiv. (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.
- xv. In our opinion, during the year the Company has not entered in to 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.
- xvi. (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.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial

## Samrat Forgings Limited

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.

- xx. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has duly complied with CSR obligations and there is no unspent CSR amount at the end of the year. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

**For RAJESH AGGARWAL & ASSOCIATES**

Chartered Accountants

(Regd No.:009831N)

RAJESH KUMAR

Partner

(Membership No.: 088425)

Date: 29-05-2024

Place: Chandigarh

UDIN: 24088425BKAJSC5261

# Samrat Forgings Limited

## BALANCE SHEET AS ON 31.03.2024

(Amount in INR Lakhs)

| S.No.                            | Particulars   | Note | As at 31.03.2024 | As at 31.03.2023 |
|----------------------------------|---|------|------------------|------------------|
| <b>A) ASSETS</b>                 |   |      |                  |                  |
| <b>1</b>                         | <b>Non-Current assets</b>   |      |                  |                  |
|                                  | (a) Property Plant & Equipment  | 3    | 5,082.72         | 4,833.20         |
|                                  | (b) Capital Work in Progress  | 3A   | 1,872.02         | 339.30           |
|                                  | (c) Right of Use Asset  | 29   | 185.53           | 206.14           |
|                                  | (d) Financial assets  |      |                  |                  |
|                                  | (i) Investments   |      | -                | -                |
|                                  | (ii) Other Financial Assets   | 4    | 141.20           | 159.02           |
|                                  | (e) Other non current assets  |      | -                | -                |
|                                  | <b>Total non-current assets</b>   |      | <b>7,281.47</b>  | <b>5,537.66</b>  |
| <b>2</b>                         | <b>Current assets</b>   |      |                  |                  |
|                                  | (a) Inventories   | 5    | 5,099.30         | 4,567.15         |
|                                  | (b) Financial assets  |      |                  |                  |
|                                  | (i) Trade receivables   | 6    | 2,113.36         | 2,333.08         |
|                                  | (ii) Cash & Cash Equivalents  | 7    | 2.99             | 2.57             |
|                                  | (iii) Other Bank Balances   | 8    | 142.45           | 155.64           |
|                                  | (iv) Other financial assets   | 9    | 3.47             | 3.51             |
|                                  | (c) Other current assets  | 10   | 440.74           | 134.63           |
|                                  | <b>Total current assets</b>   |      | <b>7,802.31</b>  | <b>7,196.58</b>  |
|                                  | <b>Total assets</b>   |      | <b>15,083.78</b> | <b>12,734.24</b> |
| <b>B) EQUITY AND LIABILITIES</b> |   |      |                  |                  |
| <b>1</b>                         | <b>Equity</b>   |      |                  |                  |
|                                  | (a) Equity Share Capital  | 11   | 500.00           | 500.00           |
|                                  | (b) Other Equity  | 12   | 2,657.28         | 2,349.63         |
|                                  | <b>Total equity</b>   |      | <b>3,157.28</b>  | <b>2,849.63</b>  |
| <b>2</b>                         | <b>Non current Liabilities</b>  |      |                  |                  |
|                                  | (a) Financial liabilities   |      |                  |                  |
|                                  | (i) Borrowings  | 13   | 3,802.94         | 2,862.71         |
|                                  | (ii) Lease Liabilities  | 29   | 197.05           | 215.00           |
|                                  | (b) Provisions  | 14   | 103.08           | 112.72           |
|                                  | (c) Deferred tax liabilities (Net)  | 15   | 382.12           | 330.50           |
|                                  | <b>Total non-current liabilities</b>  |      | <b>4,485.19</b>  | <b>3,520.93</b>  |
| <b>3</b>                         | <b>Current Liabilities</b>  |      |                  |                  |
|                                  | (a) Financial liabilities   |      |                  |                  |
|                                  | (i) Borrowings  | 16   | 3,817.62         | 3,082.09         |
|                                  | (ii) Trade Payables   | 17   |                  |                  |
|                                  | - Total outstanding dues of Micro and Small Scale Industrial Enterprises                      |      | 166.77           | 25.05            |
|                                  | - Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises |      | 3,121.72         | 2,965.66         |
|                                  | (iii) Lease Liabilities   | 29   | 17.95            | 16.78            |
|                                  | (iv) Other financial liabilities  | 18   | 289.18           | 200.76           |
|                                  | (b) Current Tax Liabilities (Net)   | 19   | (5.68)           | 41.20            |
|                                  | (c) Other current Liabilities   | 20   | 33.75            | 32.14            |
|                                  | <b>Total current liabilities</b>  |      | <b>7,441.31</b>  | <b>6,363.68</b>  |
|                                  | <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>15,083.78</b> | <b>12,734.24</b> |

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

|   |  |  |  |
|---|--|--|--|
| (A P S GROVER)<br>Chief Financial Officer | (SANDEEP KUMAR)<br>Company Secretary<br>M. No. F9075 | (RAKESH M. KUMAR)<br>Managing Director<br>DIN 00066497 | (RITU JOSHI)<br>Director<br>DIN 01598873 |
|---|--|--|--|

### AUDITORS' REPORT

As per our separate report of even date  
FOR RAJESH AGGARWAL & ASSOCIATES  
(Firm Regn. No.: 009831N)

Place: Derabassi  
Date : 29/05/2024  
UDIN: 24088425BKAJSC5261

(RAJESH KUMAR)  
PARTNER  
Membership No. 088425

## Samrat Forgings Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024

(Amount in INR Lakhs)

| Particulars  | Note | As at 31.03.2024 | As at 31.03.2023 |
|--|------|------------------|------------------|
| Revenue from operations  | 21   | 16,202.83        | 18,131.45        |
| Other Income   | 22   | 91.31            | 35.87            |
| <b>Total Income</b>  |      | <u>16294.14</u>  | <u>18,167.31</u> |
| Expenses:  |      |                  |                  |
| Cost of materials consumed   | 23   | 8,248.27         | 9,225.92         |
| Change in F.G, WIP, and Stock-in-Trade   | 24   | (486.36)         | 473.40           |
| Employee Benefit Expenses  | 25   | 2,205.91         | 2,024.95         |
| Finance costs  | 26   | 599.93           | 506.00           |
| Depreciation and amortization expense  | 27   | 364.66           | 322.23           |
| Other expenses   | 28   | 4,933.11         | 4,918.13         |
| <b>Total expenses</b>  |      | <u>15,865.52</u> | <u>17,470.63</u> |
| Profit before exceptional items and tax  |      | 428.62           | 696.69           |
| Exceptional items  |      |                  |                  |
| Profit on Sale/transfer of Fixed Asset   |      | 0.21             | 2.01             |
| <b>Profit before tax</b>   |      | <u>428.83</u>    | <u>698.70</u>    |
| Tax expense:   |      |                  |                  |
| (1) Current tax  |      | -                | 80.59            |
| (2) Deferred tax   |      | 123.20           | 122.49           |
| Income tax of Previous Year  |      | 8.22             | 7.00             |
| <b>Profit after tax</b>  |      | <u>297.41</u>    | <u>488.62</u>    |
| Other comprehensive income   |      |                  |                  |
| <b>(i) Items that will not be re-classified to profit or loss:</b>             |      |                  |                  |
| - Remeasurements of defined benefit obligation (net)                           |      | 10.24            | 15.81            |
| - 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>10.24</u>     | <u>15.81</u>     |
| <b>Total comprehensive income</b>  |      | <u>307.65</u>    | <u>504.43</u>    |
| Earnings per equity share-basic  |      | 5.95             | 9.77             |
| Earnings per equity share-diluted  |      | 5.95             | 9.77             |
| Nominal Value of each share  |      | 10.00            | 10.00            |

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

|   |  |  |  |
|---|--|--|--|
| (A P S GROVER)<br>Chief Financial Officer | (SANDEEP KUMAR)<br>Company Secretary<br>M. No. F9075 | (RAKESH M. KUMAR)<br>Managing Director<br>DIN 00066497 | (RITU JOSHI)<br>Director<br>DIN 01598873 |
|---|--|--|--|

#### AUDITORS' REPORT

As per our separate report of even date  
FOR RAJESH AGGARWAL & ASSOCIATES  
(Firm Regn. No.: 009831N)

(RAJESH KUMAR)  
PARTNER  
Membership No. 088425

Place: Derabassi  
Date : 29/05/2024  
UDIN: 24088425BKAJSC5261

# Samrat Forgings Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2024

(Amount in INR Lakhs)

| PARTICULARS   | Year Ended<br>31.03.2024 | Year Ended<br>31.03.2023 |
|---|--------------------------|--------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>   |                          |                          |
| Total comprehensive income  | 307.65                   | 504.43                   |
| <b>ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b> |                          |                          |
| INCOME TAX CHARGED IN PROFIT AND LOSS A/C   | 131.42                   | 210.08                   |
| DEPRECIATION AND AMORTIZATION   | 364.66                   | 322.23                   |
| FINANCE COSTS   | 599.93                   | 506.00                   |
| LOSS/(PROFIT) ON SALE OF FIXED ASSETS   | (0.21)                   | (2.01)                   |
| INTEREST INCOME RECEIVED  | (31.91)                  | (12.05)                  |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>  | <b>1,371.54</b>          | <b>1,528.68</b>          |
| <b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>   |                          |                          |
| TRADE RECEIVABLES   | 219.72                   | (483.40)                 |
| OTHER RECEIVABLES   | (290.07)                 | 85.03                    |
| INVENTORY   | (532.16)                 | 209.20                   |
| PROVISIONS  | (9.65)                   | (1.32)                   |
| TRADE AND OTHER PAYABLES  | 1,106.56                 | 362.50                   |
| <b>CASH GENERATED FROM OPERATIONS</b>   | <b>1,865.94</b>          | <b>1,700.69</b>          |
| INCOME TAX PAID (NET)   | 124.84                   | 128.00                   |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>  | <b>1,741.10</b>          | <b>1,572.69</b>          |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>   |                          |                          |
| NET PURCHASE OF FIXED ASSETS  | (593.35)                 | (1,962.91)               |
| CHANGE IN CAPITAL WIP   | (1,532.72)               | (339.30)                 |
| CHANGE IN INVESTMENTS   | -                        | -                        |
| INTEREST INCOME RECEIVED  | 31.91                    | 12.05                    |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>  | <b>(2,094.16)</b>        | <b>(2,290.16)</b>        |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>   |                          |                          |
| PROCEEDS FROM LONG-TERM BORROWINGS  | 940.23                   | 1299.89                  |
| FINANCE COST  | (599.93)                 | (506.00)                 |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>  | <b>340.30</b>            | <b>793.89</b>            |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>  | <b>(12.76)</b>           | <b>76.41</b>             |
| <b>OPENING CASH AND CASH EQUIVALENTS</b>  | <b>158.21</b>            | <b>81.80</b>             |
| <b>CLOSING CASH AND CASH EQUIVALENTS</b>  | <b>145.45</b>            | <b>158.21</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.

(A P S GROVER)  
Chief Financial Officer

(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(RITU JOSHI)  
Director  
DIN 01598873

### AUDITORS' REPORT

As per our separate report of even date  
FOR RAJESH AGGARWAL & ASSOCIATES  
(Firm Regn. No.: 009831N)

(RAJESH KUMAR)  
PARTNER  
Membership No. 088425

Place: Derabassi  
Date : 29/05/2024

# Samrat Forgings Limited

## Statement of Changes in Equity

### A. Equity share capital

(Also refer Note 11)

| Particulars                         | Amount in INR Lakhs |
|-------------------------------------|---------------------|
| As on 1st April 2022                | 500.00              |
| Changes during the year             | -                   |
| <b>Balance as at March 31, 2023</b> | <b>500.00</b>       |
| Balance as at April 1, 2023         | 500.00              |
| Changes during the year             | -                   |
| <b>Balance as at March 31, 2024</b> | <b>500.00</b>       |

### B. Other Equity

(Also refer Note 12)

| PARTICULARS                  | Reserves & Surplus        |                 |                   | Other Comprehensive Income                   | Total           |
|------------------------------|---------------------------|-----------------|-------------------|--|-----------------|
|                              | Capital Incentive Reserve | Capital Reserve | Retained Earnings | Remeasurement of Defined Benefit Obligations |                 |
| As at 1st April 2022         | 15.00                     | 0.66            | 1,776.15          | 53.39  | 1,845.20        |
| Profit for the period        | -                         | -               | 488.62            | -  | 488.62          |
| Other Comprehensive Income   | -                         | -               | -                 | 15.81  | 15.81           |
| <b>As At 31st March 2023</b> | <b>15.00</b>              | <b>0.66</b>     | <b>2,264.77</b>   | <b>69.19</b>                                 | <b>2,349.63</b> |
| As at 1st April 2023         | 15.00                     | 0.66            | 2,264.77          | 69.19  | 2,349.63        |
| Profit for the period        | -                         | -               | 297.41            | -  | 297.41          |
| Other Comprehensive Income   | -                         | -               | -                 | 10.24  | 10.24           |
| <b>As At 31st March 2024</b> | <b>15.00</b>              | <b>0.66</b>     | <b>2,562.18</b>   | <b>79.43</b>                                 | <b>2,657.28</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

(RITU JOSHI)  
Director  
DIN 01598873

### AUDITORS' REPORT

As per our separate report of even date  
FOR RAJESH AGGARWAL & ASSOCIATES  
(Firm Regn. No.: 009831N)

Place: Derabassi  
Date : 29/05/2024  
UDIN: 24088425BKAJSC5261

(RAJESH KUMAR)  
PARTNER  
Membership No. 088425

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31.03.2024

### 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 2.10 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 & Capital Work-in Progress**

**A)** 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                | 8-10 Years |

**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.

**B)** Capital work-in-progress are carried at cost, comprising direct cost,related incidental expenses and attributable borrowingcost, less impairment losses if any.

**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.

### (b) 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 Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

**2.13 Foreign currency translation**

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

**2.14 Revenue from contracts with customers**

The Company has revenue from sale of products which includes finished goods and sale of services in the form of job work charges. The Company manufactures highly specialized forged and machined finished goods as per specification provided by the customers and based on the schedules from the customers. The Company recognizes revenue from sale of finished goods at a point in time based on the terms of the contract with customers which varies for each customer. Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications included in company terms, timing of transfer of legal title of the asset and determination of the point of acceptance of goods by customer.

**2.15 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 INR Lakhs)

|                                   | Land  | Building | Plant & Machinery | Building(Office Flat) | Furniture & Fixture | Office Equipment | (Amount in INR Lakhs) | Air Conditioner | Computer | Total    |
|-----------------------------------|-------|----------|-------------------|-----------------------|---------------------|------------------|-----------------------|-----------------|----------|----------|
| <b>Gross carrying Amount</b>      |       |          |                   |                       |                     |                  |                       |                 |          |          |
| Balance as at April 1, 2022       | 20.77 | 766.70   | 5,064.71          | 65.89                 | 38.13               | 30.10            | 209.58                | 11.95           | 51.88    | 6,259.71 |
| Additions                         | -     | 57.36    | 1,905.00          | -                     | 3.53                | 1.42             | 97.12                 | -               | 2.40     | 1,966.84 |
| Disposals                         | -     | -        | -                 | -                     | -                   | -                | (38.27)               | -               | -        | (38.27)  |
| Balance as at March 31, 2023      | 20.77 | 824.06   | 6,969.71          | 65.89                 | 41.65               | 31.52            | 268.43                | 11.95           | 54.28    | 8,188.28 |
| Additions                         | 10.41 | -        | 522.95            | -                     | 0.41                | 0.59             | 51.18                 | 1.09            | 7.73     | 594.36   |
| Disposals                         | -     | -        | -                 | -                     | -                   | -                | (15.60)               | (0.31)          | -        | (15.92)  |
| Balance as at March 31, 2024      | 31.19 | 824.06   | 7,392.67          | 65.89                 | 42.06               | 32.11            | 304.01                | 12.73           | 62.01    | 8,766.72 |
| <b>Accumulated Depreciation</b>   |       |          |                   |                       |                     |                  |                       |                 |          |          |
| As at April 1, 2022               | -     | 243.02   | 2,541.09          | 32.54                 | 29.60               | 25.37            | 163.46                | 7.87            | 46.88    | 3,089.83 |
| Depreciation charged for the year | -     | 21.72    | 252.27            | 1.95                  | 1.09                | 1.23             | 21.42                 | 0.26            | 1.67     | 301.61   |
| Disposals                         | -     | -        | -                 | -                     | -                   | -                | (36.36)               | -               | -        | (36.36)  |
| Balance as at March 31, 2023      | -     | 264.74   | 2,793.36          | 34.49                 | 30.69               | 26.60            | 148.52                | 8.14            | 48.55    | 3,355.08 |
| Depreciation charged for the year | -     | 22.72    | 286.81            | 1.95                  | 1.29                | 1.37             | 26.38                 | 0.32            | 3.20     | 344.05   |
| Disposals                         | -     | -        | -                 | -                     | -                   | -                | (14.82)               | (0.30)          | -        | (15.12)  |
| Balance as at March 31, 2024      | -     | 287.47   | 3080.17           | 36.43                 | 31.98               | 27.97            | 160.08                | 8.16            | 51.75    | 3,664.01 |
| <b>Net Carrying Amount</b>        |       |          |                   |                       |                     |                  |                       |                 |          |          |
| As at March 31, 2024              | 31.19 | 536.60   | 4,312.49          | 29.46                 | 10.09               | 4.14             | 143.93                | 4.57            | 10.26    | 5,082.72 |
| As at March 31, 2023              | 20.77 | 559.32   | 4,076.35          | 31.41                 | 10.97               | 4.93             | (0.01)                | 3.82            | 5.73     | 4,833.20 |

Details of under capital work-in-progress as on 31.03.2024 is as under:

| PARTICULARS   | Amount in INR Lakh: |                   | Total      |
|---|---------------------|-------------------|------------|
|   | Building            | Plant & Machinery |            |
| Opening Balance of Capital Work in Progress as at 1st April 2022  | -                   | -                 | -          |
| (+) Additions   | 9.56                | 2,025.84          | 2,035.40   |
| (-) Transfers   | (9.56)              | (1,686.53)        | (1,696.10) |
| (-) Disposals   | -                   | -                 | -          |
| Closing Balance of Capital Work in Progress as at 31st March      | -                   | 339.30            | 339.30     |
| (+) Additions   | 99.38               | 1,912.23          | 2,011.61   |
| (-) Transfers   | -                   | (478.89)          | (478.89)   |
| (-) Disposals   | -                   | -                 | -          |
| Closing Balance of Capital Work in Progress as at 31st March 2024 | 99.38               | 1,772.63          | 1,872.02   |

3(A)(i) Ageing for Capital Work-In-Progress balance as at March 31, 2024 is as follows : (Amount in INR Lakhs)

| Particulars          | Amount in CWP for the period |               |           |                   | Total           |
|----------------------|------------------------------|---------------|-----------|-------------------|-----------------|
|                      | less than 1 year             | 1-2 years     | 2-3 years | More than 3 years |                 |
| Projects in Progress | 1,755.51                     | 116.51        | -         | -                 | 1,872.02        |
| <b>TOTAL</b>         | <b>1,755.51</b>              | <b>116.51</b> | <b>-</b>  | <b>-</b>          | <b>1,872.02</b> |

## Samrat Forgings Limited

(Amount in INR Lakhs)

| <b>NOTE 4 OTHER FINANCIAL ASSETS</b>                         | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| <b>(Unsecured, considered good, unless otherwise stated)</b> |                         |                         |
| Security Deposit   | 141.20                  | 159.02                  |
| <b>TOTAL</b>   | <b>141.20</b>           | <b>159.02</b>           |

| <b>NOTE 5 INVENTORIES</b>   | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|---|-------------------------|-------------------------|
| <b>(As per inventories taken, valued &amp; certified by the management)</b> |                         |                         |
| Raw Materials   | 995.46                  | 1,030.20                |
| Work In Progress  | 2,777.87                | 2,394.38                |
| Finished Goods  | 354.88                  | 269.04                  |
| Stores & Spares   | 113.62                  | 110.72                  |
| Tools & Dies  | 829.40                  | 751.77                  |
| Scrap   | 28.06                   | 11.04                   |
| <b>TOTAL</b>  | <b>5,099.30</b>         | <b>4,567.15</b>         |

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

## Samrat Forgings Limited

(Amount in INR Lakhs)

| <b>NOTE 6 TRADE RECEIVABLES</b>                               | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|---|-------------------------|-------------------------|
| <b>(i) Undisputed Trade receivables- considered good</b>      | <b>2,105.03</b>         | <b>2,324.75</b>         |
| a) Less Than 6 Months   | 2,095.25                | 2,324.75                |
| b) 6 months - 1 Year  | 9.78                    | -                       |
| c) 1- 2 Yrs   | -                       | -                       |
| 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>8.33</b>             | <b>8.33</b>             |
| a) Less Than 6 Months   | -                       | -                       |
| b) 6 months - 1 Year  | -                       | -                       |
| c) 1- 2 Yrs   | -                       | -                       |
| d) 2-3 Yrs  | -                       | -                       |
| e) More Than 3 Yrs  | 8.33                    | 8.33                    |
| <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>2,113.35</b>         | <b>2,333.08</b>         |

| <b>NOTE 7 CASH &amp; CASH EQUIVALENTS</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|---|-------------------------|-------------------------|
| Cash & Cash Equivalents                   |                         |                         |
| - Cash in Hand                            | 0.45                    | 0.61                    |
| - Balance with Banks in Current Accounts  | 2.54                    | 1.97                    |
| <b>TOTAL</b>                              | <b>2.99</b>             | <b>2.57</b>             |



## Samrat Forgings Limited

(Amount in INR Lakhs)

| <b>NOTE 8 OTHER BANK BALANCES</b>               | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|---|-------------------------|-------------------------|
| (a) Fixed Deposits<br>Maturing within 12 Months | 142.45                  | 155.64                  |
| <b>TOTAL</b>                                    | <b>142.45</b>           | <b>155.64</b>           |

| <b>NOTE 9 OTHER FINANCIAL ASSETS</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--------------------------------------|-------------------------|-------------------------|
| <b>Considered Good</b>               |                         |                         |
| Interest accrued on deposits         | 3.47                    | 3.51                    |
| <b>TOTAL</b>                         | <b>3.47</b>             | <b>3.51</b>             |

| <b>NOTE 10 OTHER CURRENT ASSETS</b>                        | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| <b>(Unsecured considered good unless otherwise stated)</b> |                         |                         |
| Advance for capital goods                                  | 176.24                  | 21.22                   |
| <b>Advances other than Capital Advances</b>                |                         |                         |
| Advance to Vendors   | 47.75                   | 36.06                   |
| Security Deposits  | 1.63                    | 1.63                    |
| Prepaid expenses   | 15.52                   | 23.09                   |
| Balance with Government Authorities                        | 180.03                  | 38.07                   |
| Others   | 19.56                   | 14.56                   |
| <b>TOTAL</b>   | <b>440.74</b>           | <b>134.63</b>           |

# Samrat Forgings Limited

(Amount in INR Lakhs)

| NOTE   | 11 EQUITY SHARE CAPITAL   | As at 31.03.2024          | As at 31.03.2023          |
|--|---|---------------------------|---------------------------|
| <b>A) AUTHORISED</b>   |   |                           |                           |
|  | 10000000 Equity shares of Rs. 10/- each   | 1,000                     | 1,000                     |
| <b>B) ISSUED :</b>   |   |                           |                           |
|  | 5000000 Equity Shares of Rs. 10/- each  | 500                       | 500                       |
| <b>C) ISSUED SUBSCRIBED &amp; PAID UP</b>  |   |                           |                           |
|  | Fully called up and paid up.  | 500                       | 500                       |
|  |   | <b>500</b>                | <b>500</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 31.03.2024</b>   | <b>As at 31.03.2023</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.<br>(Formerly Natrajan Investments & Finance Pvt Ltd)  | 820,000                   | 820,000                   |
|  | 3. Jitya Enterprises Pvt Ltd<br>(Formerly Jay Dee Holdings Pvt Ltd)   | 280,000                   | 280,000                   |
|  | 4. Prem Lal   | 499,699                   | 500,000                   |
|  | 5. Rakesh Mohan 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> |   |                           |                           |
|  |   | <b>No. of Shares</b>      | <b>No. of Shares</b>      |
|  | <b>Subscribed and fully paid up Equity Shares:</b>  | <b>As at 31.03.2024</b>   | <b>As at 31.03.2023</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 as on 31.03.2023 | Percentage of Total Shares as on 31.03.2023 | No. of Shares Held as on 31.03.2024 | Percentage of Total Shares as on 31.03.2024 | Percentage of Change During The Year* |
|---|--|-------------------------------------|---|-------------------------------------|---|---------------------------------------|
| 1 | Rakesh Mohan Kumar   | 1,180,100                           | 23.60                                       | 1,180,100                           | 23.60                                       | -                                     |
| 2 | Ritu Joshi   | 20                                  | 0.00  | 20                                  | 0.00  | -                                     |
| 3 | Bindu Chowdhary  | 20                                  | 0.00  | 20                                  | 0.00  | -                                     |
| 4 | Rajinder Nath Sood   | 10                                  | 0.00  | 10                                  | 0.00  | -                                     |
| 5 | Kiran Mohini Kumar   | 90,000                              | 1.80  | 90,000                              | 1.80  | -                                     |
| 6 | Jandwani Poly Products Pvt Ltd   | 1,361,200                           | 27.22                                       | 1,361,200                           | 27.22                                       | -                                     |
| 7 | Jitya Enterprises Pvt Ltd (Formerly Jay Dee Holdings Pvt Ltd)                      | 280,000                             | 5.60  | 280,000                             | 5.60  | -                                     |
| 8 | Susoka Enterprises Pvt Ltd (Formerly Natrajan Investments And Finance Pvt Ltd)     | 820,000                             | 16.40                                       | 820,000                             | 16.40                                       | -                                     |
| 9 | Kanjam Enterprises Private Limited (Formerly R Kumar Investment & Finance Pvt Ltd) | 17,701                              | 0.35  | 17,701                              | 0.35  | -                                     |
|   | <b>TOTAL</b>   | <b>3,749,051</b>                    | <b>74.98</b>                                | <b>3,749,051</b>                    | <b>74.98</b>                                | <b>-</b>                              |

\*There is no change in promoters shareholding during the financial year 2023-24

(Amount in INR Lakhs)

| NOTE 12 OTHER EQUITY                        | As at 31.03.2024 | As at 31.03.2023 |
|---|------------------|------------------|
| <b>A) CAPITAL INCENTIVE</b>                 | 15.00            | 15.00            |
| <b>B) PROFIT &amp; LOSS ACCOUNT</b>         |                  |                  |
| As Per Last Balance Sheet                   | 2,264.77         | 1,776.15         |
| Net Profit during the year                  | 297.41           | 488.62           |
|   | 2,562.18         | 2,264.77         |
| <b>C) CAPITAL RESERVE</b>                   | 0.66             | 0.66             |
| <b>D) OTHER RESERVE</b>                     |                  |                  |
| Remeasurement of Defined Benefit Obligation | 79.43            | 69.19            |
| <b>Total (A+B+C+D)</b>                      | <b>2,657.28</b>  | <b>2,349.63</b>  |

## Samrat Forgings Limited

(Amount in INR Lakhs)

| NOTE 13 LONG TERM BORROWINGS<br>(AT AMORTIZED COST)  | As at 31.03.2024 | As at 31.03.2023 |
|--|------------------|------------------|
| <b>I. Secured</b>  |                  |                  |
| <b>A. LOANS &amp; ADVANCES</b>   |                  |                  |
| <b>TERM LOANS FROM BANKS</b>   | 2,601.63         | 1887.90          |
| (Secured against Hypothecation of respective vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)        |                  |                  |
| <b>TERM LOANS FROM OTHER PARTIES</b>   | 310.40           | 281.15           |
| From Non-Banking Financial Companies (Secured against hypothecation of respective Machinery/Vehicle and personal guarantee of directors) |                  |                  |
| <b>TOTAL SECURED LOANS</b>   | <b>2,912.03</b>  | <b>2169.04</b>   |
| <b>II. Unsecured</b>   |                  |                  |
| <b>LOAN &amp; ADVANCES FROM BANKS</b>  | -                | 16.30            |
| <b>LOAN &amp; ADVANCES FROM RELATED PARTIES (Refer Note - 38C)</b><br>(From Promoters & Directors)                                       | 380.42           | 360.93           |
| <b>OTHER LOANS &amp; ADVANCES</b><br>(Against personal guarantee of directors)   | 510.49           | 316.44           |
| <b>TOTAL UNSECURED LOANS</b>   | <b>890.91</b>    | <b>693.67</b>    |
| <b>TOTAL LONG-TERM BORROWINGS</b>  | <b>3,802.94</b>  | <b>2862.71</b>   |

| NOTE 14 LONG TERM PROVISIONS    | As at 31.03.2024 | As at 31.03.2023 |
|---------------------------------|------------------|------------------|
| Provision For Employees Benefit |                  |                  |
| - Gratuity                      | 99.94            | 103.56           |
| - Leave Encashment              | 3.13             | 9.16             |
| <b>TOTAL</b>                    | <b>103.08</b>    | <b>112.72</b>    |

| NOTE 15 DEFERRED TAX (NET)                | As at 31.03.2024 | As at 31.03.2023 |
|---|------------------|------------------|
| <b>A. Deferred Tax Liability</b>          | 600.23           | 484.44           |
| <b>B. Deferred Tax Asset</b>              | 110.49           | 117.91           |
| <b>C. MAT Credit Entitlement</b>          | 107.62           | 36.04            |
| <b>Net Deferred Tax Liability (A-B-C)</b> | <b>382.12</b>    | <b>330.50</b>    |

## Samrat Forgings Limited

(Amount in INR Lakhs)

| NOTE 16     | SHORT TERM BORROWINGS<br>(AT AMORTIZED COST)   | As at 31.03.2024 | As at 31.03.2023 |
|-------------|--|------------------|------------------|
| <b>I.</b>   | <b>SECURED LOANS</b>   |                  |                  |
|             | <b>A. LOANS REPAYABLE ON<br/>DEMAND FROM BANKS</b>   | 2,843.02         | 2,238.22         |
|             | 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>II.</b>  | <b>UNSECURED LOANS</b>   |                  |                  |
|             | <b>FROM RELATED PARTIES</b>  | -                | -                |
|             | (From Promoters & Directors)   |                  |                  |
|             | <b>OTHER LOANS &amp; ADVANCES</b>  | 187.68           | 187.00           |
|             | (From National Small Industries Corporation Ltd.)  |                  |                  |
| <b>III.</b> | <b>CURRENT MATURITIES OF LONG TERM DEBTS</b>   |                  |                  |
|             | Against Secured Loans  | 646.07           | 551.92           |
|             | Against Unsecured Loans  | 140.85           | 104.96           |
|             | <b>TOTAL</b>   | <b>3,817.62</b>  | <b>3,082.09</b>  |

## Samrat Forgings Limited

(Amount in INR Lakhs)

| NOTE                    | 17 | TRADE PAYABLES   | As at 31.03.2024 | As at 31.03.2023 |
|-------------------------|----|--|------------------|------------------|
| <b>Sundry Creditors</b> |    |  |                  |                  |
| (i)                     |    | <b>Total outstanding dues of Micro and Small Scale Industrial Enterprises</b>                                | <b>166.77</b>    | <b>25.05</b>     |
|                         |    | Less Than 1 Year   | 166.77           | 25.05            |
|                         |    | 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>3,121.72</b>  | <b>2950.13</b>   |
|                         |    | Less Than 1 Year   | 3,121.72         | 2950.13          |
|                         |    | 1-2 Years  | -                | -                |
|                         |    | 2-3 Years  | -                | -                |
|                         |    | More than 3 Years  | -                | -                |
| (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>-</b>         | <b>15.53</b>     |
|                         |    | Less Than 1 Year   | -                | 7.71             |
|                         |    | 1-2 Years  | -                | -                |
|                         |    | 2-3 Years  | -                | -                |
|                         |    | More than 3 Years  | -                | 7.82             |
| <b>TOTAL</b>            |    |  | <b>3,288.49</b>  | <b>2,990.71</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, 2023, 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 INR Lakhs)

|   | As at 31.03.2024 | As at 31.03.2023 |
|---|------------------|------------------|
| (a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:   |                  |                  |
| <b>Principal</b>  | 166.77           | 25.05            |
| <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 31.03.2024 | As at 31.03.2023 |
|--|------------------|------------------|
| Expenses Payable                           | 258.15           | 189.93           |
| Interest accrued but not due on borrowings | 8.61             | 3.85             |
| Director Remuneration & Fee payable        | 22.42            | 6.98             |
| <b>TOTAL</b>                               | <b>289.18</b>    | <b>200.76</b>    |

## Samrat Forgings Limited

(Amount in INR Lakhs)

| <b>NOTE 19 CURRENT TAX LIABILITY (NET)</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| Current Tax Payable for the year           | 71.58                   | 116.63                  |
| Less : Tax Paid during the year            | (77.26)                 | (75.42)                 |
| <b>TOTAL</b>                               | <b>(5.68)</b>           | <b>41.20</b>            |

| <b>NOTE 20 OTHER CURRENT LIABILITIES</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| Statutory Dues                           | 28.27                   | 24.51                   |
| Advance received from customers          | 5.48                    | 7.63                    |
| <b>TOTAL</b>                             | <b>33.75</b>            | <b>32.14</b>            |

| <b>NOTE 21 DETAIL OF REVENUE<br/>FROM OPERATIONS</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| <b>Revenue from sale of products</b>                 |                         |                         |
| Gross Sales  | 16,202.71               | 18,100.56               |
| <b>Sale of Services</b>                              |                         |                         |
| Conversion/Job Work Charges                          | 0.12                    | 30.89                   |
| <b>TOTAL</b>   | <b>16,202.83</b>        | <b>18,131.45</b>        |

| <b>NOTE 22 OTHER INCOME</b>       | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|-----------------------------------|-------------------------|-------------------------|
| <b>Interest Income</b>            | 31.91                   | 12.05                   |
| <b>Other non-operative Income</b> |                         |                         |
| Duty Draw Back Received           | 17.42                   | 14.81                   |
| Foreign Fluctuation Gain          | 14.13                   | 9.13                    |
| Misc Income                       | 8.89                    | (0.12)                  |
| Balance Written Off               | 18.96                   | -                       |
| <b>TOTAL</b>                      | <b>91.31</b>            | <b>35.87</b>            |

| <b>NOTE 23 COST OF RAW MATERIAL CONSUMED</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| <b>Opening Stock of Raw Materials</b>        | 1,030.20                | 860.62                  |
| <b>Add Purchases during the year</b>         | 8,213.54                | 9,395.50                |
| Less Closing Stock                           | 995.46                  | 1,030.20                |
| <b>TOTAL</b>                                 | <b>8,248.27</b>         | <b>9,225.92</b>         |



## Samrat Forgings Limited

(Amount in INR Lakhs)

| <b>NOTE 24 CHANGES IN FINISHED GOODS,<br/>WIP, STOCK IN TRADE</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|---|-------------------------|-------------------------|
| <b>Opening Stock</b>  |                         |                         |
| Work In Progress  | 2394.38                 | 2,904.52                |
| Finished Goods  | 269.04                  | 220.13                  |
| Scrap   | 11.04                   | 23.12                   |
| <b>TOTAL 'A'</b>  | <b>2,674.46</b>         | <b>3,147.86</b>         |
| <b>Closing Stock</b>  |                         |                         |
| Work In Progress  | 2,777.87                | 2,394.38                |
| Finished Goods Stock  | 354.88                  | 269.04                  |
| Scrap   | 28.06                   | 11.04                   |
| <b>TOTAL 'B'</b>  | <b>3,160.82</b>         | <b>2,674.46</b>         |
| <b>TOTAL (A - B)</b>  | <b>(486.36)</b>         | <b>473.40</b>           |

| <b>NOTE 25 EMPLOYEE BENEFIT EXPENSES</b>     | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| Salaries & Wages                             | 1,912.80                | 1,745.68                |
| Remuneration to Director                     | 128.00                  | 120.00                  |
| Contribution to Provident Fund & Other Funds | 52.34                   | 48.76                   |
| Staff Welfare                                | 67.77                   | 62.98                   |
| Provident Fund - Director                    | 0.22                    | 0.22                    |
| Security Personnel Expenses                  | 44.78                   | 47.31                   |
| <b>TOTAL</b>                                 | <b>2,205.91</b>         | <b>2,024.95</b>         |

| <b>NOTE 26 FINANCE COST</b>                                    | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| <b>Interest Expense</b>  |                         |                         |
| Interest on Financial Liabilities other than Lease Liabilities | 532.81                  | 462.84                  |
| Interest on Lease Liabilities (Refer Note 29)                  | 16.22                   | 17.32                   |
| <b>Other Borrowing Cost</b>                                    |                         |                         |
| Bank Charges   | 50.89                   | 25.84                   |
| <b>TOTAL</b>   | <b>599.93</b>           | <b>506.00</b>           |

| <b>NOTE 27 DEPRECIATION AND<br/>AMORTIZATION EXPENSE</b> | <b>As at 31.03.2024</b> | <b>As at 31.03.2023</b> |
|--|-------------------------|-------------------------|
| Depreciation of Tangible Assets (Refer Note 3)           | 344.05                  | 301.61                  |
| Depreciation of Right-of-use Assets (Refer Note 29)      | 20.61                   | 20.61                   |
| <b>TOTAL</b>   | <b>364.66</b>           | <b>322.23</b>           |

## Samrat Forgings Limited

(Amount in INR Lakhs)

| NOTE 28 | OTHER EXPENSES                             | As at 31.03.2024 | As at 31.03.2023 |
|---------|--|------------------|------------------|
|         | <b>Manufacturing Expenses</b>              |                  |                  |
|         | Power & Fuel                               | 1,207.24         | 772.01           |
|         | Tools & Dies Consumed                      | 77.94            | 69.10            |
|         | Stores & Consumables                       | 2,403.93         | 2,689.72         |
|         | Production/Job Work Expenses               | 542.09           | 536.58           |
|         | Repair & Maintenance Machinery             | 202.58           | 186.60           |
|         | <b>Total A</b>                             | <b>4,433.78</b>  | <b>4,254.02</b>  |
|         | <b>Selling Expenses</b>                    |                  |                  |
|         | Freight & Forwarding                       | 159.21           | 149.54           |
|         | Business Promotion                         | 20.21            | 19.58            |
|         | Rebates & Discounts                        | 93.62            | 264.71           |
|         | R & M Vehicles (LCV)                       | 56.08            | 58.88            |
|         | <b>Total B</b>                             | <b>329.11</b>    | <b>492.71</b>    |
|         | <b>Administrative &amp; Other Expenses</b> |                  |                  |
|         | Travelling & Conveyance                    |                  |                  |
|         | i) Directors                               | 6.30             | 10.81            |
|         | ii) Others                                 | 15.62            | 17.35            |
|         | Professional & Legal Expenses              | 27.11            | 43.96            |
|         | Telephone & Postage                        | 2.18             | 2.08             |
|         | Printing & Stationary                      | 11.12            | 10.95            |
|         | Running & Maintenance-Vehicles             | 13.69            | 13.27            |
|         | Miscellaneous Expenses                     | 4.47             | 4.85             |
|         | Repairs & Maintenance                      |                  |                  |
|         | R & M - Building                           | 23.11            | 22.41            |
|         | R & M - General                            | 5.89             | 5.07             |
|         | Subscription & Membership Fee              | 0.56             | 0.31             |
|         | Rates, Fee & Taxes                         | 16.84            | 22.00            |
|         | Insurance                                  | 9.29             | 7.68             |
|         | Auditors' Remuneration                     |                  |                  |
|         | i) Statutory Audit Fee                     | 1.50             | 1.50             |
|         | Advertisement                              | 0.97             | 0.69             |
|         | Rent                                       | 7.11             | 4.82             |
|         | Sitting Fee                                | 2.80             | 3.65             |
|         | Sunday Balances Written off                | 5.83             | -                |
|         | CSR Contribution                           | 15.83            | -                |
|         | <b>Total C</b>                             | <b>170.22</b>    | <b>171.40</b>    |
|         | <b>Grand Total (A+B+C)</b>                 | <b>4,933.11</b>  | <b>4,918.13</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 INR Lakhs)

| <b>Particulars: Land</b>   | <b>2023-24</b> | <b>2022-23</b> |
|--|----------------|----------------|
| Opening Balance  | 288.60         | 288.60         |
| Additions  | -              | -              |
| Disposals  | -              | -              |
| <b>Original Cost as on 31st March 2024<br/>(31st March 2023)</b>     | <b>288.60</b>  | <b>288.60</b>  |
| <b>Accumulated Depreciation</b>                                      |                |                |
| Opening Balance  | 82.46          | 61.84          |
| Additions  | 20.61          | 20.61          |
| Disposals  | -              | -              |
| <b>Acc. Depreciation as on 31st March 2024<br/>(31st March 2023)</b> | <b>103.07</b>  | <b>82.46</b>   |
| <b>WDV of ROU Asset as on 31st March 2024<br/>(31st March 2023)</b>  | <b>185.53</b>  | <b>206.14</b>  |

## Samrat Forgings Limited

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

| Particulars  | 2023-24       | 2022-23       |
|--|---------------|---------------|
| Opening Balance  | 231.78        | 247.46        |
| Add : Accretion of interest                                | 16.22         | 17.32         |
| Less : Payments  | 33.00         | 33.00         |
| Less : Termination   | -             | -             |
| <b>Balance as at 31st March 2024<br/>(31st March 2023)</b> | <b>215.00</b> | <b>231.78</b> |
| <b>Current</b>   | <b>17.95</b>  | <b>16.78</b>  |
| <b>Non Current</b>   | <b>197.05</b> | <b>215.00</b> |

The effective interest rate for lease liabilities is 7%.

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

| Particulars  | 2023-24      | 2022-23      |
|--|--------------|--------------|
| Depreciation expense of right-of-use assets  | 20.61        | 20.61        |
| Interest expense on lease liabilities  | 16.22        | 17.32        |
| Expense relating to short-term leases and low value leases<br>(included in other expenses) | 4.35         | 3.97         |
| <b>Total amount recognised in profit or loss</b>   | <b>41.19</b> | <b>41.90</b> |

**D.** The Company had total cash outflows for leases of INR 37.3488 lacs in March 31, 2024  
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       | 2023-24       | 2022-23       |
|-------------------|---------------|---------------|
| On Demand         | -             | -             |
| 0-12 months       | 33.00         | 33.00         |
| 1 - 5 years       | 165.00        | 165.00        |
| More than 5 years | 99.00         | 132.00        |
| <b>Total</b>      | <b>297.00</b> | <b>330.00</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 INR Lakhs)

| Particulars  | As at 31.03.2024 | As at 31.03.2023 |
|--|------------------|------------------|
| Employer's contribution to provident fund/pension scheme | 52.55            | 48.98            |

**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.

## Samrat Forgings Limited

| (i) Components of Expense recognised  | (Amount in INR Lakhs)              |                                    |
|---|------------------------------------|------------------------------------|
| Particulars   | For Year Ended<br>31st March, 2024 | For Year Ended<br>31st March, 2023 |
| <b>Recognised in the Statement of Profit and Loss</b>   |                                    |                                    |
| 1 Current Service Cost  | 42.17                              | 38.66                              |
| 2 Past Service Cost   | -                                  | -                                  |
| 3 Net Interest Cost   | 11.32                              | 11.43                              |
| 4 Actuarial Gain/Loss of obligations  | (14.02)                            | (12.12)                            |
| 5 Actuarial Gain/Loss of Plan Assets  | 1.73                               | 1.43                               |
| 6 Direct Benefit Payments   | -                                  | -                                  |
| 7 Expected Return on Plan Assets  | 3.16                               | (2.88)                             |
| <b>8 Total Expense Recognised in<br/>Profit and Loss Account</b>  | <b>38.04</b>                       | <b>36.53</b>                       |
| <b>Re-measurements recognised in<br/>Other Comprehensive Income</b>   |                                    |                                    |
| 9 Return on plan assets<br>(excluding amounts included in Net interest cost)  | 1.18                               | 2.02                               |
| 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   | (11.42)                            | (17.83)                            |
| <b>14 Total re-measurements included in<br/>Other Comprehensive Income</b>  | <b>(10.24)</b>                     | <b>(15.81)</b>                     |
| <b>15 Total defined benefit cost recognised<br/>in the Statement of Profit and Loss and<br/>Other Comprehensive Income (8+14)</b> | <b>27.80</b>                       | <b>20.72</b>                       |

## Samrat Forgings Limited

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

**I Defined Benefit Obligation Liability** (Amount in INR Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| 1 Present Value of DBO at the beginning of the year             | 233.95                    | 226.20                    |
| 2 Current Service Cost  | 42.17                     | 38.66                     |
| 3 Past Service Cost   | -                         | -                         |
| 4 Interest Cost   | 16.94                     | 16.97                     |
| 5 Remeasurement gains/(losses)                                  |                           |                           |
| a. Effect of changes in demographic assumptions                 | -                         | -                         |
| b. Effect of changes in financial assumptions                   | -                         | -                         |
| c. Changes in asset ceiling<br>(excluding interest income)      | -                         | -                         |
| d. Effect of experience adjustments                             | (11.42)                   | (17.83)                   |
| 6 Curtailment Cost/ (Credits)                                   | -                         | -                         |
| 7 Settlement Cost/ (Credits)                                    | -                         | -                         |
| 8 Liabilities assumed in business combination                   | -                         | -                         |
| 9 Actuarial Gain/Loss on Obligations                            | (14.02)                   | (12.12)                   |
| 10 Effect of transfer In / (out)                                | -                         | -                         |
| 11 Benefits Paid  | (16.17)                   | (17.93)                   |
| <b>12 Present Value of DBO at the end of the year (TOTAL I)</b> | <b>251.45</b>             | <b>233.95</b>             |

**II Change in Fair Value of Assets**

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| 1 Plan Assets at the beginning of the year             | 121.23                    | 112.16                    |
| 2 Asset acquired in Business Combination               | -                         | -                         |
| 3 Interest Income                                      | 8.78                      | 8.41                      |
| 4 Remeasurement Gains/ (Losses) on plan assets         | (2.91)                    | (3.45)                    |
| 5 Actual Company Contributions Benefits Paid           | 35.60                     | 19.50                     |
| 6 Benefits Paid  | (14.32)                   | (15.39)                   |
| 7 Effects of transfer In/(Out)                         | -                         | -                         |
| <b>8 Plan Assets at the end of the year (TOTAL II)</b> | <b>148.38</b>             | <b>121.23</b>             |

## Samrat Forgings Limited

| Net Liability/(Asset)                                      |                        | (Amount in INR Lakhs)  |  |
|--|------------------------|------------------------|--|
| Particulars  | As at 31st March, 2024 | As at 31st March, 2023 |  |
| III Present Value of Defined Benefit Obligations (Total I) | 251.45                 | 233.95                 |  |
| IV Fair Value of Plan Assets (Total II)                    | 148.38                 | 121.23                 |  |
| <b>Net Liability/(Asset) (III-IV)</b>                      | <b>103.07</b>          | <b>112.72</b>          |  |

(iii) **The principal assumptions used in determining gratuity are:**

Mortality table - LIC

|   | Indian Assured Lives Mortality Indian Assured Lives Mortality(2012-14) |                      |
|---|--|----------------------|
|   | As at 31st March, 2024   | As at March 31, 2023 |
| Discount rate                           | 7.24%  | 7.50%                |
| Withdrawal Rate                         | 10.00%   | 10.00%               |
| Estimated rate of return on plan assets | 7.24%  | 7.50%                |
| Estimated future salary growth          | 6.25%  | 6.50%                |

(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 INR Lakhs)

| NOTE | 31  | COMMITMENTS AND<br>CONTINGENCIES  | As at<br>31st March 2024 | As at<br>31st March 2023 |
|------|-----|---|--------------------------|--------------------------|
|      |     | <b>Commitments :</b>  |                          |                          |
|      |     | Estimated value of contracts remaining to be executed on Capital Account and not provided for                     | 723.22                   | 109.98                   |
|      |     | <b>Contingent liabilities :</b>   |                          |                          |
|      | (a) | Claims against companies not acknowledged as debt*<br>* 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<br>AS-33 EARNING PER SHARE  | As at<br>31st March 2024 | As at<br>31st March 2023 |
|------|----|---|--------------------------|--------------------------|
|      |    | 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. |                          |                          |
|      |    | Profit attributable to the equity holders of the Company (in lakhs)   | 297.41                   | 488.62                   |
|      |    | Weighted average number of equity shares  | 5,000,000                | 5,000,000                |
|      |    | Basic earnings per share (Rs.)<br>(Face value of Rs.10/- per share)   | 5.95                     | 9.77                     |

### 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**

| Particulars                        | Fair Value Hierarchy | As at March 31, 2024 |                  | (Amount in INR Lakhs)<br>As at March 31, 2023 |                 |
|------------------------------------|----------------------|----------------------|------------------|---|-----------------|
|                                    |                      | Carrying Value       | Fair Value       | Carrying Value                                | Fair Value      |
| <b>A Financial Asset</b>           |                      |                      |                  |   |                 |
| (i) Measured at Amortised Cost     |                      |                      |                  |   |                 |
| <b>Non Current</b>                 |                      |                      |                  |   |                 |
| Security Deposits                  | 3                    | 141.20               | 141.20           | 159.02  | 159.02          |
| <b>Current</b>                     |                      |                      |                  |   |                 |
| Trade receivables                  | 3                    | 2,113.36             | 2,113.36         | 2,333.08                                      | 2,333.08        |
| Cash & Cash Equivalents            | 3                    | 2.99                 | 2.99             | 2.57  | 2.57            |
| Other Bank Balances                | 3                    | 142.46               | 142.46           | 155.64  | 155.64          |
| Other financial ass                | 3                    | 3.47                 | 3.47             | 3.51  | 3.51            |
| <b>Total Financial Assets</b>      |                      | <b>2,403.48</b>      | <b>2,403.48</b>  | <b>2,653.82</b>                               | <b>2,653.82</b> |
| <b>B Financial Liabilities</b>     |                      |                      |                  |   |                 |
| (i) Measured at Amortised Cost     |                      |                      |                  |   |                 |
| <b>Non Current</b>                 |                      |                      |                  |   |                 |
| Borrowings                         | 3                    | 3,802.94             | 3,802.94         | 2,862.71                                      | 2,862.71        |
| Lease Liabilities                  | 3                    | 197.05               | 197.05           | 215.00  | 215.00          |
| <b>Current</b>                     |                      |                      |                  |   |                 |
| Borrowings                         | 3                    | 3,817.62             | 3,817.62         | 3,082.09                                      | 3,082.09        |
| Trade Payables                     | 3                    | 3,288.49             | 3,288.49         | 2,990.71                                      | 2,990.71        |
| Lease Liabilities                  | 3                    | 17.95                | 17.95            | 16.78   | 16.78           |
| Other Financial Liabilities        | 3                    | 289.17               | 289.17           | 200.76  | 200.76          |
| <b>Total Financial Liabilities</b> |                      | <b>11,413.23</b>     | <b>11,413.23</b> | <b>9,368.05</b>                               | <b>9,368.05</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 counterparty 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 INR Lakhs)

| NOTE 37 INCOME TAX EXPENSE                | As at 31.03.2024 | As at 31.03.2023 |
|---|------------------|------------------|
| <b>A Income Tax Expense</b>               |                  |                  |
| <b>Current Tax</b>                        |                  |                  |
| Current Tax on Profits for the Year       | -                | 80.59            |
| Adjustments for current tax of prior year | 8.22             | 7.00             |
| <b>Deffered Tax</b>                       |                  |                  |
| Deferred Tax Charge/(Income)              | 123.20           | 122.49           |
| <b>Total Tax Expense</b>                  | <b>131.42</b>    | <b>210.08</b>    |

**B Reconciliation of Tax Expense and Accounting Profit Multiplied as per applicable Tax Rate for the year ended March 31, 2024 and March 31, 2023**

|   |               |               |
|---|---------------|---------------|
| Accounting Profit Before Tax                      | 428.83        | 698.70        |
| <b>Income Tax calculated on Accounting Profit</b> | <b>119.30</b> | <b>194.38</b> |
| <b>Tax Effect of :</b>                            |               |               |
| - Brought Forward Tax Losses                      | -             | -             |
| - Expense not allowed as per Income Tax Act       | 3.56          | 0.71          |
| - Others  | 8.56          | 14.99         |
| <b>Income Tax Expense</b>                         | <b>131.42</b> | <b>210.08</b> |

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

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

**1) Key Management Personnel**

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. Satish Sharma, Non-Executive Independent Director  
 Ms. Niveta Sharma, Non-Executive Independent Director  
 Mr. Sandeep Kumar, Company Secretary  
 Mr. A.P.S. Grover, Chief Financial Officer

**2) Relative to Key Management Personnel**

Mr. Siddharth Joshi

**3) Shareholder holding 10% shares during previous F.Y.**

Mr. Prem Lal

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

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 INR Lakhs)

| <b>(B) Related Party Transactions:</b>                | <b>As at 31st<br/>March 2024</b> | <b>As at 31st<br/>March 2023</b> |
|---|----------------------------------|----------------------------------|
| <b>Remuneration to Key Managerial Personnel</b>       |                                  |                                  |
| Mr. Rakesh M. Kumar (Managing Director)               | 128.22                           | 120.22                           |
| Mr. A.P.S. Grover (Chief Financial Officer)           | 25.35                            | 24.32                            |
| Mr. Sandeep Kumar (Company Secretary)                 | 8.12                             | 7.50                             |
| <b>Total remuneration to key managerial personnel</b> | <b>161.68</b>                    | <b>152.03</b>                    |
| <b>Sitting Fees</b>                                   |                                  |                                  |
| Mrs. Ritu Joshi, Non-Executive Director               | 0.55                             | 0.75                             |
| Mrs. Bindu Chowdhary, Non-Executive Director          | 0.53                             | 0.70                             |
| Mr. Ajay Arora, Non-Executive Independent Director    | 0.60                             | 0.88                             |
| Ms. Niveta Sharma, Non-Executive Independent Director | 0.68                             | 0.88                             |
| Mr. Satish Sharma, Non-Executive Independent Director | 0.45                             | 0.45                             |
| <b>Interest Expense</b>                               |                                  |                                  |
| Jandwani Poly Products Pvt. Ltd.                      | 16.76                            | 13.06                            |
| Mr. Rakesh M. Kumar, Managing Director                | 1.99                             | 1.89                             |
| Mrs. Bindu Chowdhary, Director                        | 2.91                             | 2.76                             |
| <b>Remuneration</b>                                   |                                  |                                  |
| Mr. Prem Lal  | 26.85                            | 0.00                             |
| <b>Rent</b>   |                                  |                                  |
| Jandwani Poly Products Pvt. Ltd.                      | 33.00                            | 33.00                            |
| <b>Professional Fee</b>                               |                                  |                                  |
| Mr. Siddharth Joshi                                   | 16.00                            | 12.00                            |
| <b>(C) Balance outstanding to related parties</b>     |                                  |                                  |
|   | <b>As at 31st<br/>March 2024</b> | <b>As at 31st<br/>March 2023</b> |
| Mr. Rakesh M. Kumar -Loan                             | 34.90                            | 33.12                            |
| Mrs. Bindu Chowdhary -Loan                            | 51.17                            | 48.54                            |
| Jandwani Poly Products Pvt. Ltd. -Loan                | 294.35                           | 279.27                           |
| Jandwani Poly Products Pvt. Ltd. -Rent payable        | 27.21                            | 2.48                             |
| Mr. Siddharth Joshi -Professional Fee payable         | 1.35                             | 0.90                             |

**NOTE 39 DISCLOSURE OF RATIOS**

| PARTICULARS   | As at<br>31.03.2024 | As at<br>31.03.2023 | Percentage<br>Change | Reasons for<br>more than<br>25% change |
|---|---------------------|---------------------|----------------------|--|
| Current Ratio = Current Assets / Current Liabilities  | 1.05                | 1.13                | -7.28%               | -                                      |
| Debt Equity Ratio =Total Debt / Total Equity  | 2.41                | 2.09                | 15.70%               | -                                      |
| Debt Service Coverage Ratio = EBITDA /<br>(Interest + Principal Repayment)  | 1.00                | 1.19                | -16,21%              | -                                      |
| Return on Equity Ratio = Profit After Tax / Shareholders' Equity  | 9.42%               | 17.15%              | -45.06%              | Due to Decrease<br>in Profit After Tax |
| Inventory Turnover Ratio = Cost Of Goods Sold (Cost of material<br>consumed+Purchases+Changes in Inventory+Manufacturing<br>Expenses) / Average Inventory | 2.86                | 3.30                | -13.38%              | -                                      |
| Trade Receivables Turnover Ratio = Revenue From Operations<br>/ Average Trade Receivables   | 7.29                | 8.67                | -15.94%              | -                                      |
| Trade Payables Turnover Ratio = Purchases / Average Trade Payables  | 3.43                | 4.36                | -21.28%              | -                                      |
| Net Capital Turnover Ratio = Revenue from Operations / Working Capital  | 44.88               | 21.77               | 106.17%              | Due to lower net<br>working capital    |
| Net Profit Ratio = Net Profit / Revenue from Operations   | 1.84%               | 2.69%               | -31.89%              | Due to Decrease in<br>Profit After Tax |
| Return on Capital Employed = Profit Before Interest & Tax /<br>Capital Employed   | 13.82%              | 20.33%              | -32.05%              | Due to Lesser<br>Profits               |
| Return on Investment = Net Profit / Capital Employed  | 4.27%               | 8.55%               | -50.05%              | Due to Lesser<br>Profits               |

(A P S GROVER)  
Chief Financial Officer

(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(RITU JOSHI)  
Director  
DIN 01598873

**AUDITORS' REPORT**

As per our separate report of even date  
FOR RAJESH AGGARWAL & ASSOCIATES  
(Firm Regn. No.: 009831N)

Place: Derabassi  
Date : 29/05/2024

(RAJESH KUMAR)  
PARTNER  
Membership No. 088425

# **Samrat Forgings Limited**

CIN : L28910PB1981PLC056444



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