



*Annual Report*  
*2011-2012*

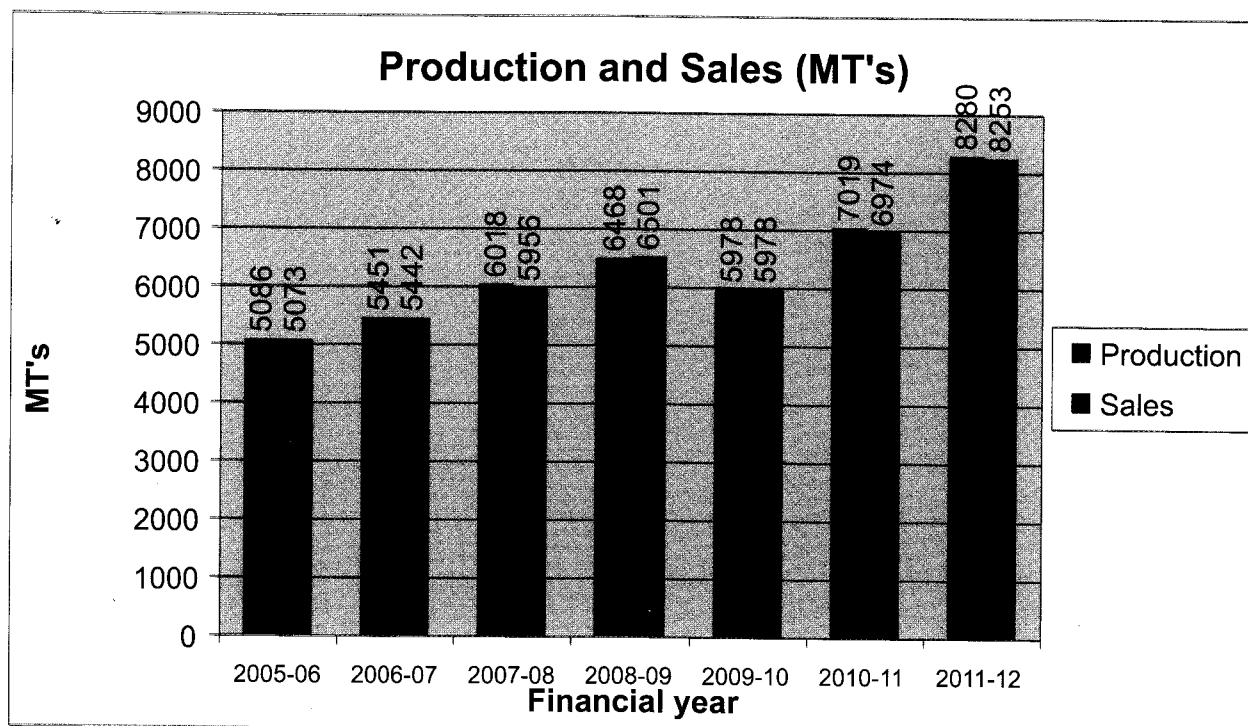
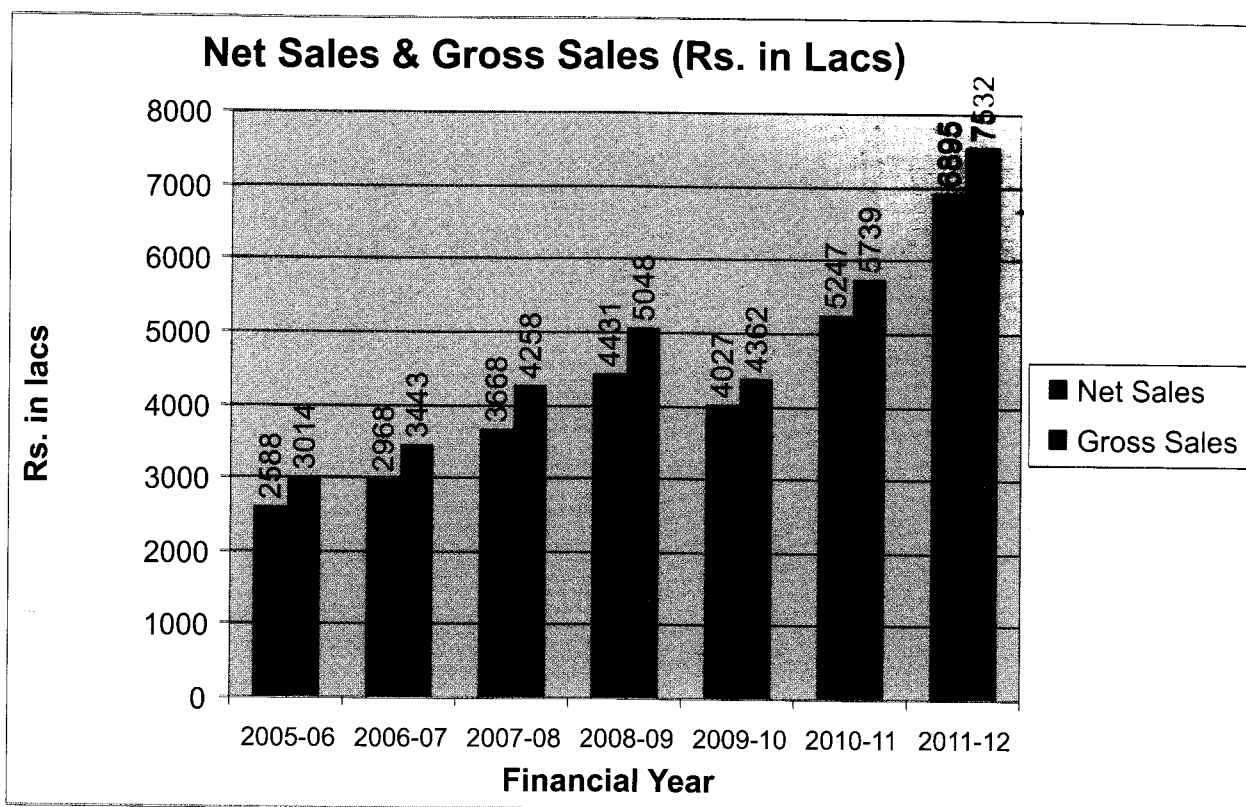
**Samrat Forgings Limited**

**31st ANNUAL REPORT 2011-12**

---



# Samrat Forgings Limited





# **SAMRAT FORGINGS LIMITED**

**31st ANNUAL REPORT 2011-12**

## **BOARD OF DIRECTORS**

### **CHAIRPERSON**

Mrs. Bindu Chowdhary

### **MANAGING DIRECTOR**

Mr. Rakesh M. Kumar

### **DIRECTORS**

Mrs. Ritu Joshi

Mr. Ajay Kapoor

Mr. Ajay Kumar Arora

Mr. Ashok Lakhanpal

Mr. Puneet Varma (Nominee PSIDC)

### **COMPANY SECRETARY**

Mr. Sandeep Kumar

### **AUDITORS**

Jain & Associates

Chartered Accountants

SCO : 819-820, Sector 22-A, Chandigarh

### **BANKERS**

The Jammu & Kashmir Bank Ltd.

Sector 17, Chandigarh

### **REGISTERED OFFICE**

# 245, Sector 15-A,

Chandigarh-160 015

### **WORKS & ADMN. OFFICE**

Village & PO Gholu Majra,

Chandigarh - Ambala Highway

Tehsil : Dera Bassi,

Distt. Mohali (Punjab)

### **CNC MACHINING UNIT**

Village Bhankerpur,

Tehsil : Dera Bassi,

Distt. Mohali (Punjab)

### **REGISTRARS AND TRANSFER AGENTS**

MAS Services Ltd.

T-34, 2nd Floor,

Okhla Industrial Area,

Phase-II,

New Delhi-110020

<i>Particulars</i>	<b>CONTENTS</b>	<i>Page No.</i>
Company Information.....		1
Notice.....		2
Directors' Report .....		5
Corporate Governance Report.....		10
Certificate on Corporate Governance.....		16
Management Discussion & Analysis.....		17
Auditors' Report.....		19
Balance Sheet.....		22
Statement of Profit & Loss.....		23
Cash Flow Statement.....		24
Notes on Financial Statements.....		25
Proxy Form.....		35



## NOTICE

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of Samrat Forgings Limited will be held on Saturday, the 29<sup>th</sup> September, 2012 at 11.00 A.M. at the Registered Office of the Company at # 245, Sector 15-A, Chandigarh- 160 015 to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 and Profit & Loss Account for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Bindu Chowdhary, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Ajay Kumar Arora, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorise the Board of Directors / Audit Committee to fix their remuneration.

M/s Jain & Associates, Chartered Accountants, are the retiring Auditors and being eligible, offer themselves for reappointment.

By order of the Board of Directors  
For Samrat Forgings Limited

Place: Chandigarh  
Dated: 30<sup>th</sup> August 2012

(Sandeep Kumar)  
Company Secretary

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not to be a member of the Company.
2. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting and the proxies shall not have any voting rights except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2012 to 29.09.2012 (both days inclusive) pursuant to the provisions of section 154 of the Companies Act, 1956.
4. Members are requested to bring their copy of Annual Report to the Meeting.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company at least 7 days before the date of the meeting so that information required may be made available at the meeting.
6. Members / proxy holders are requested to produce the attendance slip duly completed and signed, for admission to the meeting hall.
7. Shareholders are requested to immediately intimate the change in address and bank details, if any, to the Company's Registrar and Share Transfer Agent i.e. M/s Mas Services Ltd, at T- 34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi- 110 020 with their Folio number / DP ID / Client ID.
8. All documents referred in the notice are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Annual General Meeting.
9. At the ensuing Annual General Meeting Mrs. Bindu Chowdhary and Mr. Ajay Kumar Arora, Directors of the Company retire by rotation and being eligible, offers themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement the particulars of the above said Directors are given below:

**I. Mrs. Bindu Chowdhary**

Mrs. Bindu Chowdhary is Promoter Director and associated with the Company since 1990. She is present Chairperson of the Company and her services have been very useful for the general affairs of the Company.

Mrs. Bindu Chowdhary is holding 10 Equity Shares as on 31<sup>st</sup> March, 2012.

**Other Directorship:**

Mrs. Bindu Chowdhary was director in following other Companies as on 31.03.2012:

1. Jandwani Poly Products Pvt Ltd
2. Punjab Pre Stressed Concrete Works Pvt Ltd

**II. Mr. Ajay Kumar Arora**

Mr. Ajay Kumar Arora is an Independent Director. He is Bachelor of Law (LLB) from Punjab University and a Fellow Member (FCS) of the Institute of Company Secretaries of India. He is a



practicing Company Secretary for the last 25 years approx. and has rich industrial experience to his credit. He is on the board of directors of the Company as an independent director since 2010 and providing his consultancy / advisory services relating to all secretarial, legal and financial issues.

Mr. Ajay Kumar Arora is not holding any share of the Company as on 31<sup>st</sup> March, 2012

**Other Directorship:**

Mr. Ajay Kumar Arora was director in following other Companies as on 31.03.2012:

1. Kudos Chemie Ltd
2. Devine Impex Ltd
3. Indian Yarn Ltd
4. Innovative Metering Solutions Pvt Ltd
5. Rikken Instrumentation Ltd

By order of the Board of Directors  
For Samrat Forgings Limited

Place: Chandigarh  
Dated: 30<sup>th</sup> August 2012

(Sandeep Kumar)  
Company Secretary

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2012. The financial highlights for the year under review are given below:

### 1. FINANCIAL RESULTS -(Rs. in lacs)

For the year ended	31.03.2012 (Current Year)	31.03.2011 (Previous Year)
Gross Sales including Job Work	7532.15	5,738.84
Less: Excise Duty	636.92	491.72
<b>Net Sales</b>	<b>6895.23</b>	<b>5,247.12</b>
Other Income	21.58	10.59
Profit before Interest, Depreciation & Tax	616.93	586.70
Interest	323.05	245.82
Depreciation	105.62	100.35
<b>Net Profit before Tax</b>	<b>188.26</b>	<b>240.53</b>
Provision for Tax	41.48	76.37
Provision for deferred Tax	34.32	10.22
Profit after tax available for appropriation	112.46	153.94
Transfer to General Reserve	Nil	Nil

### 2. OPERATIONS

Your directors have reasons to be satisfied about the financial and operational performance of the Company as it has continued to surpass all its previous records and has achieved a positive sales growth. Through the constant efforts put by the directors and employees in internal initiatives on production enhancement, cost optimization and a congenial work environment, the Company has registered its record turnover of Rs. 7532.15 Lacs during the year ended on March 31, 2012 as against sales turnover of Rs. 5738.84 Lacs during the corresponding previous financial year, reporting a growth of 31.25%. However, the company could achieve net profit after tax of Rs. 112.46 Lacs as compared to the previous year's figure of Rs. 153.94 Lacs on the back of substantial increase in all inputs i.e. steel, furnace oil, labour / wages, power & electricity expenses etc. Your directors are expecting and putting constant efforts to further improve / increase the production, sales and profitability and post much improved results during the year 2012-13.

### 3. FUTURE OUTLOOK / EXPANSION

The Company is growing at a fast pace and achieving much improved results year by year and resulting to the same, during the year ended March 31, 2012, the company has achieved its record turnover of Rs. 7532.15 Lacs. The Company has installed some new machinery and further expansion is in progress to the capacity to meet with the customers demand. The Company has already started export and more export orders are expected during the current financial year.

The company is regularly conversing with its bankers and other financial institutions to provide financial assistance for the expansion in production facilities and it is expected that with the installation of new machinery and by up gradation of technology, the production level and sales would be further improved during the current year. The company has signed a MOU with Mahindra & Mahindra for supply of machined crankshafts. During the current year, your directors expect to start supply of crankshafts and sales and profitability will get a big boost.

### 4. CAPITAL STRUCTURE

There is no change in the Capital Structure of the Company during the year under review.

### 5. DIVIDEND

Considering the further expansion and up gradation of technology plans of the organization, your

Directors do 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.

#### **6. PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public covered under section 58A of the Companies Act, 1956 nor there were any fixed deposits to be repaid during the financial year under review.

#### **7. DIRECTORS**

During the year under review, Sh. J C Chowdhary, founder and Chairman & Managing Director of the Company left for heavenly abode in May, 2011 resulted an irreparable loss to the Company.

Mr. Ajay Kumar Arora, Mrs. Ritu Joshi and Mr. Ashok Lakhanpal who have been inducted as additional directors of the Company have been regularized as Directors liable to retire by rotation in the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2011.

Pursuant to Section 256 of the Companies Act, 1956 and Articles of Association of the Company Mrs. Bindu Chowdhary and Mr. Ajay Kumar Arora, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The brief resume of the Directors who are to be re-appointed, the nature of their expertise and names of the Companies in which they have held directorship etc are furnished in the notes forming part to the notice of the ensuing Annual General Meeting.

#### **8. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- (ii) That we 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 at the end of financial year and of the profit & loss of the Company for that period.
- (iii) That we have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That accounts have been prepared on going concern basis.

#### **9. AUDITORS**

M/s Jain & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend for their re-appointment.

The Auditor's Report is self-explanatory and does not require any explanation by the Board.

#### **10. ISO / TS CERTIFICATION**

Your Directors are pleased to inform you that the Company continues to be holder of ISO / TS – 16949 : 2002-Markblatt WO Certification from TUV Rheinland. Regular audits are conducted under this Certification.

#### **11. INTERNAL CONTROL SYSTEM**

An optimum internal control system is implemented by the Company which is well commensurate with the size and nature of business of the Company and ensures control over its various functions in its business. The effectiveness of the internal control system has been reviewed by the internal audit process. The main attention of the internal control procedure is on management of business and operational risks, the efficient use and protection of assets and resources of the Company, to protect these against loss from unauthorized use, recording and reporting of all financial transactions to assure reliability & promptness and compliance with all applicable laws.

#### **12. BANKERS**

Your Company is banking with The Jammu & Kashmir Bank Ltd, which has been providing financial assistance to the Company for various purposes. Your directors wish to place on record their heartiest gratitude for their co-operation in all aspects.

#### **13. CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a report on compliances of



Corporate Governance and certificate from Ms. Parul Arora, Company Secretary regarding compliance of conditions of corporate governance is annexed in the Annual Report.

#### **14. MANAGEMENT DISCUSSION AND ANALYSIS**

The detailed report of Management Discussion and Analysis is separately provided in the Annual Report.

#### **15. STATUTORY DUES**

The Company is regular in paying its statutory dues on time like Sales Tax, VAT, Excise Duty, Income Tax, P.F. & E.S.I.

#### **16. SAFETY, POLLUTION & QUALITY CONTROL**

The Company consider its workers and employees the most valuable assets and considering the risk involved in the manufacturing process, optimum safety provisions have been made in all segments of the Company and the same are checked or regular intervals. There were no major accidents in the plant during the year. Further, there are no effluents, which require treatment. Stringent quality control for all products and raw materials has been incorporated and the Company has well equipped laboratory to ensure quality control.

#### **17. INDUSTRIAL RELATIONS**

The Company continued to maintain very healthy, cordial and harmonious industrial relations at all levels and your Directors wish to place their sincere gratitude to the workers and employees at all levels to maintain a gracious working atmosphere and for their hard work, dedication and commitment because of which the Company is continuously maintaining pleasant industrial relations.

There was no conflict between workmen and the management during the year.

#### **18. INVESTORS' RELATIONS**

The Company has always endeavors to give response to shareholders' requests / grievances immediately. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply. The Company has received one grievance from a shareholder and the same has been resolved to the satisfaction of the shareholder during the financial year 2011-12.

#### **19. PARTICULARS OF EMPLOYEES**

In accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, the names and other particulars of employees are set out in Annexure to this Report.

#### **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO**

The information relating to conservation of energy, technology absorption, foreign exchange earning & outgo is given in annexure forming part of this report in accordance with the Companies (Disclosure of the particulars in report of Board of Directors) Rules, 1988.

#### **21. ACKNOWLEDGEMENT**

Your Directors wish to place on record their grateful appreciation for the co-operation from the bankers, financial institutions and various government authorities. The Directors also wish to place there sincere thanks to the shareholders for their continued support and confidence reposed by them in the management of the Company and look forward to their valuable support for the future plans of the Company. Last but not the least, your Directors greatly appreciate the commitment and dedication of the Executives, Staff and Workers of the Company at all levels that has contributed to the growth and success of the Company.

By order and on behalf of the Board

**For Samrat Forgings Limited**

Place: Chandigarh

Dated: 30<sup>th</sup> August, 2012

**(Rakesh M. Kumar)**

**Managing Director**

**(Bindu Chowdhary)**

**Director**

**ANNEXURE TO THE DIRECTORS' REPORT**

Pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended, the names and other particulars of employees are as under:

Sr. No	Name	Age (years)	Designation	Qualification	Date of Joining	Experience (years)	Gross Remuneration (Rs.)	Previous Employment and designation
1.	Sh. Rakesh M. Kumar	46	Managing Director	B. E., MBA	1 <sup>st</sup> June, 1994	18	28,09,360 (Full Year)	Nil
2.	Sh. J.C. Chowdhary	75	Chairman & Managing Director	B.A.	Since Incorporation	43	4,12,850 (Part of Year)	Nil

**INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988.**

**A. CONSERVATION OF ENERGY**

**a) Energy Conservation Measures:**

The management of the Company is always conscious about the energy conservation and different efforts have been made to conserve and optimize the use of energy to improve efficiency and reduce wastage. Energy generating and energy consuming equipments are closely monitored for optimum performance.

**b) Total energy consumption and energy consumption per unit of production.**

As per Form 'A' given hereunder:

**FORM 'A'**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION  
(TO THE EXTENT APPLICABLE)**

			Current Year	Previous Year
1	Electricity			
	Power & Fuel consumption			
	a. Purchase	Unit Lacs	40.97	38.18
	Total Amount	Rs. in lacs	257.99	208.43
	Average Cost per unit	Rs.	6.30	5.46
	b. Own Generation	Unit Lacs	6.16	6.88
	(Through diesel generation)			
	Unit per Ltr. of Diesel	Units	3.31	3.20
	Cost per Unit	Rs.	11.96	11.18
2	Furnace Oil / R.F.O./L.D.O.			
	Quantity	KL	1,529	1,395
	Amount	Rs. in lacs	592.66	402.67
	Average Rates per Ltr.	Rs.	38.76	28.87
3	Consumption per unit of prod.			
	1. Electricity Purchased	Units	510.24	534.24
	2. Electricity Generated	Units	76.71	96.28
	3. Furnace Oil/ R.F.O./L.D.O.	Ltrs.	190.40	195.20
	4. Production	MT	8,280	7,019
B.	Technology Absorption FORM-B	Nil	Nil	Nil
C.	Foreign Exchange Earnings & outgo			
	(i) Earnings	Rs. in lacs	10.37	86.82
	(ii) Outgo-Foreign Travel	Rs. in lacs	1.56	--
	-Imported Machinery	Rs. in lacs	169.57	48.47
	-Stores & Spares	Rs. in lacs	6.75	3.58

## **CORPORATE GOVERNANCE REPORT**

### **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.

In accordance with clause 49 of the Listing Agreement with the Stock Exchange, the details of compliance by the Company are as under:

### **BOARD OF DIRECTORS**

#### **(a) Composition of the Board**

The Board is having an appropriate composition of Executive and Non- Executive Directors conforming to the specifications provided in the Listing Agreement. There are seven Directors on the Board out of which four are Independent Directors, including one nominee Director. The Chairperson of the Company is a Non Executive Promoter Director and including her there are three promoter directors, one of whom is a whole time 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.

There is no change in the composition of the Board since last annual general meeting of the Company.

None of the Directors on the Board hold Directorship in more than fifteen Companies and no Director is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he/ she is a Director.

#### **(b) Board Meetings**

Six Board meetings of the Company were held during the year 2011-12 on following dates:

I. 14.05.2011, II. 25.05.2011, III. 13.08.2011, IV. 29.08.2011, V. 12.11.2011 and VI. 14.02.2012

The meetings of the Board have been held on regular intervals which are also attended by the core management team as a matter of practice and to receive valuable advice, guidance and direction from the Non-Executive Directors present in the meetings. Different corporate operations are elaborately reviewed in the context of Board's approved business plans.

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

The details of attendance of the Directors at the Board Meetings during the year and the last Annual General Meeting held on 30<sup>th</sup> September, 2011 and also the number of other Directorship and committee Membership / Chairmanship is as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	No. of Board Committees		Date of Appointment /Resignation
					Chairman	Member	
Sh. J C Chowdhary	Chairman & Managing Director (Promoter & Executive)	1	No	-	-	-	Expired on 21.05.2011
Mr. Rakesh M. Kumar	Managing Director (Promoter & Executive)	6	Yes	7	Nil	2	01.06.1994
Mrs. Bindu Chowdhary	Promoter Director and Chairperson (Non Executive)	6	Yes	2	Nil	1	25.04.1990
Mr. Ajay Kapoor	Independent Director (Non Executive)	6	Yes	1	3	3	30.01.2007
Mr. Puneet Verma	Independent Director (Non Executive Nominee Director)	Nil	No	-	-	-	28.07.1997
Mr. Ajay Kumar Arora	Independent Director (Non Executive)	6	Yes	5	-	4	13.11.2010
Mrs. Ritu Joshi	Promoter Director (Non Executive)	5	Yes	6	-	-	25.05.2011
Mr. Ashok Lakhanpal	Independent Director (Non Executive)	4	No	Nil	Nil	1	13.08.2011

No extra ordinary general meeting has been held during the year ended 31<sup>st</sup> March, 2012.

## COMMITTEES OF THE BOARD

### (A) AUDIT COMMITTEE

The Company has an Audit Committee comprising of 1 (one) executive and 2 (two) non-executive independent directors. The role and powers of the Audit Committee as stipulated by the Board are in accordance with the items listed in Clause 49(II)(C) & (D) of the Listing Agreement and as per section 292A of the Companies Act, 1956.

During the year under review Mr. Rohit Gupta resigned from the directorship w.e.f. 29.04.2011 and Sh. J C Chowdhary expired on 21<sup>st</sup> May, 2011. Mr. Ajay Kumar Arora and Mr. Rakesh M. Kumar were appointed as members of the Audit Committee to complete the constitution of the Committee as per the Listing Agreement with the Stock Exchange. During the financial year 2011-12 under review, five Audit Committee meetings were held on the following dates:

I. 14.05.2011, II. 13.08.2011, III. 29.08.2011, IV. 12.11.2011 and V. 14.02.2012.

The composition and other details of the audit committee as on 31.03.2012 are as under:

Name of the Member Director	Designation	Nature of Directorship	No. of Meetings Attended
Mr. Ajay Kapoor	Chairman	Independent Director	5
Mr. Rakesh M. Kumar	Member	Managing Director (WTD)	5
Mr. Ajay Kumar Arora	Member	Independent Director	4

#### (B) REMUNERATION COMMITTEE

The Board has set up a Remuneration Committee to review, assess and recommend to the Board compensation package for the Whole Time Director(s) from time to time.

During the year under review Mr. Rohit Gupta resigned from the directorship of the Company w.e.f. 29.04.2011 and vacated the membership of Remuneration Committee and to complete the composition, Mr. Ajay Kumar Arora was appointed as a member of the Remuneration Committee w.e.f. 14.05.2011. Thereafter, Mr. Ashok Lakhanpal was appointed as member of the Remuneration Committee and Mrs. Bindu Chowdhary resigned from the membership of the Remuneration Committee w.e.f. 13.08.2011.

The composition and other detail of the Remuneration Committee as on 31.03.2012 is as follows:

Name of the Member Director	Designation	Nature of Directorship
Mr. Ajay Kapoor	Chairman	Independent Director
Mr. Ajay Kumar Arora	Member	Independent Director
Mr. Ashok Lakhanpal	Member	Independent Director

During the year under review, one meeting of the Remuneration Committee was held on 29.08.2011 to review and recommend to the Board, increase in remuneration of the Executive Director.

Detail of remuneration to Executive Directors and sitting fees paid to Non-Executive Directors during the year ended 31<sup>st</sup> March, 2012 is given below:

Name of the Director	Salary	Perquisites	Meeting Fee	Total
Mr. J C Chowdhary	4.11	0.02	-	4.13
Mr. Rakesh M Kumar	28.00	0.09	-	28.09
Mrs. Bindu Chowdhary	-	-	0.48	0.48
Mr. Ajay Kapoor	-	-	0.63	0.63
Mr. Ajay K Arora	-	-	0.58	0.58
Mrs. Ritu Joshi	-	-	0.30	0.30
Mr. Ashok Lakhanpal	-	-	0.25	0.25

(Rs. in lacs)

#### (C) INVESTORS' RELATIONS / SHARE TRANSFER COMMITTEE

The Company has an Investors' Relation / Share Transfer Committee, to consider share transfer and Investor grievances matters. During the year under review 2011-12, Sh. J C Chowdhary, member of the committee passed away and to complete the constitution of the Committee Mrs. Bindu Chowdhary was appointed as member of the Committee w.e.f. 25.05.2011. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. One meeting of the Committee was held during the year as on 16.08.2011.



The composition and other detail of the Share Transfer Committee as on 31.03.2012 is as follows:

Name of the Member Director	Designation	Nature of Directorship
Mr. Ajay Kapoor	Chairman	Independent Director
Mr. Rakesh M. Kumar	Member	Managing Director (WTD)
Mrs. Bindu Chowdhary	Member	Non Executive Promoter Director

#### Reconciliation of Share Capital Audit

Ms Parul Arora, Practicing Company Secretary has been appointed by the Company to conduct the Reconciliation of Share Capital Audit as per the requirements of SEBI guidelines. The auditor conducts Audit on quarterly basis. The Reconciliation of Share Capital Audit Reports received from the Secretarial Auditor have been submitted to the Stock Exchange within the stipulated period, interalia certifies that the equity shares of the Company conform with the issued and paid up equity share capital of the Company.

#### Details of General Meetings

Details of the General Body Meetings of the Company during last three years are given below:

Financial Year	Category	Date	Time	Venue	No. of special Resolutions passed
2009-10	28 <sup>th</sup> AGM	30 <sup>th</sup> Sept., 2009	11.00 AM	#245, Sector 15-A, Chandigarh	2
2010-11	29 <sup>th</sup> AGM	25 <sup>th</sup> Sept., 2010	11.00 AM	#245, Sector 15-A, Chandigarh	Nil
2011-12	30 <sup>th</sup> AGM	30 <sup>th</sup> Sept., 2011	11.00 AM	#245, Sector 15-A, Chandigarh	1

Pursuant to the provisions of Section 192A of the Companies Act, 1956 there was no matter required to be dealt with by the Company to be passed through postal Ballot.

#### DISCLOSURES

- a) **Disclosure on materially significant related party transactions i.e. transaction of the Company of material nature with the Promoters, the Directors or the Manager, their subsidiaries or relatives etc. which may have potential conflict with the interest of the Company:**

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

- b) **Details of non-compliance by the Company, penalties imposed and strictures passed on the Company by Stock Exchange or SEBI, or any other statutory authority, on any matter related to capital markets, during the last three years.**

No such action has been taken against the Company by any regulatory authorities relating to capital markets during the last three years.

#### Means of Communication

The Company regularly intimates its quarterly; half yearly and annual financial results to the Stock Exchange immediately after these are taken on record by the Board and published in the leading newspapers namely, Economic Times in English and Business Standard in Hindi, in accordance with the requirement of the listing agreement.

#### Management Discussion and Analysis Reports

A detailed report on Management Discussion and Analysis Report forms part of this report.

## GENERAL SHAREHOLDER INFORMATION

1. 31<sup>st</sup> Annual General Meeting Date : 29<sup>th</sup> September, 2012  
 Venue : # 245, sector 15-A, Chandigarh-160015  
 Time : 11:00 AM
2. Financial Calendar (tentative)  
 Financial Reporting for  
 Quarter ended on 30<sup>th</sup> June, 2012 : 2<sup>nd</sup> week of August, 2012  
 Quarter ended on 30<sup>th</sup> Sept, 2012 : 1<sup>st</sup> / 2<sup>nd</sup> week of Nov, 2012  
 Quarter ended on 31<sup>st</sup> Dec, 2012 : 1<sup>st</sup> / 2<sup>nd</sup> week of Feb, 2013  
 Year ended on 31<sup>st</sup> March, 2013 : May, 2013
3. Book Closure : 26<sup>th</sup> Sept., 2012 to 29<sup>th</sup> Sept., 2012  
 (Both days inclusive)
4. Dividend Payment : Not declared
5. Listing on Stock Exchanges : Ludhiana Stock Exchange (LSE)  
 Listing fee for the year 2012-13 has been paid.
6. Stock Market Data : Not available, as the shares were not quoted.
7. Corporate Identification Number : L28910CH1981PLC004522
8. Registrars and Transfer Agents : M/s MAS Services Ltd.  
 T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
 Phase – II, New Delhi-110 020  
 Tel.: 011-26387281, 282, 283  
 E-Mail: info@masserv.com

### 9. Dematerialisation of Shares

The shares of the Company can be dematerialised with Central Depository Services (India) Ltd (CDSL) and the Company has also applied to National Securities Depository Limited (NSDL) for availing Demat facility, which is in process. 57.74% of the Company's paid-up equity share capital has been dematerialised as on 31<sup>st</sup> March, 2012. The ISIN No. 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 entertain any such requests directly from Shareholders.

### 10. Transfer System for physical shares

The Share Transfer / Investors Relation Committee approve the transfer and transmission, issue of duplicate share certificates and related matters. Share Transfer requests received are processed within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. No shares were pending for transfer as on 31<sup>st</sup> march, 2012.

11. M/s Mas Services Ltd, Registrar and Transfer Agents of the Company have adequate infrastructure to carry out the share transfer, transmission or other related work. The Share Transfer request & other communication regarding Share Certificates, change of Address etc. may please be addressed to Registrar and Transfer Agents of the Company.

### 12. Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2012 is as under:

Category	Number of shares held	Face value of share (Rs.)	% age of holding
Promoters / Associates	2783971	10.00	55.68
Financial Institutions / Banks	165000	10.00	3.30
Public -Bodies Corporate	1552250	10.00	31.04
Public –Others	498779	10.00	9.98
<b>Total</b>	<b>5000000</b>		<b>100.00</b>



13. Distribution of Shareholding as on 31<sup>st</sup> March, 2012 is as under:

Shareholding of nominal value of Rs.	Number of share holders	% age of total	Number of shares	Amount in Rs.	% age to total
Upto --- 5,000	731	95.93	82470	824700	1.65
5,001 --- 10,000	9	1.18	7100	71000	0.14
10,001 --- 20,000	5	0.66	7000	70000	0.14
20,001 --- 30,000	0	0.00	0	0	0.00
30,001 --- 40,000	3	0.39	11700	117000	0.24
40,001 --- 50,000	0	0.00	0	0	0.00
50,001 --- 1,00,000	0	0.00	0	0	0.00
1,00,001 & above	14	1.84	4891730	48917300	97.83
<b>Total</b>	<b>762</b>	<b>100.00</b>	<b>5000000</b>	<b>50000000</b>	<b>100.00</b>

14. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the year under review.
15. **Plant Location:** Forgings Division: Village Gholu Majra, Tehsil Derabassi, Distt. Mohali (Punjab).  
CNC Machining Division: Village Bhankerpur, Tehsil Derabassi, Distt. Mohali (Punjab).
16. Investor queries etc. with respect to the financial statements and secretarial matters may be addressed to the registered address of the Company at # 245, Sector 15-A, Chandigarh-160 015.
17. Website Address: [www.samratforgings.com](http://www.samratforgings.com)  
Email: [samratforge@sify.com](mailto:samratforge@sify.com)

On behalf of Board of Directors  
For Samrat Forgings Limited

Place : Chandigarh  
Dated : 30.08.2012

(RAKESH M. KUMAR)  
Managing Director

(BINDU CHOWDHARY)  
Director



## **CERTIFICATE ON CORPORATE GOVERNANCE**

The Board of Directors  
M/s Samrat Forgings Limited  
Chandigarh

We have examined the compliance of conditions of Corporate Governance by M/s Samrat Forgings Limited for the year ended 31<sup>st</sup> March, 2012 as stipulated in clause 49 of Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned clause 49 of the Listing Agreement.

Based on records maintained and certified by the Company, there are no investor's grievances pending against the Company for the period exceeding one month as at 31<sup>st</sup> March, 2012.

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

Place : Chandigarh  
Dated : 30.08.2012

**PARUL ARORA**  
Company Secretary  
FCS 6902

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **INDIAN FORGINGS INDUSTRY – AN OVERVIEW**

The Indian Forging Industry is now emerged as a major contributor and an integral part of manufacturing sector of Indian Economy. The Forging Industry is correlated with automotive sector and consequent to the demand of wide range of products in automotive sector, companies in Forging Industry are working positively to capitalize the same. Indian Forgings industry is quite hopeful to grow further and grow well in the immediate future

### **A. COMPANY UPDATE**

Samrat Forgings Limited (SFL) is a Company engaged in manufacturing of Forgings for Tractors & Heavy Vehicles besides Earth Moving & Construction Equipments, Railways & Defense. The Company has achieved its record sales during the year under review. The Overall Sales of the Company has been increasing constantly except for one year during last eight years.

### **B. FINANCIAL AND OPERATIONAL PERFORMANCE**

With the constant efforts and devotion of its management and workers, the Company has achieved its highest ever sales turnover of Rs. 7532 Lacs (including excise) as compared to last year's figure of Rs. 5739 Lacs, recording a growth of 31.25% over the previous financial year. However, the company could achieve net profit after tax of Rs. 112.46 Lacs as compared to the previous year's figure of Rs. 153.94 Lacs on the back of increase in cost of all inputs and overheads like power and furnace oil that were not absorbed by the customers during the year. Your directors are expecting and putting constant efforts to further improve / increase the production and sales and achieve higher profitability in the coming years.

### **C. INTERNAL CONTROL SYSTEM & ADEQUACY**

The Company maintains a system of well-established policies and procedures for internal control of all segments commensurate to the size and nature of business operations of the Company. The Company has reviewed internal controls and its effectiveness through the internal audit process. 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.

All departments of the Company are adequately staffed with professionally qualified and experienced personnel and they support the internal control system by suggesting the improvements to the management regularly. The financial information is compiled periodically and reviewed by the management from time to time. The reporting and monitoring system is elaborate and the management reviews the same on regular basis. Internal audits have been conducted on regular basis to test the adequacy and effectiveness of the internal control system laid down by the management and to suggest improvements.

### **D. HUMAN RESOURCES**

The Company believes that its human assets which converts the planning in to execution and generate results. Hence, the Company always endeavor and attentive on having qualified and talented employees in all divisions. Company believes that human resource management is a key area to be focused and constant efforts have been done to develop the internal potential of employees from the present level to the desired level, to sustain



the growth of the Company. 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.

#### **E. INDUSTRY FUTURE & COMPANY RESPONSE**

The Forging Industry is contingent with the growth in automobile industry. The liberalization of automobile industry has resulted in greater opportunities and greater demand potential for the future of Forging Industry. As the automobile sector is improving, consequently there is growth reported in Forging Industry as well and keeping in view the growth and taking it as a positive indicator the Company's response has been timely and it has taken appropriate steps to broad base its product portfolio with the addition of latest machinery in its manufacturing range and further machinery is proposed & planned to be installed in the forging as well as machining unit of the Company.

#### **F. BUSINESS THREATS, RISK & CONCERNS**

Forging Industry is reliant with the development of automobile industry. In the highly competitive era and due to uncertainties in the prices of steel, being the raw material for production, it's very difficult and challenging to make accurate projections and sustain the operating results. Companies in forging industry are operating under highly competitive market scenario, forcing to offer better quality products at lower prices. Considering these factors, the Company constantly evaluates cost factors; marketing and environmental trends for evolving appropriate strategies and implementing effective and timely counter measures. Necessary initiatives and steps towards value engineering, products up gradation are taken by the Company.

#### **G. CAUTIONARY STATEMENT**

This report may contain statements describing Company's objectives, projections, estimates and expectations etc which the Company believes are or may be considered to be "forward looking statements" within the meaning of applicable laws and regulations, which are subject to certain risks and uncertainties and may be amended or modified in the future, on the basis of subsequent developments, information or events. The actual results might differ materially from those expressed or implied in the statements depending on the circumstances that are beyond the control of the Company. 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.

On behalf of Board of Directors  
For Samrat Forgings Limited

Place : Chandigarh  
Dated : 30.08.2012

(Rakesh M. Kumar)  
Managing Director



## AUDITORS' REPORT TO THE MEMBERS

The Members,  
M/s Samrat Forgings Limited  
Chandigarh

We have audited the attached Balance Sheet of M/s Samrat Forgings Limited as at 31<sup>st</sup> March, 2012 and the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A. As required by Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.

B. Subject to our comments in paragraph A above, we report that:-

- a) We have 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 accounts as required by the law have been kept by the company so far as it appears from our examination of these books;
- c) The Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in compliance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
- e) Based on the representations received from the Directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors we report that none of the directors is disqualified from being appointed as a director in terms of Section 274(1)(g) of Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-

- i. In the case of Balance Sheet, of the state of the Company's affairs as at 31<sup>st</sup> March 2012; and
- ii. In the case of statement of Profit and Loss, of the Profit for the year ended on that date.
- iii. In case of Cash Flow Statement, the cash flow for the year ended on that date.

FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 01361N

PLACE : CHANDIGARH  
DATED : 30-08-2012

( R.K.GULATI )  
PARTNER  
M.No. 11999



## ANNEXURE TO THE AUDITORS' REPORT

### I. In respect of its fixed assets:

The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

According to the information and explanations given to us, the company has a system of physical verification of all its fixed assets once in a year. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No material discrepancies have been noticed in respect of assets physically verified.

During the year, Company has not disposed of any substantial / major part of fixed assets.

### II. In respect of its inventories:-

The inventory was physically verified during the year by the management. In our opinion, frequency of verification is reasonable.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

- III. a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly clause III(b)(c)(d) of the order are not applicable to the company.
- e) According to the information and explanations given to us, the company has taken unsecured loans from two parties amounting to Rs. 45.20 lacs from Companies and other parties covered in the register maintained under section 301 of the Companies Act 1956.
- f) According to the information and explanations given to us, the loan taken is unsecured and in our opinion, the terms and conditions of loans taken, are not prima facie prejudicial to the interests of the company.
- g) As per the information and explanation given to us, regarding repayment of principal and interest amount no terms and conditions have been specified.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During our examination we have not come across with any major weaknesses in internal control system.
- V. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956.
- To the best of our knowledge and belief and according to the information and explanation given to us, there are no transactions that needed to be entered into the register maintained in pursuance of section 301 of the Companies Act 1956.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public which are covered u/s 58A and 58AA of the Companies Act 1956 and the rules framed there under and the directives issued by the Reserve Bank of India, with regard to the deposits accepted from the public.



- VII. In our opinion, the Company has internal audit system which commensurate with the size and nature of its business.
- VIII. The Central Government has prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the Company. In our opinion the Company has made and maintained such records.
- IX. According to the information and explanations given to us in respect of Statutory and other dues:
  - a) The company is depositing undisputed statutory dues, including Provident Fund, Investors Education & Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
  - b) As per the information and explanations given to us, no disputed amounts payable in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess were outstanding as on 31-03-2012 *except Rs. 23.90 lacs on account of damages against which appeal is pending before ESI Court and Rs. 6.91 lacs of Excise Duty demand against which appeals are pending before Central Excise Appellate Tribunal.*
- X. The Company has no accumulated losses at the end of the year and it has not incurred cash losses during the year or in the immediately preceding financial year.
- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and banks.
- XII. According to the information and explanations, given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company is not a chit fund company, Nidhi or mutual benefit fund / society.
- XIV. The company is not dealing or trading in shares, securities, debentures and other investments.
- XV. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. To the best of our knowledge and belief the term loans availed by the company during the year have been utilized for the purpose for which it was obtained.
- XVII. According to the records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- XIX. The company has not issued any debentures.
- XX. The Company has not raised monies by public issues during the year.
- XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 01361N

PLACE : CHANDIGARH  
DATED : 30-08-2012

( R.K.GULATI )  
PARTNER  
M.No. 11999



## BALANCE SHEET AS AT 31st MARCH-2012

S No.	Particulars	NOTES	CURRENT YEAR Amount in Rs.	PREVIOUS YEAR Amount in Rs.
<b>I. EQUITY AND LIABILITIES</b>				
(1)	Shareholders' funds	1	50066125	50066125
	(a) Share Capital	2	70603274	59310231
	(b) Reserves & Surplus			
(2)	Non- current liabilities	3	74577968	25661531
	(a) Long-term borrowings	4	14729842	11297650
	(b) Deferred tax liabilities	5	22196258	186116
	(d) Other long term liabilities	6	3953731	3657252
	(c) Long- term provisions			
(3)	Current Liabilities	7	122815996	123781695
	(a) Short term borrowings	8	151518464	141790671
	(b) Trade Payables	9	51298112	30705952
	(c) Other current liabilities	10	3845843	6999766
	(d) Short term provisions			
<b>TOTAL</b>			<b>565605612</b>	<b>453456989</b>
<b>II. ASSETS</b>				
(1)	Non-Current assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	228356594	191613676
	Gross Block		93089952	82527876
	Less: Depreciation		135266641	109085800
	Net Block		39817611	-
	(ii) Capital Work in Progress	12	17779531	2295844
	(b) Long Term Loans & Advances			
(2)	Current assets	13	240847628	212820931
	(a) Inventories	14	110694456	112055674
	(b) Trade receivables	15	6675049	3159172
	(c) Cash & cash equivalents	16	14524696	14039568
	(d) Short Term Loans & Advances			
<b>TOTAL</b>			<b>565605612</b>	<b>453456989</b>

Significant Accounting Policies & Explanatory Notes from 1 to 34 are integral part of the Financial Statements.

(A P S GROVER)  
GM-Finance

(SANDEEP KUMAR)  
Company Secretary

(RAKESH M. KUMAR)  
Managing Director

(BINDU CHOWDHARY)  
Director

AUDITORS' REPORT  
As per our separate report of even date.  
for JAIN & ASSOCIATES  
Firm Regn. No. 01361 N  
CHARTERED ACCOUNTANTS

PLACE : CHANDIGARH  
DATE: 30-08-2012

( R.K. GULATI )  
PARTNER  
M No. 011999





# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

S No.	Particulars	NOTES	CURRENT YEAR	PREVIOUS YEAR
			Amount in Rs.	Amount in Rs.
I.	Revenue from operations	17	689522287	524711706
II.	Other Income	18	2157624	1058993
III.	Total Revenue (I + II)	<b>TOTAL</b>	<b>691679911</b>	<b>525770699</b>
IV.	Expenses:			
	Cost of materials consumed	19	407261407	290273219
	Change in F.G, WIP, and Stock-in-Trade	20	-4880258	-14303833
	Employee benefit expense	21	63437703	54111273
	Finance costs	22	32305363	24581980
	Depreciation and amortization expense	23	10562077	10034742
	Other expenses	24	164167859	137019861
	Total expenses	<b>TOTAL</b>	<b>672854151</b>	<b>501717242</b>
V.	Profit before tax (III - IV)		<b>18825760</b>	<b>24053457</b>
VI.	Tax expense:			
	(1) Current tax		3845843	6999766
	(2) Deferred tax		3432192	1022128
	Income tax of last years		302181	637559
	Profit (Loss) for the period from continuing operations		<b>11245544</b>	<b>15394004</b>
	Earnings per equity share:			
	(1) Basic		2.25	3.08
	(2) Diluted		2.25	3.08
	Nominal Value of each share		10.00	10.00

Significant Accounting Policies & Explanatory Notes from 1 to 34 are integral part of the Financial Statements.

(A P S GROVER)  
GM-Finance

(SANDEEP KUMAR)  
Company Secretary

(RAKESH M. KUMAR)  
Managing Director

(BINDU CHOWDHARY)  
Director

## AUDITORS REPORT

As per our separate report of even date.  
for JAIN & ASSOCIATES  
Firm Regn. No. 01361 N  
CHARTERED ACCOUNTANTS

PLACE : CHANDIGARH  
DATE: 30-08-2012

( R.K. GULATI )  
PARTNER  
M No. 011999

**CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH, 2012**

(Amount in Rs.)

	2011-12	2010-11		
<b>A Cash Flow from operating Activities</b>				
Net profit before taxation	188.26	240.53		
Adjustment for:				
Depreciation	105.62	100.35		
Capital enhancement expenditure written off	0.47	0.82		
Interest paid on Term Loans	116.53	85.54		
Interest Received	-7.66	-4.49		
Provision for Gratuity & Leave Encashment	11.72	3.37		
<b>Operating profit before working capital changes</b>	<b>414.95</b>	<b>426.12</b>		
Adjustment for:				
Trade and other receivables	8.76	-441.70		
Inventories	-280.27	-355.05		
Sundry Creditors & Other payables	370.54	448.65		
Working capital limits	138.85	82.68		
<b>Cash generated from operations</b>	<b>652.83</b>	<b>160.70</b>		
Direct Taxes / Fringe benefit Tax	-73.02	-34.66		
Gratuity Paid	-8.76			
<b>Net cash operating activities</b>	<b>571.06</b>	<b>571.06</b>	<b>126.04</b>	<b>126.04</b>
<b>B Cash flow from investing activities</b>				
Purchase of fixed assets	-765.61	-123.11		
Loans & Advances	-154.84	-23.72		
<b>Net Cash Flow from Investing Activities</b>	<b>-920.44</b>	<b>-920.44</b>	<b>-146.83</b>	<b>-146.83</b>
<b>C Cash flow from financing activities</b>				
Net receipt of long term borrowings	489.16	109.61		
Proceeds from unsecured loans	0.00	-20.80		
Interest on Term Loans	-112.28	-85.29		
Interest Received on FDR	7.66	4.49		
<b>Net cash from financing activities</b>	<b>384.54</b>	<b>384.54</b>	<b>8.02</b>	<b>8.02</b>
<b>Net increase in cash &amp; cash equivalents</b>		<b>35.16</b>		<b>-12.77</b>
<b>Cash &amp; cash Equivalents as at 31.03.2011</b>	<b>31.59</b>		<b>44.36</b>	
<b>Cash &amp; cash Equivalents as at 31.03.2012</b>	<b>66.75</b>	<b>35.16</b>	<b>31.59</b>	<b>-12.77</b>

(A P S GROVER)  
GM-Finance(SANDEEP KUMAR)  
Company Secretary(RAKESH M. KUMAR)  
Managing Director(BINDU CHOWDHARY)  
Director**AUDITORS' REPORT**

We have checked the above cash flow statement of Samrat Forgings Limited derived from audited financial statements for the year ended 31st March, 2012, with the books and records maintained in the ordinary course of business and found the same in accordance therewith.

For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 01361N

PLACE : CHANDIGARH  
DATED: 30-08-2012

(R. K. GULATI)  
PARTNER  
M. No. 11999



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012

NOTE	1 SHARE CAPITAL	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
1. A)	<b>AUTHORISED</b> 10000000 Equity shares of Rs. 10/- each	100000000	100000000
	<b>B) ISSUED :</b> 5026200 Equity Shares of Rs. 10/- each	50262000	50262000
	<b>C) ISSUED SUBSCRIBED &amp; PAID UP</b> 5000000 Equity Shares of Rs. 10/- each fully called up and paid up.	50000000	50000000
	<b>D) Forfeited Equity Shares</b> 26,200 Equity Shares of Rs. 10/- each forfeited	66125	66125
	<b>TOTAL</b>	<b>50066125</b>	<b>50066125</b>

## 2. Right of Shareholders

- A) Each Shareholder is entitled to one vote per share.  
 B) Each Shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding.  
 C) 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.

## 3. SHAREHOLDERS HOLDING MORE THAN 5% SHARES

	No. of Shares held	No. of Shares held
A) Jandwani Poly Products Pvt Ltd	1361200	1361200
B) Natrajan Investments & Finance Pvt Ltd	820000	820000
C) Jay Dee Holdings Pvt Ltd	280000	280000
D) Rajasthan Global Securities Ltd.	612000	747900
E) Smridhi Farms Pvt Ltd	-	568000
F) Kinsfolk Industries Pvt Ltd	500000	-
E) Consolidated Securities Ltd	370600	-

NOTE	2 RESERVES & SURPLUS	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
1.	<b>Capital Reserve</b> State Capital Subsidy	1500000	1500000
2.	<b>Profit &amp; Loss Account</b> As per last Balance Sheet Trfd. From Profit & Loss Account	57857729 11245544	42463725 15394004
3.	<b>Miscellaneous Expenditure</b> Capital Enhancement Expenses	-	-47498
	<b>TOTAL</b>	<b>70603274</b>	<b>59310231</b>



NOTE	3 LONG-TERM BORROWINGS	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
1.	<b>SECURED LOANS:</b>		
	A) <b>TERM LOANS FROM BANKS</b>	13989280	11073654
	(Secured against Hypothecation of respective vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)		
	B) <b>OTHER LOANS &amp; ADVANCES</b>		
	From Non-Banking Financial Companies	22722581	8517753
	(Secured against hypothecation of respective machinery under hire-purchase agreement & personal guarantee of directors)		
2.	<b>UNSECURED LOANS:</b>		
	A) <b>LOANS &amp; ADVANCES FROM BANKS</b>	23257156	-
	(Against personal guarantee of directors)		
	B) <b>LOANS &amp; ADVANCES FROM OTHERS</b>		
	(a) Against personal guarantee of directors	10089688	2453017
	C) <b>LOAN FROM DIRECTORS</b>	4519263	3617107
	<b>TOTAL</b>	<b>74577968</b>	<b>25661531</b>

3.	Repayment of loans	1-2 years	Rs. In Lacs	
			3-4 years	After 4 years
	<b>SECURED LOANS:</b>			
	A) Term Loans from Banks	156.15	19.75	87.52
	B) Others Loans & Advances	94.90	61.42	199.75
	<b>UNSECURED LOANS:</b>			
	A) Loans & Advances from Banks	-	45.38	247.05
	B) Loans & Advances from Others	10.22	106.88	26.20
	C) Loans from Directors	-	-	45.19

Loans are repayable in monthly instalments.

NOTE	4 DEFERRED TAX LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
1.	Deferred Tax Assets due to disallowances u/s.43B	902523	1130091
2.	Deferred Tax Liability due to depreciation	15632365	12427741
	<b>Net Deferred Tax Liability</b>	<b>14729842</b>	<b>11297650</b>
	Last Year Balance in Deferred Tax Liability	11297650	10275522
	<b>Charged through P&amp;L Account</b>	<b>3432192</b>	<b>1022128</b>

These Calculations are in accordance with Accounting Standard 22 "Accounting For Taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India and these are based on Income tax returns and the books of accounts of the company.

NOTE	5 OTHER CURRENT LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
1.	Creditors for Capital Items	22196258	186116
	<b>TOTAL</b>	<b>22196258</b>	<b>186116</b>

NOTE	6 LONG-TERM PROVISIONS	CURRENT YEAR	PREVIOUS YEAR
1.	<b>PROVISION FOR EMPLOYEES' BENEFITS</b>		
	Provision for Gratuity & Leave Encashment	3953731	3657252
	<b>TOTAL</b>	<b>3953731</b>	<b>3657252</b>



NOTE	7 SHORT TERM BORROWINGS	CURRENT YEAR	PREVIOUS YEAR
1.	<b>SECURED LOANS:</b>		
	A) <b>LOANS &amp; ADVANCES FROM BANKS</b>		
	J & K Bank (C/C) (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 Promoters / Directors of the Company.)	121562852	107677908
	Term Loan HDFC Bank (Secured against Fork Lift)	63880	-
	B) <b>LOANS &amp; ADVANCES FROM OTHERS</b> FROM NON-BANKING FINANCIAL COMPANIES (Secured against hypothecation of respective machinery under hire-purchase agreement & personal guarantee of directors)	-	2025015
2.	<b>UNSECURED LOANS:</b>		
	A) <b>LOANS &amp; ADVANCES FROM BANKS</b> (Against personal guarantee of directors)	-	10946610
	B) <b>LOANS &amp; ADVANCES FROM OTHERS</b> (a) Against personal guarantee of directors	1189264	3132162
	<b>TOTAL</b>	<b>122815996</b>	<b>123781695</b>

NOTE	8 TRADE PAYABLES	CURRENT YEAR	PREVIOUS YEAR
			Amount in Rs.
1.	Sundry Creditors:		
	A) Total outstanding dues of Micro & Small Scale Industrial Enterprises	-	-
	B) Total outstanding dues of Creditors other than Micro & Small Scale Industrial Enterprises	151518464	141790671
	<b>TOTAL</b>	<b>151518464</b>	<b>141790671</b>

NOTE	9 OTHER CURRENT LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
1.	Current Maturities of Long term Borrowings		
	A) Secured Borrowings	25237859	11373012
	B) Unsecured Borrowings	10467731	2780734
2.	Statutory Liabilities	2510303	2911522
3.	Expenses Payable	9527956	9252056
4.	Advances from Customers	2688830	3821017
5.	Directors Remuneration Payable	169220	296440
6.	Interest Accrued but not due on loans	696213	271171
	<b>TOTAL</b>	<b>51298112</b>	<b>30705952</b>

Expenses Payable includes Board Meeting fees paid to directors amounting to Rs. 1.18 lacs ( Rs. 0.74 lacs).

NOTE	10 SHORT TERM PROVISIONS	CURRENT YEAR	PREVIOUS YEAR
1.	<b>OTHERS</b>		
	Income Tax Provision	3845843	6999766
	<b>TOTAL</b>	<b>3845843</b>	<b>6999766</b>

## NOTE 11 FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2012

PARTICULARS	RATE %age	ORIGINAL COST AS ON 01.04.2011	ADD DUR. THE YEAR	SALE/ TRANSFER	TOTAL COST AS ON 31.03.2012	DEP UPTO 31.03.2011	DEPRECIATION DURING THE YEAR	DEPRECIATION WRITTEN BACK	TOTAL DEP.	W.D.V. AS ON 31.03.2012	W.D.V. AS ON 31.03.2011
LAND		441,426	-	-	441,426	-	-	-	-	441,426	441,426
FACTORY BUILDING	3.34%	17,398,739	-	-	17,398,739	9,881,024	581,118	-	10,462,142	6,936,597	7,517,714
ADMINISTRATIVE BUILDING	1.63%	6,589,431	-	-	6,589,431	822,346	107,408	-	929,754	5,659,677	5,767,085
PLANT & MACHINERY		146,197,714	35,748,057	-	181,945,771	63,048,119	7,977,923	-	71,026,043	110,919,729	83,149,595
FURNITURE & FIXTURE	6.33%	2,686,828	104,901	-	2,791,729	1,172,729	138,830	-	1,311,558	1,480,171	1,514,099
COMPUTERS	16.21%	1,807,894	81,404	-	1,889,298	953,795	292,230	-	1,246,025	643,273	854,100
OFFICE EQUIPMENT	4.75%	1,832,422	167,684	-	2,000,105	1,206,838	99,282	-	1,306,120	693,985	625,584
VEHICLES	9.50%	14,034,880	566,460	-	14,601,340	5,234,189	1,334,049	-	6,568,238	8,033,103	8,800,691
AIR CONDITIONERS	4.75%	624,341	74,413	-	698,753	208,835	31,237	-	240,072	458,681	415,506
<b>TOTAL</b>		<b>191,613,676</b>	<b>36,742,918</b>	<b>-</b>	<b>228,356,594</b>	<b>82,527,876</b>	<b>10,562,077</b>	<b>-</b>	<b>93,089,952</b>	<b>135,266,641</b>	<b>109,085,800</b>
CAPITAL WORK IN PROGRESS		-	39,817,611	-	39,817,611	-	-	-	-	39,817,611	-
<b>TOTAL</b>		<b>191,613,676</b>	<b>76,560,529</b>	<b>-</b>	<b>268,174,204</b>	<b>82,527,876</b>	<b>10,562,077</b>	<b>-</b>	<b>93,089,952</b>	<b>175,084,252</b>	<b>109,085,800</b>
<b>PREVIOUS YEAR</b>		<b>179,302,942</b>	<b>12,310,734</b>	<b>-</b>	<b>191,613,676</b>	<b>72,493,134</b>	<b>10,034,742</b>	<b>-</b>	<b>82,527,876</b>	<b>109,085,800</b>	<b>106,809,808</b>

- Notes: 1. Additions in Plant & Machinery and Capital Work in Progress includes interest and processing charges on borrowed funds amounting to Rs. 3.71 lacs and Rs. 23.66 lacs respectively for acquiring these assets.
2. The value of additions in Plant & Machinery increased by Rs. 3.40 lacs and value of Capital Work in Progress decreased by Rs. 0.57 lacs due to foreign rate exchange difference at the year end.



(Amount in Rs.)

**NOTE 12 Long Term Loans & Advances**

(Unsecured but considered good)

	CURRENT YEAR	PREVIOUS YEAR
1. Capital Advances	5763292	266250
2. Security Deposits	11779239	1824807
3. Loan & Advances to Staff	237000	204787
<b>TOTAL</b>	<b>17779531</b>	<b>2295844</b>

**NOTE 13 INVENTORIES**

(As per inventories taken, valued &amp; certified by the management)

	CURRENT YEAR	PREVIOUS YEAR
1. Raw Materials	49324412	36244161
2. Work In Progress	110991740	110137882
3. Finished Goods	13109487	9298309
4. Stores & Spares	10762292	8175937
5. Tools & Dies	56077827	48597994
6. Scrap	581870	366648
<b>TOTAL</b>	<b>240847628</b>	<b>212820931</b>

**NOTE 14 TRADE RECEIVABLES**

(Unsecured but considered good)

	CURRENT YEAR	PREVIOUS YEAR
1. Debts outstanding for a period exceeding six months	8014391	6976980
2. Other Debts	102680065	105078694
<b>TOTAL</b>	<b>110694456</b>	<b>112055674</b>

**NOTE 15 CASH & CASH EQUIVALENTS**

	CURRENT YEAR	PREVIOUS YEAR
1. Cash in Hand	200675	386159
2. Balance with Schedule Banks		
A) Current Accounts	110332	80953
B) Fixed Deposits maturing within 12 Months (the above Fixed Deposits are provided as security as margin money against borrowings, guarantee, and other commitments)	6157316	2633216
C) Interest accrued on Fixed Deposits	206726	58844
<b>TOTAL</b>	<b>6675049</b>	<b>3159172</b>

**NOTE 16 SHORT TERM LOANS & ADVANCES**

(Unsecured but considered good)

	CURRENT YEAR	PREVIOUS YEAR
1. A) Advances recoverable in cash or in kind or for value to be received	2627490	5895396
B) Advance Income Tax	942710	880070
C) Refunds/Claims Receivable	8840456	4661407
D) Advance to Material suppliers	2114040	2602694
<b>TOTAL</b>	<b>14524696</b>	<b>14039568</b>

**NOTE 17 REVENUE FROM OPERATIONS**

	CURRENT YEAR	PREVIOUS YEAR
1. Sale of Product		
Gross Sales	710418356	530929792
2. Sale of Services		
Conversion/Job Work Charges	42796345	42954236
	753214701	573884028
Less: Excise Duty	63692414	49172322
<b>TOTAL</b>	<b>689522287</b>	<b>524711706</b>

(Amount in Rs.)

NOTE	18 OTHER INCOME	CURRENT YEAR	PREVIOUS YEAR
1.	<b>Interest Income</b>		
	Interest Received on FDRs	706206	448916
	Interest Received on PSEB SECURITY	59813	-
2.	<b>Other non-operative Income</b>		
	Miscellaneous Income	1313545	610077
	Foreign Exchange Rate Difference	78060	-
	<b>TOTAL</b>	<b>2157624</b>	<b>1058993</b>

NOTE	19 COST OF RAW MATERIAL CONSUMED	CURRENT YEAR	PREVIOUS YEAR
	Opening Stock of Raw Materials	36244161	23979857
	Purchases during the year	420341658	302537523
		456585819	326517380
	Less Closing Stock	49324412	36244161
	<b>TOTAL</b>	<b>407261407</b>	<b>290273219</b>

NOTE	20 CHANGES IN FG, WIP, STOCK IN TRADE	CURRENT YEAR	PREVIOUS YEAR
	<b>Opening Stock</b>		
	Work In Progress	110137882	99610480
	FG. Stock	9298309	5582682
	Scrap	366648	305844
	<b>TOTAL 'A'</b>	<b>119802839</b>	<b>105499006</b>
	<b>Closing Stock</b>		
	Work In Progress	110991740	110137880
	FG. Stock	13109487	9298309
	Scrap	581870	366648
	<b>TOTAL 'B'</b>	<b>124683097</b>	<b>119802839</b>
	<b>TOTAL (A - B)</b>	<b>-4880258</b>	<b>-14303833</b>

NOTE	21 EMPLOYEE BENEFIT EXPENSES	CURRENT YEAR	PREVIOUS YEAR
1.	Remuneration to Directors	3211290	5700000
2.	Salaries & Wages	54540839	43745554
3.	Bonus	2470468	2054407
4.	Provident Fund- Directors	10920	18720
5.	Provident Fund & Others	1622095	1329803
6.	Staff & Labour Welfare	1524481	1216668
7.	Medical Expenses	57611	46121
	<b>TOTAL</b>	<b>63437703</b>	<b>54111273</b>

NOTE	22 FINANCE COSTS	CURRENT YEAR	PREVIOUS YEAR
1.	<b>Interest Expense</b>		
	A) Interest on Working Capital Loan	19052245	13229165
	B) Interest on Term Loans	11653178	8553881
	C) Interest Excise	128508	146226
2.	<b>Other Borrowing Cost</b>		
	A) Bank Charges	1471432	2652708
	<b>TOTAL</b>	<b>32305363</b>	<b>24581980</b>





NOTE 24 OTHER EXPENSES		(Amount in Rs.)	
		CURRENT YEAR	PREVIOUS YEAR
1.	<b>Manufacturing Expenses</b>		
	A) Power, Electricity & Diesel	34178710	29509199
	B) Tools & Dies Consumed	5126184	4980520
	C) Consumable & Electricals	83466220	62288362
	D) Production/Job Work Expenses	6940740	8594601
	E) Repair & Maintenance Machinery	5388834	6396161
	F) Excise Duty on Finished Stock	603568	352650
	<b>Total A</b>	<b>135704256</b>	<b>112121493</b>
2.	<b>Selling Expenses</b>		
	A) Packing & Forwarding	4748797	2586450
	B) Business Promotion	142304	59720
	C) Rebates & Discounts	6919863	3981862
	D) Bad Debts written off	18664	707674
	E) R & M Vehicles (LCV)	3632568	2848927
	<b>Total B</b>	<b>15462196</b>	<b>10184632</b>
3.	<b>Administrative &amp; Other Expenses</b>		
	A) Travelling & Conveyance		
	i) Directors	391302	344272
	ii) Others	657198	562172
	B) Professional Expenses	1966419	1193971
	C) Telephone & Postage	611899	628076
	D) Printing & Stationary	493291	448941
	E) Running & Maintenance-Vehicles	1518568	1369511
	F) Miscellaneous Expenses	299198	1090010
	E) R & M - General	217367	186748
	F) R & M - Building	1499623	3883532
	G) Subscription & Membership Fee	60665	15515
	H) Rates, Fee & Taxes	407883	607968
	I) Insurance	643250	557856
	J) Auditors' Remuneration		
	i) Audit Fee	65000	45000
	ii) Tax Audit Fee	5000	5000
	iii) Tax Matters Fee	20000	20000
	iv) Certification work Fee	6000	6000
	K) Advertisement	262741	68650
	L) Books & Periodicals	14989	10600
	M) Rent	3591015	3427635
	N) Board Meeting Fees	222500	110300
	O) Capital Enhancement expenses w/off	47498	81603
	P) Foreign Exchange Rate Difference	0	50374
	<b>Total C</b>	<b>13001407</b>	<b>14713736</b>
	<b>Grand Total (A+B+C)</b>	<b>164167859</b>	<b>137019861</b>

NOTE 25 CONTINGENT LIABILITIES		CURRENT YEAR	PREVIOUS YEAR
1.	Claim against company not acknowledged as Debts	NIL	NIL
2.	Estimated amount of contracts remaining to be executed on capital account	Rs.107.95 Lacs	NIL
3.	Contingent Liabilities in respect of un-assessed cases of Income Tax, Excise Duty, Sales Tax & Service Tax is un-ascertainable.		
4.	Entry tax liability of Rs. 23.45 Lacs and interest thereon for which an undertaking has been given to sales tax department is subject to decision of petition of M/s. Bhushan Power & Steel Limited before Hon'ble Punjab & Haryana High Court.		
5.	Excise Duty demand of Rs. 6.91 lacs - appeals are pending before appellant authorities.		
6.	ESI Deptt. has demanded interest & damages of Rs. 30.24 lacs (Previous year Rs. 30.24 lacs) relating to earlier years which has been disputed and the company has filed appeal before ESI Court, the final liability can be ascertained only after disposal of case.		



<b>NOTE 26 REMUNRATION PAID TO WHOLE TIME DIRECTORS</b>		<b>Rs. In Lacs</b>		
<b>Financial Year</b>		<b>Chairman &amp; Managing Director</b>		<b>Managing Director</b>
		<b>2011-12</b>	<b>2010-11</b>	<b>2011-12</b>
1.	Salary	4.11	30.00	28.00
2.	Provident Fund	0.02	0.09	0.09
	<b>Total</b>	<b>4.13</b>	<b>30.09</b>	<b>28.09</b>

The Remuneration to Directors is paid in accordance with Part B of Schedule XIII of Companies Act, 1956.

#### **NOTE 27 Related Party Disclosures**

##### **1. List of Related party and their relationship**

###### **Associates**

Punjab Pre-Stressed Concrete Works Ltd.  
Jandwani Poly Products Private Ltd.  
Jay Dee Holdings Private Ltd.  
Natrajan Investments & Finance Pvt. Ltd.  
Gee Cee Investments & Finance Pvt. Ltd.  
Alacrity Holdings Private Limited  
R. Kumar Investments & Finance Pvt. Ltd.

###### **Key Management Personnel - Directors**

Mr. Rakesh M. Kumar

##### **2. Details of Related Party Transactions**

		<b>Rs. In Lacs</b>			
<b>Name of the Party</b>		<b>Jandwani Poly Products Pvt. Ltd.</b>	<b>Mr. J. C. Chowdhary</b>	<b>Mr. Rakesh M. Kumar</b>	<b>Mrs. Bindu Chowdhary</b>
Opening Balance		-	36.17	-	-
		(-)	(18.32)	(-)	(-)
Loan A/C	Received during the year	-	-	10.00	31.71
		(-)	(15.00)	(-)	(-)
	Paid during the year	-	36.71	-	-
		(-)	(-)	(-)	(-)
Interest Credited		-	0.60	0.65	3.22
		(-)	(3.15)	(-)	(-)
Closing Balance		-	-	10.59	34.61
		(-)	(36.17)	(-)	(-)
Rent Paid		36.40	-	-	-
		(34.74)	(-)	(-)	(-)

\*Remuneration to Directors (Key Management Personnel) are given in Note No. 26.  
\*Figures in brackets relate to Previous Year.

#### **NOTE 28 EARNING PER SHARE**

The Company has calculated earning per share in accordance with Accounting Standard 20 'Earning Per Share' issued by the Institute Of Chartered Accountants Of India and accordingly the net Profit of Rs. 112.46 Lacs (153.94 Lacs) is divided by weighted average number of 50 Lacs (50 Lacs) equity shares for calculating Basic Earning Per Share and Diluted Earning Per Share.

#### **NOTE 29 NOTE REGARDING PAYABLES & RECEIVABLES**

Balance of certain sundry debtors, loans & advances (including capital advances), creditors and other liabilities are in process of confirmation/reconciliation. The management is of the opinion that adjustment, if any, arising out of such reconciliation would not be material.

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realised in the ordinary course of business. The provision for known liabilities is adequate and not in excess of amount reasonable and necessary.


**NOTE 30 MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006**

Company has not received intimation from supplier regarding the status under Micro Small & Medium Enterprises Development Act 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act have not been given.

**NOTE 31 SEGMENT REPORTING AS PER ACCOUNTING STANDARD 17**

The company operates only in the manufacturing of Closed Die Steel Forgings and therefore there are no reportable Segments as per Accounting Standard 17 'Segment Reporting' issued by The Institute Of Chartered Accountants Of India.

**NOTE 32 FOREIGN EXCHANGE FLUCTUATION & TRANSACTION**

		Rs. In Lacs	
1.	<b>Value of imports</b> calculated on C.I.F. basis		
	A) Components and Spare parts	6.75	3.58
	B) Capital Goods	169.57	48.47
2.	<b>Expenditure in Foreign currency</b>		
	A) Director's Travelling Expenses	1.56	-
	B) Machinery Testing & other expenses	1.23	-
3.	<b>Total value of Imported Goods consumed and their percentage</b>		
	A) Components and Spare parts	6.75	3.58
	B) Components and Spare parts percentage	0.81	0.57
4.	<b>Earnings in Foreign Exchange</b>		
	A) Export of goods calculated on F.O.B. Basis	10.37	86.82

**NOTE 33 RESTATEMENT OF PREVIOUS YEAR FIGURES**

During the year ended 31st March, 2012, the revised schedule VI has become applicable to the company. Thus previous figures have been reclassified/recasted suitably to make them comparable. The adoption of Revised Schedule VI for the previous year's figures does not impact measurement principles followed for preparation of financial statements.

(A P S GROVER)  
GM-Finance

(SANDEEP KUMAR)  
Company Secretary

(RAKESH M. KUMAR)  
Managing Director

(BINDU CHOWDHARY)  
Director

As per our separate report of even date.  
for JAIN & ASSOCIATES  
Firm Regn. No. 01361 N  
CHARTERED ACCOUNTANTS

PLACE : CHANDIGARH  
DATE: 30-08-2012

( R.K. GULATI )  
PARTNER  
M No. 011999

**NOTE 34 ACCOUNTING POLICIES****1. Basis for preparation of Financial Statements:**

The financial statements are prepared under the historical cost convention and on accrual basis, except otherwise stated, in accordance with the normally accepted accounting policies and relevant provisions of Companies Act, 1956.

**2. Fixed Assets & Depreciation:**

Fixed Assets are valued at cost less Depreciation. Depreciation on Fixed assets has been provided on Straight Line Method at the rates prescribed in schedule-XIV of the companies Act 1956.

**3. Inventories:**

- Inventories of Raw Material, Stores and Spares are valued at cost.
- Finished Goods are valued at weighted average cost / Net realizable value whichever is less including Excise Duty and all expenses attributable to production.
- Work in Progress is valued at estimated cost including expenses attributable to production/ Net realizable value whichever is less.
- Tools, Dies and Die Blocks are valued at cost less Depreciation at straight Line Method.
- Scrap is valued at realizable value including excise duty.

**4. Sales:**

Sales are inclusive of Excise Duty.

**5. Retirement Benefits:**

The retirement benefits of the employees include gratuity, earned leave encashment and provident fund. The Gratuity is funded through the group gratuity insurance policy of Life Insurance Corporation of India and the liability is provided on actuarial valuation basis. Earned Leave encashment Liability is provided for on actuarial valuation based on employees' entitlement in accordance with the company's rules. Contribution to PF and Pension Scheme is made in accordance with the Employees Provident Fund and Misc. Provisions Act, 1952.

**6. Contingent Liabilities:**

Contingent Liabilities, barring frivolous claims, are disclosed and those liabilities, which are possible of maturing, are provided for.

**7. Foreign Currency Transactions:**

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. Foreign currency denominated current assets & current liabilities are translated at year end exchange rates. The resulting gain or loss is recognized in the statement of Profit & Loss. Foreign currency denominated fixed assets are also translated at year end exchange rates and resulting difference is debited/credited to fixed assets. In respect of fixed assets purchased in foreign currency the difference in exchange rate at year end is adjusted in carrying amount of fixed assets.

**8. Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition, construction of qualifying assets have been capitalized as part of the cost of assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**9. Current and Deferred Tax:**

The provision for current tax is made at the actual rate applicable for the income of the year as given under the Income Tax Act, 1961. However provision for deferred tax is made at the rate applicable to the subsequent financial year.

**10. Other Accounting Policies:**

Accounting Policies not specifically referred to are consistent with generally accepted accounting policies.

FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 01361N

( R.K.GULATI )  
PARTNER  
M.No. 11999

PLACE : CHANDIGARH  
DATED : 30-08-2012



**SAMRAT FORGINGS LIMITED**  
REGD. OFFICE : # 245, SECTOR 15-A, CHANDIGARH-160 015

**PROXY FORM**

LF. No(s) /DP ID/Client ID .....

No. of Shares held .....

I/We .....  
of ..... being  
a Member/Members of **SAMRAT FORGINGS LIMITED** hereby appoint .....  
of ..... or failing him .....  
of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 31<sup>st</sup>  
ANNUAL GENERAL MEETING of the company to be held on Saturday, the 29<sup>th</sup> day of September, 2012 at 11:00  
AM, at the Registered Office of the Company at # 245, Sector 15-A, Chandigarh and at any adjournment thereof.

Signed this ..... day of ..... 2012

Signature(s) of the Shareholder(s)

Please  
affix  
Rupee One  
Revenue  
Stamp here

**NOTE:** The Proxy Form must be returned so as reach the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. A Proxy need not be a Member of Company

**SAMRAT FORGINGS LIMITED**  
REGD. OFFICE: # 245, SECTOR 15-A, CHANDIGARH-160 015

**ATTENDANCE SLIP**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIPS ON REQUEST.**

NAME, ADDRESS AND LEDGER FOLIO NO. OF SHARE HOLDER (IN BLOCK LETTERS)

I hereby record presence at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Saturday, the 29<sup>th</sup> day of September 2012 at # 245 Sector 15-A, Chandigarh.

SIGNATURE OF THE SHARE HOLDER OR PROXY (To be signed at the time of handing over this slip)

**MEMBER/PROXY HOLDERS ARE REQUESTED TO BRING THEIR COPIES OF  
THE ANNUAL REPORT FOR THE MEETING**



# **Samrat Forgings Limited**

## **REGISTERED OFFICE**

**# 245, Sector 15-A, Chandigarh-160 015**

**Phone : 0172-2774555**

**E-mail : [samratforge@sify.com](mailto:samratforge@sify.com)**

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