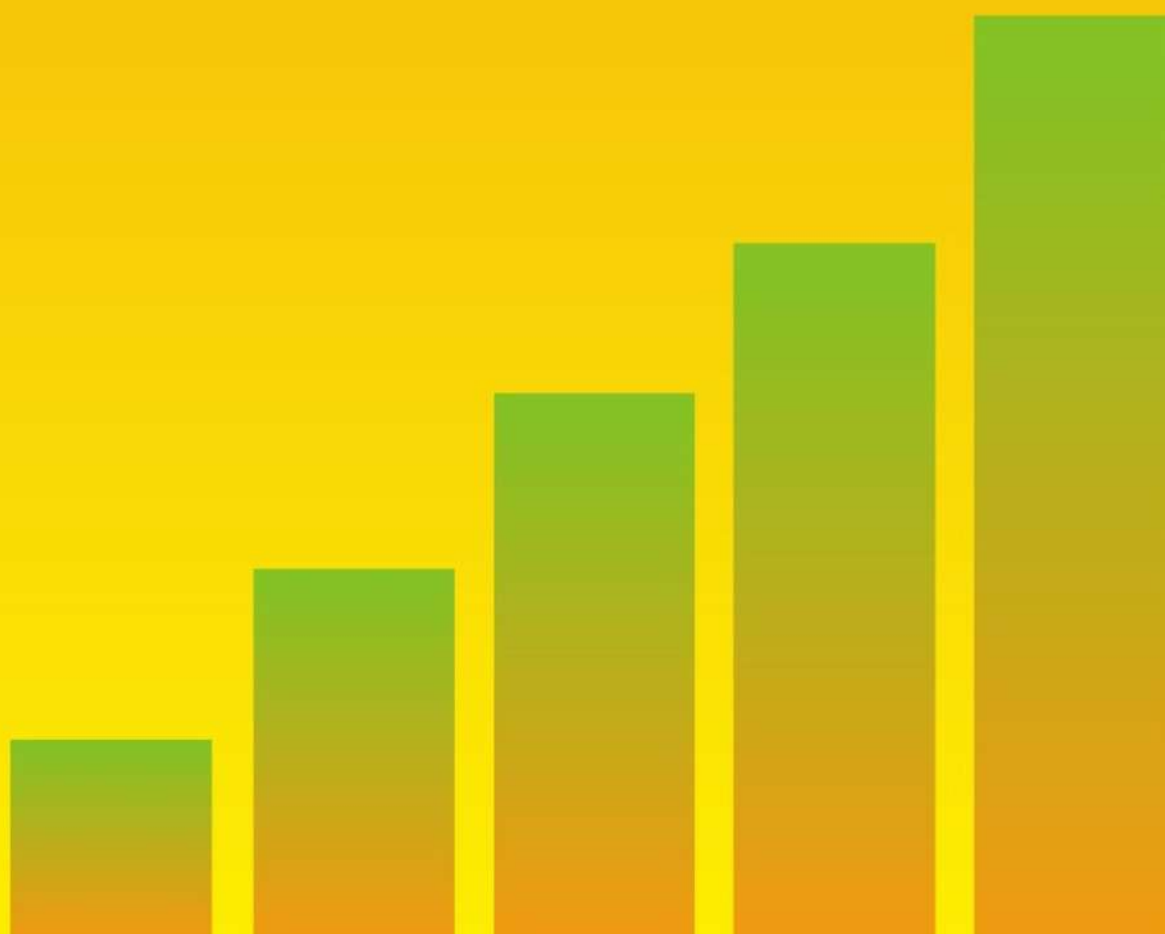




**37<sup>th</sup> Annual  
Report  
2017-18**



**Samrat Forgings Limited**

# **SAMRAT FORGINGS LIMITED**

## **37<sup>th</sup> ANNUAL REPORT 2017-18**

### **BOARD OF DIRECTORS**

Mrs. Bindu Chowdhary  
(Chairperson)

Mr. Rakesh M. Kumar  
(Managing Director)

Mrs. Ritu Joshi  
Mr. Ajay K. Arora  
Mr. Ashok Lakhanpal

### **COMPANY SECRETARY**

Mr. Sandeep Kumar

### **AUDITORS**

M/s. Jain & Associates  
Chartered Accountants  
SCO : 178, Sector 5,  
Panchkula - 134109

### **BANKERS**

The Jammu & Kashmir Bank Ltd.  
SCO 803-804, Sector 22-A,  
Chandigarh-160 022

### **REGISTERED OFFICE**

#406, First Floor, Sector 15-A,  
Chandigarh-160 015  
Phone: 0172-2774555  
E-mail: info@samratforgings.com  
Website: www.samratforgings.com  
CIN:U28910CH1981PLC004522

### **FORGING UNIT & ADMINISTRATIVE OFFICE**

Village & PO Gholu Majra,  
Chandigarh - Ambala Highway,  
Tehsil : Derabassi,  
Distt. Mohali (Punjab)

### **CNC MACHINING UNIT**

Village Bhankerpur,  
Tehsil : Derabassi,  
Distt. Mohali (Punjab)

### **REGISTRARS AND SHARE TRANSFER AGENTS**

Mas Services Ltd.  
T-34, 2nd Floor,  
Okhla, Industrial Area,  
Phase - II, New Delhi - 110020

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## NOTICE

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the members of Samrat Forgings Limited will be held on Saturday, the 29<sup>th</sup> September, 2018 at 11:00 A.M. at the Registered Office of the Company at # 406, First Floor, Sector 15-A, Chandigarh- 160 015 to transact the following business.

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 including the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Bindu Chowdhary (DIN: 01154263), who retires by rotation and being eligible, offers herself for reappointment.
3. To ratify the appointment of Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with Rules issued there under, as amended from time to time, and pursuant to resolution passed by the members at the 36<sup>th</sup> Annual General Meeting (AGM) of the Company, held on 29<sup>th</sup> September, 2017, the appointment of M/s Jain & Associates, Chartered Accountants (Regn. no. 001361N) as Statutory Auditors of the Company be and is hereby ratified till the conclusion of the next AGM of the Company and the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them.”

Regd. Office:  
# 406, First Floor,  
Sector 15-A,  
Chandigarh – 160 015  
Email: [info@samratforgings.com](mailto:info@samratforgings.com)  
CIN: U28910CH1981PLC004522  
Date: 14<sup>th</sup> August, 2018

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

(Sandeep Kumar)  
Company Secretary  
FCS-9075

## NOTES:

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. **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 BE A MEMBER OF THE COMPANY.**  
A PROXY CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.
3. 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.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25.09.2018 to 29.09.2018 (both days inclusive) pursuant to the provisions of Section 91 of the Companies Act, 2013.
6. Members/Proxies are requested to bring their attendance slips and copy of Annual Report to the Meeting.
7. 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.
8. Members / proxy holders are requested to produce the attendance slip duly completed and signed, for admission to the meeting hall.
9. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members who hold shares in de-materialized form are requested to bring their client ID and DP-ID number for the purpose of identification and attendance at the meeting.
11. The Register of Directors & Key Managerial Personnel and Register of contracts or arrangements in which Directors are interested shall be available at the Annual General Meeting and accessible during the continuance of the Meeting to any person having the right to attend the meeting.
12. Members holding shares in electronic form are requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form should submit their PAN to the Company or Registrar & Share Transfer Agent of the Company.
13. Members 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 in case shares are held in demat mode and to the Company's Registrar and Share Transfer Agent, M/s Mas Services Limited, in case shares are held in physical mode.
  - 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, where shares are held in electronic mode and to the Company's Registrar and Share Transfer Agent, /s Mas Services Limited, in case shares are held in physical mode.

- iii. Quote their folio numbers/Client ID/DP ID in all correspondence.
- iv. Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
- 14. For receiving all communication including Annual Report, Notices etc. from the Company electronically, members are requested to register/update their e-mail address with their respective Depository Participant, where shares are held in electronic mode. If, shares are held in physical form, members are advised to register their e-mail address with the Company's Registrar and Share Transfer Agent i.e. Mas Services Ltd.
- 15. All documents referred in the notice are open for inspection at the Registered Office of the Company between 11:00 A.M. to 01:00 P.M. on any working day prior to the date of the Annual General Meeting.
- 16. Notice of Annual General Meeting, Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018 together with Report of Directors and Auditors' Report are also available on the website of the Company [www.samratforgings.com](http://www.samratforgings.com).
- 17. SEBI vide its notification dated 8<sup>th</sup> June, 2018 has prescribed that securities of listed companies can be transferred on in dematerialized form. Accordingly, Members holding shares in physical form are requested to convert their holding(s) in dematerialized form.
- 18. At the ensuing Annual General Meeting Mrs. Bindu Chowdhary (DIN: 01154263), Director of the Company retires by rotation and being eligible, offers herself for re-appointment. The particulars of the said Director are given below:

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

Mrs. Bindu Chowdhary is holding 10 Equity Shares of the Company as on 31.03.2018.

She is a member of Stakeholders Relationship Committee of the Company.

#### **Other Directorship:**

Mrs. Bindu Chowdhary was director in following other Companies as on 31.03.2018:

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

- 19. Voting through Electronic means:
  - I. In compliance/accordance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of the 37<sup>th</sup> Annual General Meeting of the Company.
  - II. Similarly, members opting to vote physically can do the same by remaining present at the meeting and should exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

III. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26<sup>th</sup> September, 2018 at 9.00 AM and ends on 28<sup>th</sup> September, 2018 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders who have already voted by e-voting prior to the meeting date would not be entitled to vote at the meeting venue.

IV. Procedure to cast vote electronically is as under:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on Shareholders.
- (iii) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number has been provided as serial number in the address label.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rakesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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 as mentioned above in procedure (III).</li> </ul>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 for resolutions of any other company on 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Samrat Forgings Limited.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non - Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- 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 user would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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.

- (xix) In case you have any queries or issues regarding e-voting, 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).
  - (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2018 may follow the same instructions as mentioned above for e-Voting.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22<sup>nd</sup> September, 2018.
- VI. Members may send e-mail at [sandeepsharma@samratforgings.com](mailto:sandeepsharma@samratforgings.com) for any grievances connected with electronic means.
- VII. A copy of this notice has been placed on the website of the Company and will also be available on website of CDSL during voting period.
- VIII. The Company has appointed Mr. Kanwaljit Singh, Practicing Company Secretary (Certificate of Practice Number 5870) as the Scrutinizer for e-voting process and scrutinizing the voting through poll at the meeting in a fair and transparent manner.
- IX. The scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the company. The Scrutinizer shall submit a consolidated Scrutinizer's Report or the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- X. The Results declared alongwith 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 immediately after the result is declared by the Chairman or any other person authorized by the Chairman.
20. The route map of the venue of the Meeting is attached to the Notice.

Regd. Office:  
# 406, First Floor,  
Sector 15-A,  
Chandigarh – 160 015  
Email: [info@samratforgings.com](mailto:info@samratforgings.com)  
CIN: U28910CH1981PLC004522  
Date: 14<sup>th</sup> August, 2018

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

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

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 37<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2018. The financial highlights for the year under review are given below:

	(Rs. in lacs)	
<b>FINANCIAL RESULTS</b>	<b>For the year ended 31.03.2018 (Current Year)</b>	<b>For the year ended 31.03.2017 (Previous Year)</b>
Gross Sales including Job Work	8210.24	7942.34
Less: Excise Duty/Service Tax	213.68	845.41
<b>Net Sales</b>	<b>7996.56</b>	<b>7096.93</b>
Other Income	40.81	20.57
Profit before Interest, Depreciation & Tax	794.54	670.11
Interest	396.21	384.39
Depreciation	223.09	210.18
Net Profit before Tax	175.24	75.54
Provision for Tax	58.23	18.26
Provision for deferred Tax	-12.39	6.91
Profit after tax available for appropriation	129.40	50.37
Transfer to General Reserve	0.00	0.00

## OPERATIONAL REVIEW

Through the constant efforts put by the directors and employees, the Company has achieved its highest net sales turnover of Rs. 7996.56 lakh during the year ended on March 31, 2018 as against net sales turnover of Rs. 7096.93 lakh during the corresponding previous financial year ended on 31<sup>st</sup> March, 2017. This growth could be achieved mainly with addition of new customers, added in last two years in niche segments like Railways and Infrastructure. This has not only gave the Company better value addition but also made it less dependent on traditional farm equipment and commercial vehicles segments. These new segments are bound to grow in future also since main investment thrust is expected in these sectors by Govt. of India and many foreign companies. The company has earned net profit of Rs. 129.40 lakh as compared to the previous year's profit of Rs. 50.37 lakh. Your directors putting constant efforts to further increase the production, sales and profitability and expect much improved results during the year 2018-19.

## FUTURE PROSPECTS/ EXPANSION

With a view to meet the demand of its products by the existing and new customers, the Company has installed a new 5 Ton Hammer which will help the Company to increase the production level. Machining Unit of the Company is also enlarged with the addition of new CNC & VMC machines during the financial year 2017-18. Production capacity at forging unit as well as machining unit is being increased with the installation of new machines.

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 in the coming years.

## **TRANSFER TO RESERVES**

The Company has not transferred any amount to reserves.

## **CAPITAL STRUCTURE**

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

## **DIVIDEND**

The Directors regret their inability to recommend any dividend for the year under review and rather prefer to conserve the resources and plough back the accrued profits into the Company.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT-9 is annexed to this report as Annexure- 1.

## **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 financial year under review.

## **DIRECTORS**

There was no change in the constitution of the Board during the financial year under review.

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 Mrs. Bindu Chowdhary, are contained in the Notice convening the forthcoming Annual General Meeting of the Company.

Mr. Ajay Kapoor (DIN: 01345146) has resigned from the directorship of the Company w.e.f. 30.06.2018. His resignation has been taken on record by the Board.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 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 and Nomination & Remuneration Committee. A structured questionnaire was prepared 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.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairperson of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders 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 also reviewed the performance of the Company Secretary. The Directors expressed their satisfaction with the evaluation process.

## **MEETINGS OF THE BOARD**

During the year seven Board Meetings and one meeting of Independent Directors were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. Detail of the meetings is provided in the Corporate Governance Report which forms part of the Annual Report.

## **REMUNERATION POLICY**

The Board has, on recommendation of the Nomination & Remuneration Committee approved a policy framed by the said committee for selection and appointment of Directors, Senior Management and their remuneration. A brief description derived from the said policy is as under:

### **Criteria for selection of Non Executive Directors**

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in fields of manufacturing, marketing, finance, law, governance and general management etc.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee while recommending the Board the candidature for appointment as Director shall consider the qualification, expertise and experience of the Director in his field, personal & professional standing and diversity of the Board etc.

### **CEO & Managing Director- criteria of appointment and remuneration**

The Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. He should also fulfill the other criteria with regard to age and other qualification as laid down under the Companies Act, 2013 or other applicable laws.

The CEO, Managing Director and Whole time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors by considering various industrial factors like Company's performance vis a vis industry, scope of duties & responsibilities, skill, knowledge & performance track record etc.

The Remuneration of the Managing Director or Whole time Director(s) shall be in accordance to the limits prescribed in the Companies Act, 2013 and relevant rules thereof.

### **Remuneration**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fee, reimbursement of expenses incurred for participating in the Board or committee meetings (to which he is a member), attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the KMP's and other Senior Management Employees, the Nomination and Remuneration Committee shall ensure the relationship of remuneration and performance benchmark is clear. 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 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.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, the directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same.
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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, 2018 and of the profit of the Company for the year ended on that date.
- (iii) The directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The directors have prepared the annual accounts on a going concern basis.
- (v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **AUDIT COMMITTEE**

The Audit Committee currently comprises of the following Directors viz. Mr. Ajay K Arora (Chairman of the Committee), Mr. Rakesh M Kumar and Mr. Ashok Lakhanpal. Except Mr. Rakesh M Kumar, all the Members are Independent Directors. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were accepted by the Board.

## **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, nor the Company has 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.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Mr. Kanwaljit Singh, Company Secretary in practice (CP No. 5870) to undertake the Secretarial Audit of the Company. 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.

## **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis. There are no material significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

The Company has framed its policy on dealing with Related Party Transactions and the same is available on its website <http://samratforgings.com/investors/policy-on-related-party-transactions/>

In terms of Section 134(3)(h) of the Companies Act, 2013, there are no transactions to be reported in Form AOC-2. The details of the related party transactions, are set out in Note 26 to the Financial Statements.

## **SHIFTING OF COMPANY TO THE DISSEMINATION BOARD OF NSE**

The Company was listed on Ludhiana Stock Exchange and on dissolution of the said stock exchange the Company ceased to be a listed company and shifted to the dissemination board of the National Stock Exchange. Since the company is not listed on any nationalized stock exchange, the provisions of Listing Regulations such as Report on Corporate Governance, Certificate on Corporate Governance, Management Discussion & Analysis Report etc are not applicable on the company.

The company has applied for listing on BSE Limited under direct listing norms of the said stock exchange and is in process to get listed on the said BSE Limited, therefore, these reports are incorporated and forming part of the annual report for the financial year 2017-18.

## **CODE OF CONDUCT**

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

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

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

## **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. According to the said policy the directors and employees can report the defaults, if any, comes to their notice to the Vigilance and Ethics Officer or to the Chairman of the Audit Committee of the Company.

## **AUDITORS & AUDITORS' REPORT**

M/s Jain & Associates, Chartered Accountants (Regn. no. 001361N) were appointed as Statutory Auditors of the company in 36th Annual General Meeting (AGM) of the company held on 29<sup>th</sup> September, 2017 for a period of five years i.e. till the conclusion of 41<sup>st</sup> Annual General Meeting (subject to ratification of their appointment at every AGM). Your directors recommend the ratification of their appointment as Statutory Auditors of the company till the conclusion of the next annual general meeting of the company and request the members to fix their remuneration.

The Audit Report issued by the Auditors of the Company forms part of the Annual Report and the observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

## **ISO / TS CERTIFICATION**

Your Directors are pleased to inform you that the Company continues to be holder of ISO/TS – 16949:2009 AD 2000-Merkblatt W 0 Certification from TUV Rheinland. Regular audits are conducted under this Certification.

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

The Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operations, optimum utilization of resources, and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanism comprises a well-defined organization structure, documented policy guidelines, predetermined authority levels and processes commensurate with the level of responsibility. The effectiveness of the internal control system has been reviewed by the internal audits of all operational departments and all major corporate functions under the directions of the Internal Audit department.

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The details of familiarisation programme for Independent Directors are available on the website of the Company at the web link: <http://samratforgings.com/wp-content/uploads/2017/03/Familiarization-programme-for-independent-directors.pdf>

## **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

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 year ended 31<sup>st</sup> March, 2018, no complaint pertaining to sexual harassment was received.

## **INVESTORS' RELATIONS**

Your Company always endeavors to give response to shareholders' requests / grievances at the minimum time possible. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply immediately. The Company has not received any grievance from the shareholders during the financial year 2017-18.

## **INDUSTRIAL RELATIONS**

Your Directors wish to place on record their sincere gratitude to the employees at all levels for their hard work, dedication and commitment and with their efforts, the Company is continuously maintaining healthy, cordial and harmonious industrial relations at all levels. There was no conflict between workmen and the management during the year under review.

## **MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## **CORPORATE SOCIAL RESPONSIBILITY**

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

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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.

## **DEVELOPMENT AND IMPLIMENTATION OF RISK MANAGEMENT**

In today's economic environment, Risk Management is a very important part of business. 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.

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

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

Considering the risk involved in the manufacturing process, optimum safety provisions have been made in all segments of the Company and the same are checked periodically. There were no major accidents in the plants 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.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## **CORPORATE GOVERNANCE**

Though the provisions of corporate governance are not applicable to the company but your company is still committed to maintain the highest standards of Corporate Governance. A report on Corporate Governance along with a certificate from Mr. Kanwaljit Singh, Company Secretary

in practice (CP No. 5870) regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

## **KEY MANAGERIAL PERSONNEL (KMP)**

The following persons are Whole-Time Key Managerial Personnel ('KMP') of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

Mr. Rakesh M Kumar, Managing Director

Mr. Sandeep Kumar, Company Secretary

No KMP has resigned or was appointed during the financial year ended 31<sup>st</sup> March, 2018.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

During the year under review, none of the employees of the Company has drawn remuneration over and above the limits specified under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The disclosure pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the names and other details of top ten employees in terms of remuneration drawn during the financial year 2017-18 are annexed as Annexure- 3 to this report.

## **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 Act, are provided in Annexure- 4 to this Report.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its bankers, financial institutions and various Government agencies. The Directors also wish to place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the Company. Last but not the least, the Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company at all levels that has contributed to the growth and success of the Company.

For and on behalf of the Board of Directors of  
**Samrat Forgings Limited**

Place: Chandigarh  
Dated: 14<sup>th</sup> August, 2018

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

**Bindu Chowdhary**  
Director  
[01154263]

## Annexure-1

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on  
**31<sup>st</sup> March, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: U28910CH1981PLC004522
- ii) Registration Date: 06.05.1981
- iii) Name of the Company: Samrat Forgings Limited
- iv) Category / Sub-Category of the Company: Company Limited by Shares
- v) Address of the Registered office and contact details: # 406, First Floor, Sector 15-A, Chandigarh - 160015
- vi) Whether listed company: At dissemination board of National Stock Exchange (NSE), Earlier listed on Ludhiana Stock Exchange, before dissolution of the said exchange.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
MAS SERVICES LIMITED  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase – II, New Delhi – 110 020  
Phone: 011-26387281, 282, 283

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Steel Forgings	7326	45
2	Machined Crankshafts	8483	20
3	Tractor Parts	8708	16
4	Railway Parts	8607	10

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	555020	40	555060	11.10	555020	40	555060	11.10	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2211200	267701	2478901	49.58	2211200	267701	2478901	49.58	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>2766220</b>	<b>267741</b>	<b>3033961</b>	<b>60.68</b>	<b>2766220</b>	<b>267741</b>	<b>3033961</b>	<b>60.68</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>2766220</b>	<b>267741</b>	<b>3033961</b>	<b>60.68</b>	<b>2766220</b>	<b>267741</b>	<b>3033961</b>	<b>60.68</b>	<b>0</b>
<b>B. Public Shareholding</b>									
a) Mutual Funds/Banks/FI	0	165000	165000	3.30	0	165000	165000	3.30	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Venture Capital funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture	-	-	-	-	-	-	-	-	-
h) Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>165000</b>	<b>165000</b>	<b>3.30</b>	<b>0</b>	<b>165000</b>	<b>165000</b>	<b>3.30</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	188600	1238700	1427300	28.55	188600	1238700	1427300	28.55	0
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	300	106210	106510	2.13	750	105760	106510	2.13	0

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	267229	267229	5.34	0	267229	267229	5.34	0
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>188900</b>	<b>1612139</b>	<b>1801039</b>	<b>36.02</b>	<b>189350</b>	<b>1611689</b>	<b>1801039</b>	<b>36.02</b>	<b>0</b>
Total Public shareholding (B) = (B)(1)+(B)(2)	<b>188900</b>	<b>1777139</b>	<b>1966039</b>	<b>39.32</b>	<b>189350</b>	<b>1776689</b>	<b>1966039</b>	<b>39.32</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2955120</b>	<b>2044880</b>	<b>5000000</b>	<b>100</b>	<b>2955570</b>	<b>2044430</b>	<b>5000000</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Sh. J C Chowdhary	10	0.00	100	10	0.00	100	Nil
2	Smt. Bindu Chowdhary	10	0.00	Nil	10	0.00	Nil	Nil
3	Sh. Rakesh M Kumar	465000	9.30	Nil	465000	9.30	Nil	Nil
4	Smt. Kiran M Kumar	90000	1.80	Nil	90000	1.80	Nil	Nil
5	Smt. Ritu Joshi	20	0.00	Nil	20	0.00	Nil	Nil
6	Sh. R N Sood	10	0.00	100	10	0.00	100	Nil
7	Sh. S C Chowdhary	10	0.00	100	10	0.00	100	Nil
8	Jandwani Poly Products Pvt Ltd	1361200	27.22	Nil	1361200	27.22	Nil	Nil
9	Natrajan Investments & Finance Pvt Ltd	820000	16.40	Nil	820000	16.40	Nil	Nil
10	Jay Dee Holdings Pvt Ltd	280000	5.60	89.29	280000	5.60	89.29	Nil
11	R Kumar Investments & Finance Pvt Ltd	17701	0.35	100	17701	0.35	100	Nil
	<b>Total</b>	<b>3033961</b>	<b>60.68</b>		<b>3033961</b>	<b>60.68</b>		

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) – No Change**

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase				

	/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

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

Sl. No.		Shareholding at the beginning of the year		Date	Increase/decrease in shareholding	Reason	Cumulative Shareholding during the year	
	Name of the shareholder	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	CSL Finance Ltd	857600	17.15	11.12. 2017	500000	Purchase	1357600	27.15
2	Punjab State Industrial Development Corporation Ltd	165000	3.30	Nil	Nil	Nil	165000	3.30
3	Sh. Gurdeep Singh Basi	133615	2.67	Nil	Nil	Nil	133615	2.67
4	Sh. Jassoo Singh Basi	133614	2.67	Nil	Nil	Nil	133614	2.67
5	Amrex Marketing Pvt Ltd	68000	1.36	Nil	Nil	Nil	68000	1.36
6	Sh. Lakshmi Krishan Iyer	4000	0.08	Nil	Nil	Nil	4000	0.08
7	Sh. Latha Kumar	4000	0.08	Nil	Nil	Nil	4000	0.08
8	Sh. Natwar Lal Rathi	3700	0.07	Nil	Nil	Nil	3700	0.07
9	Sh. C V Chacko	2000	0.04	Nil	Nil	Nil	2000	0.04
10	Sh. Vinayak Dandage Dattatraya	1500	0.03	Nil	Nil	Nil	1500	0.03

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	<b>Name of the Director or KMP</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Rakesh M Kumar- Managing Director</b>				
	At the beginning of the year	465000	9.30	465000	9.30
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil movement during the year			
	At the End of the year	465000	9.30	465000	9.30

2.	<b>Mrs. Bindu Chowdhary- Non Executive Director</b>				
	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil movement during the year			
	At the End of the year	10	0.00	10	0.00
3.	<b>Mrs. Ritu Joshi- Non Executive Director</b>				
	At the beginning of the year	20	0.00	20	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil movement during the year			
	At the End of the year	20	0.00	20	0.00
4.	<b>Mr. Ajay Kapoor- Non Executive Director</b>	0	0	0	0
		Nil holding/movement during the year			
5.	<b>Mr. Ajay K Arora- Non Executive Director</b>	0	0	0	0
		Nil holding/movement during the year			
6.	<b>Mr. Ashok Lakhanpal- Non Executive Director</b>	0	0	0	
		Nil holding/movement during the year			
7.	<b>Mr. Sandeep Kumar- Company Secretary</b>	0	0	0	
		Nil holding/movement during the year			

**V. INDEBTEDNESS (Rs. in Lakhs)**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2133.61	373.19	-	2506.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.58	1.52	-	2.10
<b>Total (i+ii+iii)</b>	<b>2134.19</b>	<b>374.71</b>	<b>-</b>	<b>2508.90</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	787.67	439.18	-	1226.85
· Reduction	179.46	87.36	-	266.82
<b>Net Change</b>	<b>608.21</b>	<b>351.82</b>	<b>-</b>	<b>960.03</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2741.82	725.01		3466.83
ii) Interest due but not paid	-	-		-
(iii) Interest accrued but not due	1.59	2.50		4.09
<b>Total (i+ii+iii)</b>	<b>2743.41</b>	<b>727.51</b>	<b>-</b>	<b>3470.92</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Rakesh M Kumar- MD	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7200000	7200000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21900	21900
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	7221900	7221900

### B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mrs. Bindu Chowdhary	Mrs. Ritu Joshi	Mr. Ajay Kapoor	Mr. Ajay K Arora	Mr. Ashok Lakhanpal	
1.	Independent Directors · Fee for attending board/ committee meetings	----	----	55000	67500	17500	140000
	· Commission	----	----	----	----	----	----
	· Others, please specify	----	----	----	----	----	----
	Total (1)	----	----	55000	67500	17500	140000
2.	Other Non-Executive Directors · Fee for attending board/ committee meetings	55000	52500	----	----	----	107500
	· Commission	----	----	----	----	----	----
	· Others, please specify	----	----	----	----	----	----
	Total (2)	55000	52500	----	----	----	107500
	Total (B)=(1+2)	55000	52500	55000	67500	17500	247500

Note: Remuneration paid to the directors is well within the limit prescribed in the Companies Act, 2013.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTG:**  
(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	544600	544600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----	----
2.	Stock Option	----	----
3.	Sweat Equity	----	----
4.	Commission - as % of profit - others, specify...	----	----
5.	Others, please specify	----	----
	Total	544600	544600

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences during the year ended 31<sup>st</sup> Year, 2018

## Annexure 2

## Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,

The Members,  
Samrat Forgings Limited  
#406, First Floor  
Sector 15-A,  
Chandigarh- 160015

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, 2018 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) 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;
- (iv) 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 Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946.
- (v) Environment Protection Act, 1986 and other environmental laws.
- (vi) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (vii) The Air (Prevention and Control of Pollution) Act, 1981
- (viii) The Water (Prevention and Control of Pollution) Act, 1974.
- (ix) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the company during the audit

period, as the Ludhiana Stock Exchange, wherein the company was listed was de-recognized and the company moved into the dissemination Board of National Stock Exchange of India:

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof.
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014.
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
- 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.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

I have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.

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 Directors during the financial year.
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

*I further report that, the company was previously listed on Ludhiana Stock Exchange and subsequent to the de-recognition of the Ludhiana Stock Exchange, the name of the company was moved to the dissemination Board of National Stock Exchange of India. The company has submitted an application for migration and listing of its securities on BSE Limited. The application is pending for approval as at the end of the financial year.*

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

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

Place: Chandigarh  
Date : 14.08.2018

KANWALJIT SINGH THANEWAL  
FCS No. 5901  
CP No.: 5870

Note: The status of the company has been considered as "un-listed" for the preparation of this report as the company continued to be on the dissemination Board of NSE.

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.

"Annexure-A"

To,

The Members,  
Samrat Forgings Limited  
#406, First Floor  
Sector 15-A,  
Chandigarh- 160015

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 : 14.08.2018

KANWALJIT SINGH THANEWAL  
FCS No. 5901  
CP No.: 5870

## Annexure: 3

**DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) 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 2017-2018	<b>Director's Name</b>	<b>Ratio to median remuneration</b>
		Mr. Rakesh M Kumar	87.88
		Mrs. Bindu Chowdhary	0.67
		Mrs. Ritu Joshi	0.64
		Mr. Ajay Kapoor	0.67
		Mr. Ajay K Arora	0.82
		Mr. Ashok Lakhanpal	0.21
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18 compared to financial year 2016-17	<b>Director's/CFO/CEO/CS/ Manager name</b>	<b>% age increase in remuneration</b>
		Mr. Rakesh M Kumar, Managing Director	33.33%
		Mr. Sandeep Kumar, Company Secretary	8.36%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to financial year 2016-17	3.93%	
(iv)	Number of permanent employees on the rolls of company	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
		535	523
(v)	Average percentile increase in salaries of employees other than managerial personnel	<b>During 2017-18</b>	<b>During 2016-17</b>
		7.44%	5.60%
		Justification for increase with reasons for any exceptional circumstances	Normal industry standards applied based on performance of the employees
(vi)	Key parameter for any variable component of remuneration availed by the Directors	No	

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

## Detail of top ten employees in terms of remuneration drawn during 2017-18

Sr. No.	Name of employee	Designation	Remuneration received	Qualification and experience (in years)	Nature of employment	Date of commencement of employment	Age of employee (in years)	%age of equity held	Whether relative of director(s), if yes give name of the director(s)
1	Mr. Rakesh M Kumar	Managing Director	72,00,000	B.E., MBA 27 years	Permanent	01.06.1994	52	9.30	1. Mrs. Ritu Joshi 2. Mrs. Bindu Chowdhary
2	Mr. Prem Lal	Vice President	19,68,000	B.Sc. Engg, LLB 36 years	Permanent	28.04.2008	61	Nil	N.A.
3	Mr. APS Grover	GM-Finance	17,76,000	B.Com., FCA 36 years	Permanent	02.08.2006	61	Nil	N.A.
4	Mr. Sanjay Jain	DGM-Marketing	13,75,200	B.A. 29 years	Permanent	21.01.1989	51	Nil	N.A.
5	Mr. Naveen Kumar	Asst. General Manager	10,14,000	Mech. Engg. 19 years	Permanent	02.07.2012	45	Nil	N.A.
6	Mr. Faquir Chand	Manager-Maintenance	9,51,720	Diploma in Mechanical 29 years	Permanent	21.06.2010	53	Nil	N.A.
7	Mr. Daljit Sharma	Manager-Tool Room	7,88,280	Diploma in Mechanical 27 years	Permanent	30.08.1991	50	Nil	N.A.
8	Mr. Parveen Kumar	Manager-Forge Shop	7,15,200	M.A. 23 years	Permanent	22.12.1995	46	Nil	N.A.
9	Mr. Ram Paul	Manager-Design	6,64,200	Diploma in Mechanical 26 years	Permanent	01.10.2009	51	Nil	N.A.
10	Mr. Rajinder Singh	Manager-Production	6,53,232	Graduation, ITI, 12 years	Permanent	07.11.2007	37	Nil	N.A.

## Annexure- 4

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

**A. CONSERVATION OF ENERGY****(i) Steps taken or impact on conservation of energy;**

The Company continues its efforts to improve methods for energy conservation and utilization by more usage of electricity purchased from PSPCL and by close watch and regular inspection of the installed equipments 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.

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

Adequate steps have been taken to keep the installed energy conservation equipments in prompt conditions. Exact expenditure incurred in this process is not ascertainable.

Disclosure of particulars with respect to conservation of energy:

Power & Fuel consumption			Year Ended 31.03.2018	Year Ended 31.03.2017
1	Electricity			
	a. Purchase	Unit in Lakhs	58.19	54.11
	Total Amount	Rs. in lakhs	434.19	422.52
	Average Cost per unit	Rs.	7.46	7.81
	b. Own Generation	Unit in Lakhs	1.26	1.74
	(Through diesel generation)			
	Unit per Ltr. of Diesel	Units	3.00	3.02
	Cost per Unit	Rs.	19.32	17.96
2	Furnace Oil / R.F.O./ L.D.O.			
	Quantity	KL	1448	1306
	Amount	Rs. in lakhs	373.52	298.34
	Average Rates per Ltr.	Rs.	25.80	22.85
3	Consumption per unit of prod.			
	1. Electricity Purchased	Units	914.05	860.33
	2. Electricity Generated	Units	19.86	27.59
	3. Furnace Oil/ R.F.O./L.D.O.	Ltrs.	227.42	207.62
	4. Production	MT	6366	6290

## B. TECHNOLOGY ABSORPTION

Disclosure of particulars with respect to technology absorption:-

### Efforts:

Efforts have been made towards development of products of international quality and implementation of total Quality Assurance System for this purpose.

### Benefits:

As a result of the above said technology absorption, the Company has derived benefits like improvement in quality of products, development of new components etc.

### 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

	2017-18 (Rs in lakhs)	2016-17 (Rs in lakhs)
Earnings -on account of exports	213.03	179.99
Outgo -on account of import & expenditure	35.30	0.86

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2018.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Forging Industry is a major contributor and an integral part of manufacturing sector of Indian Economy. It is a major input to the sectors which support economic growth of the nation, such as, Automobile, Industrial Machinery, Power, Construction & Mining Equipment, Railways and General Engineering. During the financial year 2017-18, the Indian forging industry has shown the development in all of the above mentioned segments indicating robust economical growth. The industry's continuous efforts in upgrading technologies and diversifying product range have enabled it to expand its base of domestic as well as overseas customers. The industry is increasingly addressing the opportunities arising out of the growing trend among global OEMs and with these positive factors Indian forging industry is quite hopeful for exertive growth.

### OPPORTUNITIES, THREATS, RISKS AND CONCERNS

This year the company continued its growth trend further which picked up in financial year 2016-17. The contributions came evenly from all segments of the Industry. Further, 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 major concern, this is too, remained shortage of steel in the country. Due to increased demand and closure of some major steel plants, the steel mills are hard pressed for production and timely deliveries. However, company made all efforts to tide over this problem by maintaining sufficient inventory and safety stocks at all stages of process.

### OUTLOOK

Barring the aforesaid deterrents, the company does not foresee any threats to its growth and market share in the coming years. The market outlook for the financial year 2018-19 is robust. Domestic market conditions are very strong and positive in each and every segment the company catering to. Further, the Company has started to supply into European and US markets and quite hopeful to get more orders in the future. To take care of its increasing volumes and growth in new non-automotive segments, the company has enhanced its capacity in both its forgings and machining units which has resulted in sales growth and value addition to the Company.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

Through the constant efforts put by the directors and employees, the Company has achieved net sales turnover of Rs. 7996.56 during the year ended on March 31, 2018 as against net sales turnover of Rs. 7096.93 during the corresponding previous financial year ended on 31<sup>st</sup> March, 2017. With the development in industrial segments every segment the company catering to, the Company has been able to attain increase in sales and profitability in comparison of previous year's figures. The company has earned net profit of Rs. 129.40 lakh as compared to the previous year's net profit of Rs. 50.37 lakh by optimum utilization of resources and keeping control on overheads.

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

As on March 31, 2018 the company had 535 permanent employees at its manufacturing plants and administrative office.

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. Company believes that human resource management is a key area to be focused and the Company has been making constant efforts to attract and retain the qualified employees. 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.

## **CAUTIONARY STATEMENT**

This report may contain statements particularly which relate to Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations etc, which the Company believes are or may be considered to be "forward looking statements" within the meaning of applicable laws and regulations, 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.

Regd. Office:  
#406, First Floor, Sector 15-A,  
Chandigarh – 160 015  
Email: info@samratforgings.com  
CIN: U28910CH1981PLC004522  
Date: 14<sup>th</sup> August, 2018  
Place: Chandigarh

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

**Rakesh M Kumar**  
Managing Director  
[DIN: 00066497]

**Bindu Chowdhary**  
Director  
[DIN: 01154263]

## 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.

### BOARD OF DIRECTORS

#### (a) Composition of the Board

During the year under review i.e. FY 2017-18, the Board was having an appropriate composition of Executive and Non- Executive Directors conforming to the specifications provided in the SEBI (LODR), Regulations, 2015 (listing regulations). There were six Directors as on 31<sup>st</sup> March, 2018, out of which three were Independent Directors. The Chairperson of the Company is a Non Executive Promoter Director and including her there were three Promoter Directors, one of whom was 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 was no change in the composition of the Board during the financial year 2017-18.

None of the Directors on the Board hold Directorship in more than twenty Companies and no Director is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in regulation 26 of SEBI (LODR) Regulations, 2015 across all listed Companies in which he/she is a Director.

#### (b) Profile of Directors seeking appointment/reappointment

##### **Mrs. Bindu Chowdhary (01154263)**

Mrs. Bindu Chowdhary (Date of Birth: 13.04.1940) aged about 78 years is non executive promoter director and associated with the Company since 1990. She has rich experience of business management to her credit and her services have been very useful for the business affairs of the Company. She is liable to retire by rotation and being eligible, offers herself for re-appointment. She is interested as Director in (1) Jandwani Poly Products Pvt Ltd and, (2) Punjab Pre Stressed Concrete Works Pvt Ltd.

#### (c) Board Meetings

Seven Board meetings of the Company were held during the year financial year 2017-18 on following dates:

I. 18.04.2017, II. 30.06.2017, III. 16.08.2017, IV. 15.09.2017, V. 03.11.2017, VI. 13.02.2018 and VII. 15.03.2018

The meetings of the Board have been held on regular intervals which were 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.

### Board procedure and information placed before the Board

The Board meets at regular intervals and a detailed Agenda is sent to each Director 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 SEBI (LODR), 2015. Also, extensive information is provided on various critical matters such as Risk Assessment, Growth, Expansion, Related party transactions, sales, financial performance, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters etc.

### (d) Attendance and other Directorships

The details of attendance of the Directors at the Board Meetings during the financial year 2017-18 and the last Annual General Meeting held on 29<sup>th</sup> September, 2017 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	
Mr. Rakesh M. Kumar	Managing Director (Promoter & Executive)	7	Yes	7	Nil	2	01.06.1994
Mrs. Bindu Chowdhary	Promoter Director and Chairperson (Non Executive)	7	No	2	Nil	1	25.04.1990
Mr. Ajay Kapoor	Independent Director (Non Executive)	5	Yes	1	1	2	30.01.2007
Mr. Ajay Kumar Arora	Independent Director (Non Executive)	7	Yes	3	1	3	13.11.2010
Mrs. Ritu Joshi	Promoter Director (Non Executive)	7	Yes	5	Nil	Nil	25.05.2011
Mr. Ashok Lakhanpal	Independent Director (Non Executive)	2	Yes	Nil	Nil	Nil	13.08.2011

\* In accordance with listing regulations, Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee in all public limited companies have been considered.

No extra ordinary general meeting has been held during the year ended 31<sup>st</sup> March, 2018.

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

Mrs. Ritu Joshi (DIN: 01598873) is sister of Mr. Rakesh M Kumar (DIN: 00066497) and Mrs. Bindu Chowdhary (DIN: 01154263) is sister of Mr. Rakesh M Kumar's mother. None of the other directors are related to any other director on the Board.

**(f) Details of equity shares & convertible instruments held by non executive directors of the company as on March 31, 2018 are given below:**

During the Period under review Non-Executive Director are not holding any Equity Shares or convertible instruments in the Company except the following:

Name of Director	No. of Shares held	% of total shares
Mrs. Bindu Chowdhary	10	0.00
Mrs. Ritu Joshi	20	0.00

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

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI 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 the Independent Directors have confirmed that they meet the criteria 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 has been adopted by the Board of Directors pursuant to SEBI Listing Regulations; the detailed policy is available at the website of the Company ([www.samratforgings.com](http://www.samratforgings.com)) under weblink <http://samratforgings.com/wp-content/uploads/2017/03/Familiarization-programme-for-independent-directors.pdf>.

During the FY 2017-18, one Meeting of the Independent directors of the Company was held on 13<sup>th</sup> February, 2018 which was attended by all three Independent Directors to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### **III. COMMITTEES OF THE BOARD**

#### **(A) Audit Committee**

The Audit Committee of the Company is constituted with the members having vast 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 of the Companies Act, 2013 and the Listing Regulations. The functions of the Audit Committee inter alia include review of systems and procedures, the effectiveness of internal controls and regulatory compliances. It also reviews Company's financial reporting process, disclosure of financial information, observations of auditors and recommends the appointment of statutory auditors, their fees and reviews quarterly / annual financial statements before submission to the Board. It is also empowered to inter alia review Management Discussion and Analysis of financial condition, results of operations and related party transactions. Generally, all items listed in Regulation 18(3) of the Listing Regulations are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) of the Listing Regulations.

The Company Secretary acts as the Secretary to the Committee.

Mr. Ajay K Arora, the Chairman of the Audit Committee, attended the last Annual General Meeting held on 29<sup>th</sup> September, 2017.

The meetings of the Audit Committee are also attended by the Company Secretary and other senior functionaries of the Company as and when required. During the financial year 2017-18 under review, five Audit Committee meetings were held on the following dates:

I. 18.04.2017., II. 16.08.2017, III. 15.09.2017, IV. 03.11.2017 and V. 13.02.2018

There was no change in the composition of the Audit Committee during the year 2017-18. The composition and other details of the Audit Committee as on 31.03.2018 are as under:

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

#### (B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company reviews, assess and recommends to the Board the appointment and remuneration of executive directors from time to time. The committee met once during the financial year ended March 31, 2018 on 16.08.2017 and the meeting was attended by all members of the committee.

There was no change in composition of the Nomination and Remuneration Committee during the financial year 2017-18 under review. The composition and other details of the Committee as on 31.03.2018 are as under:

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

#### Performance evaluation criteria for Independent Director

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations). While appointing/re-appointing any Independent Directors/Non-Executive Directors on the Board, the Nomination and Remuneration Committee considers the criteria as laid down in the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

All the Independent Directors has given confirmation that they meet the "independence criteria" as mentioned in Section 149(6) of the Companies Act, 2013 and listing regulations.

#### Remuneration detail:

Detail of remuneration to Executive Directors and sitting fees paid to Non-Executive Directors during the year ended 31<sup>st</sup> March, 2018 is given below:

					(Rs. In lacs)
Name of the Director	Salary	Perquisites	Sitting Fee	Total	
Mr. Rakesh M Kumar	72.00	0.22	-	72.22	
Mrs. Bindu Chowdhary	-	-	0.55	0.55	
Mrs. Ritu Joshi	-	-	0.53	0.53	
Mr. Ajay Kapoor	-	-	0.55	0.55	
Mr. Ajay K Arora	-	-	0.68	0.68	
Mr. Ashok Lakhanpal	-	-	0.18	0.18	

### (C) Stakeholders Relationship Committee

The Company has constituted Investors' Relations and Share Transfer Committee to consider share transfer and Investor grievances matters like non-receipt of Balance Sheet, non-receipt of Annual Report etc. The committee also oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. To line with the provisions of companies act, 2013 and listing regulations, the name of the committee has been changed as Stakeholders Relationship Committee.

Mr. Sandeep Kumar, Company Secretary, is the Compliance Officer of the Company.

The committee met once during the financial year 2017-18 on 11.12.2017 and the meeting was attended by all members of the committee.

There was no change in composition of the Stakeholders Relationship Committee during the financial year 2017-18. The composition and other detail of the Committee as on 31.03.2018 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
Mrs. Bindu Chowdhary	Member	Non Executive Promoter Director

The Company has not received any grievance from any of the stakeholders during the financial year 2017-18. Nor there was any grievance pending at the beginning or end of the financial year under review.

### IV. GENERAL BODY MEETINGS

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

Financial Year	Category	Date & Time	Venue	Special Resolutions passed
2015-16	34 <sup>th</sup> AGM	29 <sup>th</sup> Sept., 2015 11.00 AM	#406, First Floor, Sector 15-A, Chandigarh	Nil
2016-17	35 <sup>th</sup> AGM	30 <sup>th</sup> Sept., 2016 11.00 AM	#406, First Floor, Sector 15-A, Chandigarh	Nil
2017-18	36 <sup>th</sup> AGM	29 <sup>th</sup> Sept., 2017 11.00 AM	#406, First Floor, Sector 15-A, Chandigarh	1. Approval of increase in remuneration of Managing Director 2. Re-appointment of Mr. Rakesh M Kumar as Managing Director

Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Rule 22(16) of the Companies (Management and Administration Rules), 2014, there was no matter required to be dealt with by the Company, to be passed through postal Ballot, during the financial year 2017-18.

### V. MEANS OF COMMUNICATION

The Company used to intimate its quarterly; half yearly and annual financial results to the Ludhiana Stock Exchange (LSE) immediately after these were taken on record by the Board and in accordance with the requirements of the listing agreement/regulations, before the dissolution of the LSE and shifting of the company to the dissemination board of National Stock Exchange. The financial results are also displayed on Company's website [www.samratforgings.com](http://www.samratforgings.com).

During the year ended 31<sup>st</sup> March, 2018, no presentations were made to institutional investors or analysts.

## VI. GENERAL SHAREHOLDER INFORMATION

1. 37<sup>th</sup> Annual General Meeting Day & Date : Saturday, 29<sup>th</sup> September, 2018  
 Venue : # 406, First Floor, Sector 15-A, Chandigarh-160015  
 Time : 11:00 AM
2. Financial Calendar (tentative)  
 Financial Reporting for  
 Quarter ended on 30<sup>th</sup> June, 2018 : 2<sup>nd</sup> week of August, 2018  
 Quarter ended on 30<sup>th</sup> Sept, 2018 : 1<sup>st</sup> / 2<sup>nd</sup> week of Nov, 2018  
 Quarter ended on 31<sup>st</sup> Dec, 2018 : 1<sup>st</sup> / 2<sup>nd</sup> week of Feb, 2019  
 Year ended on 31<sup>st</sup> March, 2019 : May, 2019
3. Book Closure : 25<sup>th</sup> Sept., 2018 to 29<sup>th</sup> Sept., 2018  
 (Both days inclusive)
4. Dividend Payment : Not declared
5. Listing on Stock Exchanges : Shifted to the dissemination of NSE on dissolution of Ludhiana Stock Exchange (LSE)
6. Stock Market Data : Not available, as the shares were not quoted.
7. Corporate Identification Number : U28910CH1981PLC004522
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. Dematerialization of Shares

The shares of the Company can be dematerialised with Central Depository Services (India) Ltd (CDSL) or National Securities Depository Limited (NSDL). 59.11% of the Company's paid-up equity share capital has been dematerialised as on 31<sup>st</sup> March, 2018. 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

Share transfers are being registered and dispatched within the stipulated timeline from the date of receipt, if the documents are clear in all respect. The Company obtains half 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.

No shares were pending for transfer as on 31st March, 2018.

## 11. Share Transfer Agents:

The Company has appointed M/s Mas Services Limited, T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase- II, Chandigarh – 110020, as its Registrar and Share Transfer Agents. M/s Mas Services Ltd 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, 2018 is as under:

Category	Number of shares held	Face value of share (Rs.)	% age of holding
Promoters / Associates	3033961	10.00	60.68
Financial Institutions / Banks	165000	10.00	3.30
Public -Bodies Corporate	1427300	10.00	28.55
Public –Others	373739	10.00	7.47
<b>Total</b>	<b>5000000</b>		<b>100.00</b>

13. Distribution of Shareholding as on 31<sup>st</sup> March, 2018 is as under:

Shareholding of nominal value of Rs.	Number of shareholders	% age of total	Number of shares	Amount in Rs.	% age to total
Upto --- 5,000	728	96.30	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	0.40	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	11	1.46	4891730	48917300	97.83
<b>Total</b>	<b>756</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 with respect to the financial statements or other matters may be addressed to the compliance officer & company secretary of the Company at # 406, First Floor, Sector 15-A, Chandigarh - 160015. Email : sandeepsharma@samratforgings.com, Phone: +91-9257240444 (Extn. 207)

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

Email: [info@samratforgings.com](mailto:info@samratforgings.com)

## **VII. 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.

## **VIII. OTHER DISCLOSURES**

### **A. RELATED PARTY TRANSACTIONS**

The Company usually enters into the transactions with its related parties (i.e. associates and key managerial personnel etc.). The Policy for Related Party Transactions is also adopted by the Board and the same is available at the Company's website ([www.samratforgings.com](http://www.samratforgings.com)). The weblink to access the said policy on website of the company is <http://samratforgings.com/investors/policy-on-related-party-transactions/>.

### **B. MATERIAL SUBSIDIARY POLICY**

The Board of Directors of Samrat Forgings Limited has adopted the policy and procedures with regard to determination of Material Subsidiaries. The Board may review and amend this policy from time to time. The same is available at the Company's website and the weblink to access the said policy is <http://samratforgings.com/wp-content/uploads/2017/03/Material-Subsidiary-Policy.pdf>

### **C. RECONCILIATION OF SHARE CAPITAL AUDIT**

Mr. Kanwaljit Singh, 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 interalia certifies that the equity shares of the Company conform to the issued and paid up equity share capital of the Company.

### **D. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to the requirement of SEBI (LODR), Regulations, 2015, a detailed Management Discussion and Analysis Report forms part of the Annual Report.

### **E. 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. According to the said policy the directors and employees can report the defaults, if any, comes to their notice to the Vigilance and Ethics Officer or to the Chairman of the Audit Committee of the Company.

**F. CEO/CFO CERTIFICATION**

The Managing Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Managing Director also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Managing Director is published in this Report.

**G. CODE OF CONDUCT**

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

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and members of the senior management in their business dealings and in particular on matters relating to integrity 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 published in this Report.

For and on behalf of the Board of Directors of  
**Samrat Forgings Limited**

Place: Chandigarh  
Dated: 14<sup>th</sup> August, 2018

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

**Bindu Chowdhary**  
**Director**  
[01154263]

### Declaration pursuant to Schedule V of SEBI (LODR), Regulations, 2015,

In accordance with schedule V of SEBI (LODR) Regulations, 2015, it is hereby declared that the Directors and Senior Management of the Company have affirmed the compliance with the Code of Conduct applicable to them for the year ended 31<sup>st</sup> March, 2018.

Place: Chandigarh  
Date: 14<sup>th</sup> August, 2018

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

### 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, 2018, that:

- a) We have reviewed the financial statements and cash flow statement for the year and to the best of our knowledge and belief:
  - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - II. 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 have been taken to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
  - I. that there are no significant change in internal control over financial reporting during the year;
  - II. that there are no significant change in accounting policies during the year; and
  - III. that there are no instance of significant fraud of which we have become aware.

Place: Chandigarh  
Date: 14<sup>th</sup> August, 2018

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

**Certificate on Compliance of conditions of Corporate Governance**

The members of Samrat Forgings Limited

We have examined the compliance of conditions of Corporate Governance by M/s Samrat Forgings Limited ("the company") for the year ended 31<sup>st</sup> March, 2018 as prescribed in Regulations 17 to 27, clause (b) to (i) of sub section (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We state that the compliance of conditions of Corporate Governance is the responsibility of the Management, and our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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 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 Listing Regulations.

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

**Date:** 14.08.2018

**Kanwaljit Singh**

**Practicing Company Secretary**

**FCS 5901, CP 5870**

**Note:** During the relevant financial year, the company was in the dissemination Board of National Stock Exchange of India Limited. The company has filed an application for listing of its equity shares on BSE Limited which is pending for approval.

## INDEPENDENT AUDITORS' REPORT

**To the Members of SAMRAT FORGINGS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of SAMRAT FORGINGS LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date, and
- (c) in the case of case of cash flow statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" ;and
  - (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 financial statements – Refer Note 24 to the 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, required to be transferred, to the Investor Education and Protection Fund by the Company,

FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)

(KRISHAN MANGAWA)  
PARTNER

Membership No. 513236

PLACE : CHANDIGARH  
DATED : 14.08.2018

## "ANNEXURE-A" TO THE AUDITORS' REPORT

**Re:M/s SAMRAT FORGINGS LIMITED ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given by the management, the company has a system of physical verification of all its fixed assets over a period of four years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) (a) The Company has not granted any loans to Company which is required to be covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph (iii) (b) and (c) of the order is not applicable to the company
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- (v) The company has not accepted any deposits from the public.
- (vi) The Company is required to maintain cost records under section 148(1) of the Companies Act, 2013, for the products of the company and according to the information and explanations given to us, we are of the opinion that prima facie, the specified accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding on account of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, and cess.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank, debenture holder or Government during the year.

- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans availed by the company during the year have been applied for the purpose for which it has been availed.
- (x) According to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided managerial remuneration within limits under section 197 read with Schedule V to the Act, subject to approval by the members by special resolution in the forthcoming general meeting.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the company. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company

FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)

(KRISHAN MANGAWA)  
PARTNER

Membership No. 513236

PLACE : CHANDIGARH

DATED : 14.08.2018

## **“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of M/s SAMRAT FORGINGS LIMITED**

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

To the Members of **M/s SAMRAT FORGINGS LIMITED**

We have audited the internal financial controls over financial reporting of SAMRAT FORGINGS LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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

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

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

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

**Opinion**

In our opinion, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

PLACE : CHANDIGARH  
DATED : 14.08.2018

**BALANCE SHEET AS AT 31st MARCH, 2018**

S.No.	Particulars	NOTES	CURRENT YEAR	PREVIOUS YEAR
			Amount in Rs.	Amount in Rs.
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	2		50066125	50066125
(b) Reserves and Surplus	3		110459913	97519411
<b>2. Non-current Liabilities</b>				
(a) Long term borrowings	4		120277757	45383906
(b) Deferred tax liabilities (Net)	5		17717547	18956829
<b>3. Current Liability</b>				
(a) Short term borrowings	6		208067319	192978032
(b) Trade Payables	7		207405439	201725857
(c) Other current liabilities	8		59430805	40150595
(d) Short term provisions	9		17990922	11222830
<b>TOTAL</b>			<b>791415827</b>	<b>658003585</b>
<b>II. ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Fixed Assets				
Gross Block	10		437916700	404011819
Less : Depreciation			204322135	185031255
(i) Tangible Assets			233594565	218980564
(ii) Capital Work in Progress			42461066	586454
(b) Long Term Loans & Advances	11		21749945	13178571
<b>2. Current assets</b>				
(a) Inventories	12		355765739	309847099
(b) Trade Receivables	13		123943178	101819683
(c) Cash & Cash equivalents	14		6050805	5704800
(d) Short Term Loans & Advances	15		7052508	4351058
(e) Other Current Assets	16		798021	3535356
<b>TOTAL</b>			<b>791415827</b>	<b>658003585</b>
Summary of Significant Accounting Policies	1			

The accompanying notes from 1 to 35 form an integral part of the financial statements.

(A P S GROVER)  
GM-Finance

(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(BINDU CHOWDHARY)  
Director  
DIN 01154263

**AUDITORS' REPORT**

As per our separate report of even date  
FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)

PLACE : CHANDIGARH  
DATED : 14-08-2018

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018**

S.No.	Particulars	NOTES	CURRENT YEAR	PREVIOUS YEAR
			Amount in Rs.	Amount in Rs.
I.	Revenue from operations (Gross)	17	821023889	794234036
	Less : Excise Duty / Service Tax		21368114	84540773
	Revenue from operations (Net)		<b>799655775</b>	<b>709693263</b>
II.	Other Income	18	4081098	2056609
III.	Total Revenue (I + II)	<b>TOTAL</b>	<b>803736873</b>	<b>711749871</b>
IV.	Expenses:			
	Cost of materials consumed	19	400065198	348009624
	Change in Finished & Semi Finished Stock	20	-32715854	1030614
	Employee benefit expenses	21	123850978	106420844
	Finance costs	22	39620792	38438941
	Depreciation and amortization expenses	10	22308848	21018199
	Other expenses	23	233082762	189277534
	Total expenses	<b>TOTAL</b>	<b>786212724</b>	<b>704195756</b>
V.	Profit before Tax (III-IV)		<b>17524149</b>	<b>7554115</b>
VI.	Tax expense:			
	(1) Current tax		5836924	1820588
	(2) Deferred tax		-1239282	690600
	Income tax of last years		-13995	5899
VII.	Profit for the Year from continuing operations (V-VI)		<b>12940502</b>	<b>5037028</b>
VIII.	Earnings per equity share:			
	Basic & Diluted	27	2.59	1.01
	Nominal Value of each share		10.00	10.00

Summary of Significant Accounting Policies 1

The accompanying notes from 1 to 35 form an integral part of the financial statements.

(A P S GROVER)  
GM-Finance(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497(BINDU CHOWDHARY)  
Director  
DIN 01154263**AUDITORS' REPORT**As per our separate report of even date  
FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)PLACE : CHANDIGARH  
DATED : 14-08-2018(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

<b>PARTICULARS</b>	<b>CURRENT YEAR</b> (Amount in Rs.)	<b>PREVIOUS YEAR</b> (Amount in Rs.)		
<b>A Cash Flow from operating Activities</b>				
Net profit before taxation	17524149	7554115		
Adjustment for:				
Depreciation	22308848	21018199		
Interest paid on Term Loans	11251575	9989330		
Interest Received	-816689	-893475		
Provision for Gratuity & Leave Encashment	3891319	2717612		
<b>Operating profit before working capital changes</b>	<b>54159202</b>	<b>40385781</b>		
Adjustment for:				
Trade and other receivables	-22087610	14129166		
Inventories	-45918640	-2771299		
Sundry Creditors & Other payables	24959792	-9773064		
Short term borrowings	15089287	1169478		
<b>Cash generated from operations</b>	<b>26202031</b>	<b>43140063</b>		
Direct Taxes	-1806593	-1017752		
Gratuity / Leave Encashment	-1139563	-323485		
<b>Net cash operating activities</b>	<b>23255875</b>	<b>23255875</b>	<b>41798826</b>	<b>41798826</b>
<b>B Cash flow from investing activities</b>				
Purchase of fixed assets	-78797461	-19910250		
Loans & Advances	-8571374	1873859		
<b>Net Cash Flow from Investing Activities</b>	<b>-87368835</b>	<b>-87368835</b>	<b>-18036391</b>	<b>-18036391</b>
<b>C Cash flow from financing activities</b>				
Net receipt of long term borrowings	41496087	-11549862		
Proceeds from unsecured loans	33397764	-2552770		
Interest on Term Loans	-11251575	-9989330		
Interest Received	816689	893475		
<b>Net cash from financing activities</b>	<b>64458965</b>	<b>64458965</b>	<b>-23198488</b>	<b>-23198488</b>
<b>Net increase in cash &amp; cash equivalents</b>		<b>346005</b>		<b>563946</b>
<b>Cash &amp; cash Equivalents as at 31.03.2017</b>	<b>5704800</b>		<b>5140854</b>	
<b>Cash &amp; cash Equivalents as at 31.03.2018</b>	<b>6050805</b>	<b>346005</b>	<b>5704800</b>	<b>563946</b>

(A P S GROVER)  
GM-Finance

(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(BINDU CHOWDHARY)  
Director  
DIN 01154263

**AUDITORS' REPORT**

As per our separate report of even date  
FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)

PLACE : CHANDIGARH  
DATED : 14-08-2018

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1 Basis for preparation of Financial Statements:

The financial statements have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2 Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

#### 3 Fixed Assets & Depreciation:

Due to application of schedule II to the Companies Act, 2013 with effect from April 1, 2014, the management has re-estimated useful life and residual values of all its fixed assets and determined separate useful life for each major asset, if they have useful life i.e. materially different from that of remaining asset. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful life and residual value of fixed asset. If asset has zero remaining useful life on the date of Schedule II becoming effective, i.e. April 01, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other assets i.e., whose remaining useful life is not nil on April 01, 2014, is depreciated over their remaining useful life.

#### 4 Inventories:

- A) Inventories of Raw Material, Stores and Spares are valued at lower of cost or Net realizable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.
- B) Finished Goods are valued at weighted average cost / Net realizable value whichever is less including Excise Duty and all expenses attributable to production.
- C) Work in Progress is valued at estimated cost including expenses attributable to production/ Net realizable value whichever is less.
- D) Tools, Dies and Die Blocks are valued at cost less Depreciation at straight Line Method.
- E) Scrap is valued at realizable value including excise duty.

#### 5 Revenue recognition

Revenue from sale of goods is recognised, when all the significant risks and rewards

of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variation (if any) and excludes value added tax/ sales tax, brokerage and commission.

#### **6 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.

#### **7 Contingent Liabilities:**

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

#### **8 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.

#### **9 Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying assets are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **10 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.

#### **11 Other Accounting Policies:**

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

(A P S GROVER)  
GM-Finance

(SANDEEP KUMAR)  
Company Secretary  
M. No. F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(BINDU CHOWDHARY)  
Director  
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FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

PLACE : CHANDIGARH  
DATED : 14-08-2018

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

NOTE 2 SHARE CAPITAL		CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
1.	<b>A) 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.
- D) There is no change in the Number of Share outstanding at the beginning and at the end of the Financial year.

### 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) Incredible Capital Ltd	0	500000
E) CSL Finance Ltd	1357600	857600
F) Rakesh M. Kumar	465000	465000

NOTE 3 RESERVES & SURPLUS		CURRENT YEAR	PREVIOUS YEAR
1.	<b>Capital Reserve</b>		
	State Capital Subsidy	1500000	1500000
2.	<b>Balance in statement of profit &amp; loss:</b>		
	As per last Balance Sheet	96019411	90982383
	Add: Profit for the year	12940502	5037028
	<b>TOTAL</b>	<b>110459913</b>	<b>97519411</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

NOTE 4	LONG-TERM BORROWINGS	CURRENT YEAR	PREVIOUS YEAR	
		Amount in Rs.	Amount in Rs.	
1.	<b>SECURED LOANS:</b>			
A)	<b>TERM LOANS FROM BANKS</b> (Secured against Hypothecation of respective vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)	39658915	15874017	
B)	<b>TERM LOANS FROM OTHER PARTIES</b> From Non-Banking Financial Companies (Secured against hypothecation of respective Vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)	26737013	9025824	
2.	<b>UNSECURED LOANS:</b>			
A)	<b>LOANS &amp; ADVANCES FROM RELATED PARTIES</b>	5269796	3345542	
B)	<b>OTHER LOANS &amp; ADVANCES</b> (Against personal guarantee of directors)	48612033	17138523	
	<b>TOTAL</b>	<b>120277757</b>	<b>45383906</b>	
		(Rs. in Lacs)		
3.	<b>Repayment of loans</b>	<b>1st &amp; 2nd years</b>	<b>3rd &amp; 4th years</b>	<b>After 4 years</b>
	<b>SECURED LOANS:</b>			
A)	Term Loans From Banks	207.63	122.13	68.53
B)	Term Loans From Other Parties	185.91	103.62	74.27
	<b>UNSECURED LOANS:</b>			
A)	Loan & Advances From Related Parties	0.00	52.70	0.00
B)	Other Loans & Advances	259.94	73.35	339.02

i) \* Repayment will be reviewed after two years of the reporting period.

ii) Loans from banks and NBFCs are repayable in monthly instalments.

NOTE 5 DEFERRED TAX LIABILITIES		CURRENT YEAR	PREVIOUS YEAR
1.	Deferred Tax Assets due to disallowances u/s.43B	4352439	4072396
2.	Deferred Tax Liability due to depreciation	22069986	23029225
	<b>Net Deferred Tax Liability</b>	<b>17717547</b>	<b>18956829</b>
	Last Year Balance in Deffered Tax Liability	18956829	18266229
	<b>Charged through P&amp;L Account</b>	<b>-1239282</b>	<b>690600</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 6	SHORT TERM BORROWINGS	CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
1.	<b>SECURED LOANS:</b>		
	A) <b>LOANS &amp; ADVANCES FROM BANKS</b>		
	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.)	184930497	173339740
	B) <b>LOANS &amp; ADVANCES FROM OTHERS</b>		
	The National Small Industries Corp. Ltd. (Secured against Bank guarantee)	13042567	9544037
2.	<b>UNSECURED LOANS:</b>		
	A) <b>LOAN &amp; ADVANCES FROM RELATED PARTIES</b>	10094255	10094255
	<b>TOTAL</b>	<b>208067319</b>	<b>192978032</b>

NOTE 7	TRADE PAYABLES	CURRENT YEAR	PREVIOUS YEAR
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	207405439	201725857
	<b>TOTAL</b>	<b>207405439</b>	<b>201725857</b>

NOTE 8	OTHER CURRENT LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
1.	Current Maturities of Long term Borrowings		
	A) Secured Borrowings	9813733	5577703
	B) Unsecured Borrowings	8524954	6740976
2.	Interest Accrued but not due	409814	209466
3.	Statutory Liabilities	15675212	3457121
4.	Expenses Payable	23561177	22727314
5.	Advances from Customers	911465	606116
6.	Director Remuneration & Fee payable	534450	831900
	<b>TOTAL</b>	<b>59430805</b>	<b>40150595</b>

NOTE 9	SHORT TERM PROVISIONS	CURRENT YEAR	PREVIOUS YEAR
1.	<b>PROVISION FOR EMPLOYEES' BENEFITS</b>		
	Provision for Gratuity	10388160	7795614
	Provision for Leave Encashment	1765838	1606628
2.	<b>OTHERS</b>		
	Income Tax Provision	5836924	1820588
	<b>TOTAL</b>	<b>17990922</b>	<b>11222830</b>

## NOTE 10 : FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2018

Amount in Rs.

PARTICULARS	ORIGINAL COST AS ON 01.04.2017	ADD DUR. THE YEAR	SALE/ TRANSFER	TOTAL COST AS ON 31.03.2018	DEP UPTO 31.03.2017	DEPRECIATION DURING THE YEAR	DEPRECIATION WRITTEN BACK	TOTAL DEP. UPTO 31.03.2018	W.D.V. AS ON 31.03.2018	W.D.V. AS ON 31.03.2017
LAND	441426	0	0	441426	0	0	0	0	441426	441426
FACTORY BUILDING	5230222	2378995	0	54681218	16112499	1463423	0	17575922	37105296	36189724
ADMINISTRATIVE BUILDING	6589432	0	0	6589432	2280094	194770	0	2474864	4114567	4309337
PLANT & MACHINERY	308668664	35449915	0	344118579	143036536	18857195	0	161893730	182224849	165632129
FURNITURE & FIXTURE	2966618	23500	0	2990118	2197005	205458	0	2402463	587655	769613
AIR CONDITIONERS	734842	43783	0	778624	687768	13774	0	701542	77082	47073
COMPUTERS	4488189	94100	0	4582289	4090362	90458	0	4180820	401469	397828
OFFICE EQUIPMENT	2393524	54868	0	2448392	2075095	104507	0	2179601	268791	318430
VEHICLES	25426902	601503	4741783	21286622	14551896	1379264	3017968	12913192	8373430	10875006
<b>TOTAL</b>	<b>404011819</b>	<b>38646663</b>	<b>4741783</b>	<b>437916700</b>	<b>185031255</b>	<b>22308848</b>	<b>3017968</b>	<b>204322135</b>	<b>233594565</b>	<b>218980565</b>
<b>CAPITAL WORK IN PROGRESS</b>	586454	42461066	586454	42461066	0	0	0	0	42461066	586454
<b>TOTAL</b>	<b>404598273</b>	<b>81107730</b>	<b>5328237</b>	<b>480377766</b>	<b>185031255</b>	<b>22308848</b>	<b>3017968</b>	<b>204322135</b>	<b>276055631</b>	<b>219567019</b>
<b>PREVIOUS YEAR</b>	<b>385191655</b>	<b>19936758</b>	<b>530139</b>	<b>404598273</b>	<b>164516688</b>	<b>21018199</b>	<b>503632</b>	<b>185031255</b>	<b>219567019</b>	<b>220674967</b>

Notes: Additions in Plant &amp; Machinery includes interest on borrowed funds amounting to Rs. 38.85 lacs capitalised for acquiring these assets.

NOTE 11 LONG TERM LOANS & ADVANCES		CURRENT YEAR	PREVIOUS YEAR
(Unsecured but considered good)		Amount in Rs.	Amount in Rs.
1.	Capital Advances	3336902	698208
2.	Security Deposits	18413043	12480363
<b>TOTAL</b>		<b>21749945</b>	<b>13178571</b>

NOTE 12 INVENTORIES		CURRENT YEAR	PREVIOUS YEAR
(As per inventories taken, valued & certified by the management)			
1.	Raw Materials	31419624	18904882
2.	Work In Progress	244577304	220477686
3.	Finished Goods	18760748	10311864
4.	Stores & Spares	14650855	14496051
5.	Tools & Dies	45779069	45245829
6.	Scrap	578139	410787
<b>TOTAL</b>		<b>355765739</b>	<b>309847099</b>

NOTE 13 TRADE RECEIVABLES		CURRENT YEAR	PREVIOUS YEAR
(Unsecured but considered good)			
1.	Debts outstanding for a period exceeding six months	3588991	3665877
2.	Other Debts	120354187	98153806
<b>TOTAL</b>		<b>123943178</b>	<b>101819683</b>

NOTE 14 CASH & CASH EQUIVALENTS		CURRENT YEAR	PREVIOUS YEAR
1.	Cash in Hand	288127	119148
2.	Balance with Scheduled Banks		
	A) Current Accounts	390083	462535
	B) Fixed Deposits maturing within 12 Months (the above Fixed Deposits are provided as security as margin money against borrowings, guarantee, and other commitments)	5201066	4934665
	C) Interest accrued on Fixed Deposits	171529	188452
<b>TOTAL</b>		<b>6050805</b>	<b>5704800</b>

NOTE 15 SHORT TERM LOANS & ADVANCES		CURRENT YEAR	PREVIOUS YEAR
(Unsecured but considered good)			
1.	Advances recoverable in cash or in kind or for value to be received	1843490	1732285
2.	Advance to Material suppliers	5209018	2618774
<b>TOTAL</b>		<b>7052508</b>	<b>4351058</b>

NOTE 16 OTHER CURRENT ASSETS		CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
1.	Advance Income Tax/TDS/MAT	591989	1021747
2.	Recoverable from Government agencies	206032	2513609
<b>TOTAL</b>		<b>798021</b>	<b>3535356</b>

NOTE 17 REVENUE FROM OPERATIONS		CURRENT YEAR	PREVIOUS YEAR
1.	<b>Sale of Product</b> Gross Sales	820002517	793344835
2.	<b>Sale of Services</b> Conversion/Job Work Charges	1021372	889200
		821023889	794234036
<b>Less: Excise Duty/ Service Tax</b>		21368114	84540773
<b>TOTAL</b>		<b>799655775</b>	<b>709693263</b>

NOTE 18 OTHER INCOME		CURRENT YEAR	PREVIOUS YEAR
1.	<b>Interest Income</b> Interest Received on FDRs	360170	394279
	Interest Received - Others	456519	499196
2.	<b>Other non-operative Income</b> Miscellaneous Income	3264409	1163134
<b>TOTAL</b>		<b>4081098</b>	<b>2056609</b>

NOTE 19 COST OF RAW MATERIAL CONSUMED		CURRENT YEAR	PREVIOUS YEAR
Opening Stock of Raw Materials		18904882	14702378
Purchases during the year		412579940	352212128
		431484822	366914506
Less : Closing Stock		31419624	18904882
<b>TOTAL</b>		<b>400065198</b>	<b>348009624</b>

NOTE 20 CHANGES IN FINISHED & SEMI-FINISHED STOCK	CURRENT YEAR	PREVIOUS YEAR
	Amount in Rs.	Amount in Rs.
<b>Opening Stock</b>		
Work In Progress	220477686	219726227
FG. Stock	10311864	11642403
Scrap	410787	862321
<b>TOTAL 'A'</b>	<b>231200337</b>	<b>232230951</b>
<b>Closing Stock</b>		
Work In Progress	244577304	220477686
FG. Stock	18760748	10311864
Scrap	578139	410787
<b>TOTAL 'B'</b>	<b>263916191</b>	<b>231200337</b>
<b>TOTAL ( A - B )</b>	<b>-32715854</b>	<b>1030614</b>

NOTE 21 EMPLOYEE BENEFIT EXPENSES	CURRENT YEAR	PREVIOUS YEAR
1. Remuneration to Directors	7200000	5400000
2. Salaries & Wages	105028469	90754766
3. Bonus	3491003	3330708
4. Provident Fund- Directors	21600	21600
5. Provident Fund & Others	3860879	3454388
6. Staff & Labour Welfare	4188893	3399271
7. Medical Expenses	60134	60111
<b>TOTAL</b>	<b>123850978</b>	<b>106420844</b>

NOTE 22 FINANCE COSTS	CURRENT YEAR	PREVIOUS YEAR
<b>1. Interest Expense</b>		
A) Interest on Working Capital Loan	25252647	26185514
B) Interest on Term Loans	11251575	9989330
C) Interest Others	431410	325264
<b>2 Other Expenses</b>		
Bank Charges	2685160	1938834
<b>TOTAL</b>	<b>39620792</b>	<b>38438941</b>

NOTE 23 OTHER EXPENSES		CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
<b>1. Manufacturing Expenses</b>			
A) Power & Fuel		48458123	46107714
B) Tools & Dies Consumed		4800200	3914606
C) Stores & Consumables		115029073	89648753
D) Production/Job Work Expenses		20697931	10001211
E) Repair & Maintenance Machinery		5317837	6767918
<b>Total A</b>		<b>194303164</b>	<b>156440202</b>
<b>2. Selling Expenses</b>			
A) Freight & Forwarding		5635289	3609963
B) Business Promotion		1482644	1195417
C) Rebates & Discounts		13829906	11596532
D) R & M Vehicles (LCV)		3739461	3279455
E) LD Charges		1461305	1518986
F) Warehouse Expenses		0	162441
<b>Total B</b>		<b>26148605</b>	<b>21362793</b>
<b>3. Adminstrative &amp; Other Expenses</b>			
A) Travelling & Conveyance			
i) Directors		386535	339915
ii) Others		966006	895077
B) Professional & Legal Expenses		1418805	908901
C) Telephone & Postage		447398	495497
D) Printing & Stationary		542150	466600
E) Running & Maintenance-Vehicles		1196241	1049468
F) Miscellaneous Expenses		607414	155752
G) R & M - General		348192	393665
H) R & M - Building		1397921	1077837
I) Subscription & Membership Fee		31650	31650
J) Rates, Fee & Taxes		860359	763784
K) Insurance		451063	681370
L) Auditors' Remuneration			
i) Audit Fee		75000	70000
ii) Tax Audit Fee		15000	10000
iii) Tax Matters Fee		30000	30000
iv) Certification work Fee		6000	6000
M) Advertisement		66960	72600
N) Rent		3536800	3640760
O) Board Meeting Fees		247500	235000
P) Foreign Exchange Rate Difference		0	150662
<b>Total C</b>		<b>12630993</b>	<b>11474539</b>
<b>Grand Total (A+B+C)</b>		<b>233082762</b>	<b>189277534</b>

NOTE 24 CONTINGENT LIABILITIES		CURRENT YEAR	PREVIOUS YEAR
		Rs. in Lacs	Rs. in Lacs
1.	Claim against company not acknowledged as Debts.	NIL	NIL
2.	Estimated amount of contracts remaining to be executed on capital account.	19.19	0.00
3.	Contingent Liabilities in respect of un-assessed cases of Income Tax, Excise Duty, Sales Tax & Service Tax.	Undeterminable	Undeterminable
4.	Bank Guarantee provided in a sales tax case for which appeal is lying pending before DETC.	0.00	0.00
5.	Excise Duty demand for which appeals are pending before appellant authorities.	0.00	0.00

NOTE 25 REMUNRATION PAID TO WHOLE TIME DIRECTORS		CURRENT YEAR	PREVIOUS YEAR
		(Rs. in Lacs)	(Rs. in Lacs)
		Managing Director	
		2017-18	2016-17
1.	Salary	72.00	54.00
2.	Provident Fund	0.22	0.22
		<b>72.22</b>	<b>54.22</b>

The Remuneration to Directors is paid in accordance with Part II of Schedule V of Companies Act, 2013.

#### NOTE 26 RELATED PARTY DISCLOSURES

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

Associates	Punjab Pre-Stressed Concrete Works Pvt 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 & Their Relatives

Mr. Rakesh M. Kumar, Managing Director
Mrs. Bindu Chowdhary, Director
Mrs. Ritu Joshi, Director
Mr. Sandeep Kumar, Company Secretary

**2. Details of Related Party Transactions**

(Rs. in Lacs)

Name of the Party		Jandwani Poly Products Pvt. Ltd.	Mr. Rakesh M. Kumar	Mrs. Bindu Chowdhary
Loan A/C	Opening Balance	100.94 (100.94)	4.55 (25.17)	28.91 (46.41)
	Received during the year	0.00 (0.00)	18.75 (4.55)	0.00 (1.25)
	Paid during the year	0.00 (0.00)	0.00 (25.17)	0.00 (18.75)
	Interest Credited	0.00 (0.00)	0.49 (0.00)	0.00 (0.00)
	Closing Balance	100.94 (100.94)	23.79 (4.55)	28.91 (28.91)
	Rent Paid	38.69 (37.92)	0.00 (0.00)	0.00 (0.00)

\*Remuneration to Directors (Key Management Personnel) are given in Note No. 25.

\*Figures in brackets relate to Previous Year.

**NOTE 27 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. 129.41 Lacs (50.37 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 28 NOTE REGARDING PAYABLES & RECEIVABLES**

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

**NOTE 29 VALUATION OF CURRENT ASSETS & CURRENT LIABILITIES**

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**

The company is purchasing material generally from traders, medium & large scale industry. The company has asked information regarding their registration status under Micro Small & Medium Enterprises Development Act 2006. In the absence of any intimation received from suppliers, the company is unable to give information relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act.

**NOTE 31 CALCULATION OF GRATUITY**

The Gratuity liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity scheme is funded with the Life Insurance Corporation of India in the form of group gratuity insurance policy. The same is in compliance with Accounting Standard 15 'Employee Benefits'.

**NOTE 32 SEGMENT REPORTING AS PER ACCOUNTING STANDARD 17**

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

<b>NOTE 33 FOREIGN EXCHANGE TRANSACTION</b>		<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
		Rs. In Lacs	Rs. In Lacs
1.	<b>Value of imports</b> calculated on C.I.F. basis		
	A) Components and Spare parts	-	-
	B) Capital Goods	34.10	-
2.	<b>Expenditure in Foreign currency</b>		
	Director's Travelling Expenses	1.20	0.86
3.	<b>Total value of Imported Goods consumed and their percentage</b>		
	A) Components and Spare parts	-	-
	B) Components and Spare parts percentage	-	-
4.	<b>Earnings in Foreign Exchange</b>		
	Export of goods calculated on F.O.B. Basis	213.03	179.99

**NOTE 34 OPERATING LEASE DISCLOSURES AS PER AS 19 CURRENT YEAR PREVIOUS YEAR**

The Company has taken Land and office premises under operating lease agreements. These are generally not non-cancelable and are renewable by mutual consent on mutually agreed terms. There is no sublease payments expected to be received under non-cancelable subleases at the balance sheet date and no restrictions is imposed by lease agreements.

	Rs. In Lacs	
<b>Lease payments for the year</b>	35.37	36.41
<b>Total of Future Minimum Lease Payments under non cancelable operating lease:</b>		
Payable within 1 Year	35.60	35.22
Later than 1 year but not later than 5 years	165.22	165.00
Later than 5 years	264.00	297.00

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**NOTE 35 RESTATEMENT OF PREVIOUS YEAR FIGURES**


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Previous year figures have been regrouped & rearranged wherever it is necessary to make them comparable with those of current year.

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(A P S GROVER)  
GM-Finance

(SANDEEP KUMAR)  
Company Secretary  
M No.F9075

(RAKESH M. KUMAR)  
Managing Director  
DIN 00066497

(BINDU CHOWDHARY)  
Director  
DIN 01154263

**AUDITORS' REPORT**

As per our seperate report of even date.  
FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Regd No.:001361N)

PLACE : CHANDIGARH  
DATED : 14-08-2018

(KRISHAN MANGAWA)  
PARTNER  
Membership No. 513236

## SAMRAT FORGINGS LIMITED

### REGD. OFFICE:

# 406, FIRST FLOOR, SECTOR 15-A, CHANDIGARH-160015  
CIN: U28910CH1981PLC004522, Phone: 0172-2774555  
Email: info@samratforgings.com, Website: www.samratforgings.com

### PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of Companies (Management and Administration) Rules, 2014]

**Folio 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 37<sup>th</sup> ANNUAL GENERAL MEETING of the company to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 11:00 AM, at the Registered Office of the Company at # 406, First Floor, Sector 15-A, Chandigarh- 160015 and at any adjournment thereof, in respect of such resolutions as are indicated below:-

#### Resolutions

Ordinary Business		Vote For	Vote Against
1	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2018 along with Reports of the Directors and Auditors thereon		
2	Appointment of a director in place of Mrs. Bindu Chowdhary (DIN: 01154263) who retires by rotation and eligible, offers herself for re-appointment		
3	Ratification of appointment of M/s Jain & Associates, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration		

Signed on .....day of....., 2018

Signature(s) of the Shareholder(s)

\* To be used for shares held in electronic form

Please  
affix  
Revenue  
Stamp

**NOTE:** *The Proxy Form duly completed must be returned so as to 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*

#### E-voting particulars

EVSN	User ID	Password
180827117	Please refer Note No. 19 of the Notice	



**SAMRAT FORGINGS LIMITED****REGD. OFFICE:**

# 406, FIRST FLOOR, SECTOR 15-A, CHANDIGARH-160015

CIN: U28910CH1981PLC004522, Phone: 0172-2774555

Email: info@samratforgings.com, Website: www.samratforgings.com

**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 OF THE SHAREHOLDER/PROXY:

Folio No. ....

ADDRESS:

DP ID\* .....

No. of Shares held:

Client ID\* .....

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company at # 406, First Floor, Sector 15-A, Chandigarh-160 015 on Saturday, the 29<sup>th</sup> September, 2018 at 11:00 AM

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

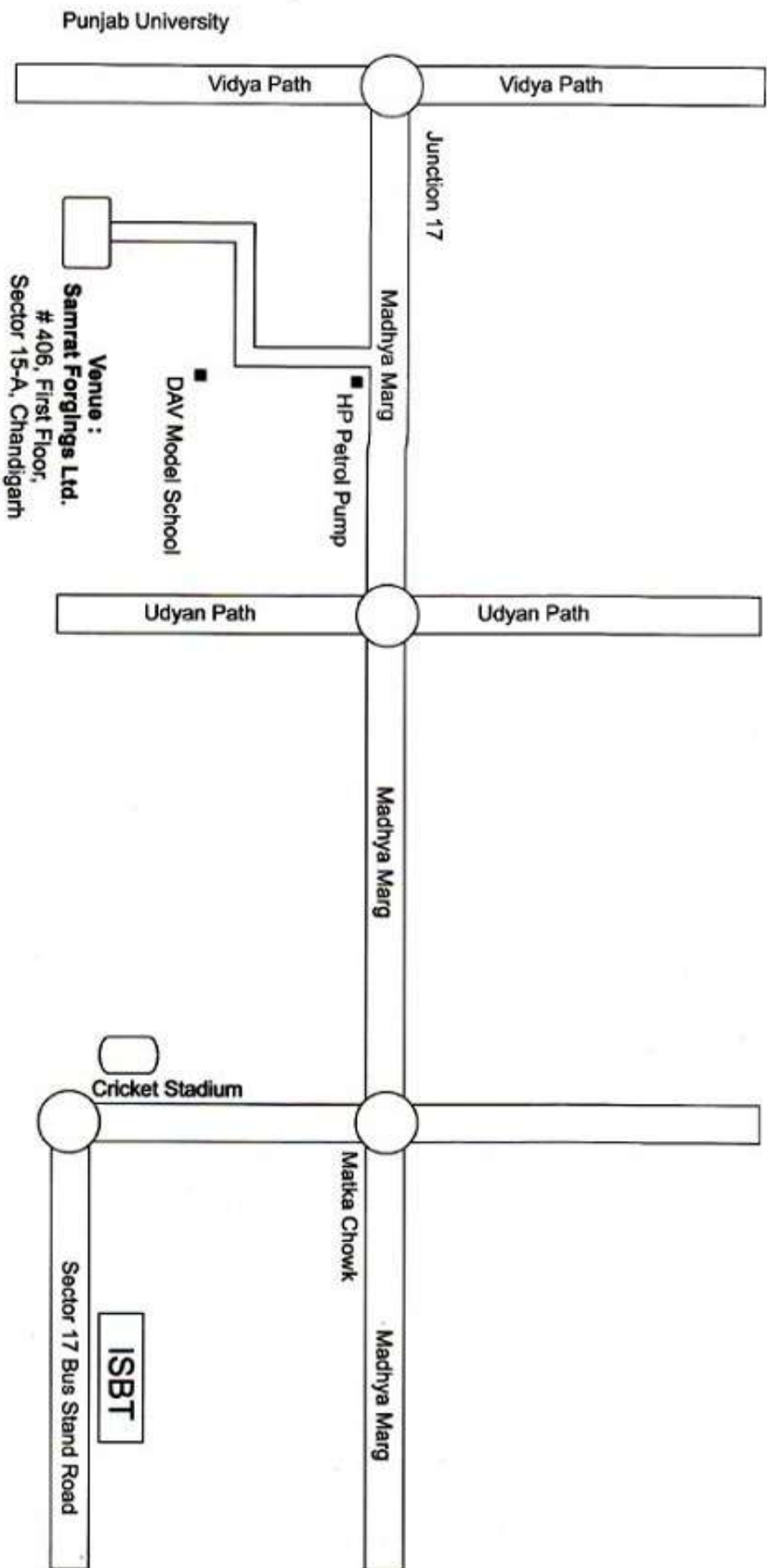
**MEMBER/PROXY HOLDERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING**

\* To be used for shares held in electronic form



# Route Map of the Venue of the AGM

Venue :  
# 406, First Floor, Sector 15-A, Chandigarh



# **Samrat Forgings Limited**

CIN : U28910CH1981PLC004522



REGISTERED OFFICE :  
# 406, First Floor, Sector 15-A,  
Chandigarh-160 015  
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