



^{38th}**Annual
Report**
2018-19

Samrat Forgings Limited



SAMRAT FORGINGS LIMITED

38th ANNUAL REPORT 2018-19

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 38th Annual General Meeting of the members of Samrat Forgings Limited will be held on Monday, the 30th September, 2019 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. Adoption of Financial Statements for the Financial Year ended March 31, 2019
To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 including the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Ritu Joshi (DIN: 01598873), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Re- Appointment of Mr. Ajay Kumar Arora as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Ajay Kumar Arora (DIN: 00314161), who was appointed as an independent director of the Company for a term of five years up to 28th September, 2019 and is eligible for being re-appointed as an independent director and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner and considering the report of his performance evaluation for the year 2018-19, be and is hereby re-appointed as an independent director on the Board of the Company for a second term of five consecutive years, effective from 29th September, 2019 up to 28th September, 2024.

FURTHER RESOLVED THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Ajay Kumar Arora be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."



4. **Re- Appointment of Mr. Ashok Lakhanpal as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Ashok Lakhanpal (DIN: 03617355), who was appointed as an independent director of the Company for a term of five years up to 28th September, 2019 and is eligible for being re-appointed as an independent director and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner and considering the report of his performance evaluation for the year 2018-19, be and is hereby re-appointed as an independent director on the Board of the Company for a second term of five consecutive years, effective from 29th September, 2019 up to 28th September, 2024.

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

5. **Approval of increase in Remuneration of Managing Director**

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

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, rules, if any of the Companies Act, 2013 and any other laws, regulations prevailing for the time being in force, the increase in remuneration of Mr. Rakesh M Kumar (DIN: 00066497), Managing Director of the Company, as recommended by the Nomination and Remuneration Committee and Board of Directors of the company be and is hereby approved w.e.f. 01.03.2019 for the remaining tenure of his appointment i.e. upto 30.11.2020 as under:

A) Salary: Rs. 10,00,000/- per month

B) Perquisites:

a. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these are either singly or put together are not taxable under the Income Tax Act, 1961.

- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - c. Encashment of earned leave at the end of tenure subject to maximum of 10 months as per the rules of the Company.
 - d. Other perquisites subject to over all ceiling on remuneration mentioned here in above, the Managing Director may be given any other allowance, benefits and perquisites as the Board of Directors may from time to time decide.
- C) Amenities:
- a. The Company shall provide Chauffeur driven car facility to the Managing Director for official use.
 - b. Phone and other communication facilities subject to the condition that personal long distance calls shall be recovered from the Managing Director.

FURTHER RESOLVED THAT in the event of loss and / or inadequacy of profits in any financial year during his tenure, the remuneration as proposed aforesaid shall be deemed to be the minimum remuneration.

FURTHER RESOLVED THAT the board of directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things to execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in this regard."

6. Alteration of object clause of the Memorandum of Association of the Company

To consider and if thought fit, pass with or without modifications, the following as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 if any, and the rules framed thereunder, and any subsequent modifications and re-enactments thereof, for the time being in force and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any Committee or one or more Directors), consent of the members of the Company be and is hereby accorded, to substitute the existing Clause III(B) (The objects incidental or ancillary to the attainment of the main objects) with a new clause III (B) (Matters which are necessary for furtherance of the objects specified in clause III(A)) and the existing Clause III(C) (Other objects for which the Company is established) shall stand deleted from the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to undertake all such acts, deeds, matters, and things and to execute all such deeds,



documents, and writing as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution and to settle any question, difficulty, or doubt that may arise in this regard."

7. Alteration of Articles of Association of the Company

To consider and if thought fit, pass with or without modifications, the following as a **special resolution**:

"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and such other rules and regulations as may be applicable and subject to such terms, conditions, amendments or modifications if any, as may be required or suggested by the Registrar of Companies and any other appropriate authorities, consent of the members of the Company be and is hereby accorded to adopt a new set of Articles of Association in substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

NOTES:

Regd. Office:
406, First Floor,
Sector 15-A,
Chandigarh – 160 015
Email: info@samratforgings.com
CIN: U28910CH1981PLC004522
Date: 25.07.2019

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 26.09.2019 to 30.09.2019 (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 31st March, 2019 together with Report of Directors and Auditors' Report are also available on the website of the Company www.samratforgings.com.
 17. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, who have not updated their PAN with the Company are therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Share Transfer Agents of the Company or directly to the Company.

According to the SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment through Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, any request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Members are requested to dematerialize the Equity Shares of the Company held by them, promptly.

18. Brief resume of Directors/persons proposed to be appointed/re-appointed, as stipulated is provided after the explanatory statement to this Notice.
19. At the ensuing Annual General Meeting Mrs. Ritu Joshi (DIN: 01598873), 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. Ritu Joshi is non executive promoter director and associated with the Company since 2011. She is post graduate by qualification having rich experience of business management to her credit and her services have been very useful for the business affairs of the Company.

Mrs. Ritu Joshi is holding 20 Equity Shares as on 31st March, 2019

She is a member (chairperson) of Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.

Other Directorship:

Mrs. Ritu Joshi was director in following other Companies as on 31.03.2019:

1. Alacrity Holdings Pvt Ltd
2. Jay Dee Holdings Pvt Ltd
3. Gee Cee Investments & Finance Pvt Ltd
4. Natrajan Investments & Finance Pvt Ltd
5. Devi Computronics Pvt Ltd

20. 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 38th 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 27th September, 2019 at 9.00 AM and ends on 29th September, 2019 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 23rd September, 2019, 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
 - (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 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:

For Members holding shares in Demat Form and Physical Form	
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"> 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 is provided as serial number in the address label. 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.
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"> 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).

- (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 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.
 - 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 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, under help section or write an email to 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. 23rd September, 2019 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 23rd September, 2019.
- VI. Members may send e-mail at 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 and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorized by the Chairman.
- 21. The route map showing directions to reach the venue of the AGM is provided in the Annual Report.

Regd. Office:
406, First Floor,
Sector 15-A,
Chandigarh – 160 015
Email: info@samratforgings.com
CIN: U28910CH1981PLC004522
Date: 25.07.2019

By order of the Board of Directors
For Samrat Forgings Limited

(Sandeep Kumar)
Company Secretary
FCS-9075

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

The following Explanatory Statement sets out all the material facts relating to the Special business mentioned under Item No. 3 to 7 of the accompanying Notice dated July 25, 2019:

Item No. 3 & 4

Mr. Ajay Kumar Arora and Mr. Ashok Lakhanpal were appointed as Independent Directors of the Company for a term of 5 (Five) years starting from the conclusion of the 33rd (thirty third) Annual General Meeting held on September 29, 2014 upto September 28, 2019. The Nomination and Remuneration Committee and the Board of Directors at their Meetings held on July 25, 2019, had recommended re-appointment of Mr. Ajay Kumar Arora as the Non- Executive Independent Director of the Company, subject to the approval of the Members, for a second term starting from September 29, 2019 upto September 28, 2024.

Further, the Nomination and Remuneration Committee and the Board of Directors at their Meetings held on July 25, 2019, had also recommended re-appointment of Mr. Ashok Lakhanpal as the Non-Executive Independent Director of the Company, subject to the approval of the Members, for a second term starting from September 29, 2019 upto September 28, 2024.

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

The Board, based on their performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and expertise in their relevant fields and invaluable contribution made by the Directors during their tenure, continued association of Mr. Ajay Kumar Arora and Mr. Ashok Lakhanpal would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Mr. Ajay Kumar Arora and Mr. Ashok Lakhanpal are independent of the management of the Company and in the opinion of the Board of Directors of the Company, they fulfil the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as the Independent Directors of the Company. A copy of the draft letter of appointment in respect of Independent Directors setting out the terms and conditions would be available for inspection without any fee to the Members upto the date of AGM at the Registered Office of the Company during all days between 10:00 am to 04:00 pm excluding Sundays and Public Holidays.

Brief profile of Mr. Ajay Kumar Arora is as under:

Mr. Ajay Kumar Arora is a Company Secretary in Practice having rich professional experience of approximately three decades to his credit. Also he is registered as Insolvency Professional with the Insolvency and Bankruptcy Board of India. He serves as a Director on the Board of various listed and unlisted companies. He had also served as Chairman of the Chandigarh Chapter of the Northern India Regional Council of the Institute of Company Secretaries of India and during his tenure as Chairman of the Chandigarh Chapter, he has contributed tremendously for the development of the Company Secretaries profession. He is practicing company secretary and advisor to various corporate houses on secretarial, listing, legal, financial, insolvency and bankruptcy matters.

Brief profile of Mr. Ashok Lakhanpal is as under:

Mr. Ashok Lakhanpal is B.Sc. Engg. Qualified from Punjab University and Life Fellow of Institution of Electronics & Telecommunication Engineers and Member of Engineering Council of India. He is having Technical and Administrative experience of more than four decades. He retired as Chief Engineer, A.I.R. & Doordarshan and thereafter functioned as Adviser (Vigilance

& Technology) of NSIC (National Small Industries Corporation). He worked as Director and Commissioner for Departmental Inquiries in Central Vigilance Commission, Govt. of India from 1999 to 2005. He is not holding directorship in any other Company and his association with the Company as an independent director is very advantageous to gain the technical and advisory services from him in various aspects.

Detailed disclosure of the profile and other credentials of Mr. Ajay Kumar Arora and Mr. Ashok Lakhanpal is given elsewhere in this Notice. Other than Mr. Ajay Kumar Arora and Mr. Ashok Lakhanpal and their relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolutions as set out in Item Nos. 3 and 4 of this Notice. The Board recommends the Special Resolutions as set out at Item Nos. 3 and 4 of the Notice for approval by the Members.

Item No. 5

Mr. Rakesh M Kumar (DIN: 00066497) is associated with the Company as a Whole Time Director for the last twenty five years. Presently he is designated as Managing Director of the Company and looking after all business affairs of the Company. Considering his role in the overall development of the Company, annual appraisal to the employees of the company, various other factors and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 9th March, 2019 has subject to the approval of the shareholders in the General Meeting, approved the payment of remuneration of Rs. 10,00,000/- per month and other perquisites & amenities as mentioned in item no. 3 of notice of AGM, to Mr. Rakesh M Kumar (DIN: 00066497), Managing Director, with effect from March 1, 2019, for the remaining tenure of his appointment i.e. upto 30.11.2020,

The Board of Directors recommends the relevant resolution as Item No. 5 of the notice for your consideration and approval as a Special Resolution.

Mr. Rakesh M Kumar (DIN: 00066497) being the beneficiary himself and Mrs. Ritu Joshi (01598873), Director of the Company, being his relative are concerned and interested in the resolution. No other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The additional information as per the requirement of Schedule V of the Companies Act, 2013 is given below:

I. General information:

1. Nature of Industry

The Company comes under Forgings Industry and is in the business of manufacturing of closed die steel forgings and machined components.

2. Date or expected date of commencement of commercial production

The Commercial production started in the year 1985.

3. In case new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable

4. Financial performance of the Company

The financial performance of the Company has improved during the last years. The Company has achieved highest ever net sales turnover of Rs. 9617.85 lakh during the year ended March 31, 2019 and earned net profit of Rs. 101.38 lakh for the year ended March 31, 2019.

5. Foreign investments or collaborations, if any

The Company has not made any investment in foreign market.

II. Information about the appointee

1. Background detail

Mr. Rakesh M. Kumar is B.E., MBA by qualification having twenty six years of business experience in forging industry to his credit. He has joined Samrat Forgings Limited as a whole time director in the year 1994 and looking after all business operations of the Company for the last twenty five years.

2. Past remuneration

Mr. Rakesh M. Kumar was drawing Remuneration of Rs. 6,50,000/- p.m. with other benefits and perquisites as approved by the shareholders in the general meeting on 29th September, 2017 as per provisions of section 197 and Schedule V of the Companies Act, 2013. Considering his role in the overall development of the Company, the Board of Directors on the recommendation of Nomination & Remuneration Committee and subject to the approval of the members in the general meeting has increased the remuneration of Mr. Rakesh M Kumar as Rs. 10,00,000/- p.m. with other benefits and perquisites w.e.f. March 01, 2019 for the remaining term of appointment i.e. up to 30.11.2020.

3. Recognition or awards

Career profile already covered in the section Background detail.

4. Job profile and his suitability

Mr. Rakesh M. Kumar is managing the affairs of the Company for the last twenty five years and has given his strong dedication and devotion for the overall growth of the Company to a very sound state. He is very well suited to handle the responsibility of his designation/position and the responsibilities assigned to him by the Board of Directors of the Company.

5. Remuneration proposed

The Proposed Remuneration is: Rs. 10,00,000/- per month and other benefits and perquisites as mentioned in item no. 3 of the Notice of AGM w.e.f. March 01, 2019, for the remaining tenure of his appointment i.e. upto 30.11.2020.

6. Comparative remuneration profile with respect to industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

In the present scenario the remuneration being paid to the managerial personnel by companies in forging industry is very high. Mr. Rakesh M. Kumar has business experience of approximately twenty eight years and taking into account the responsibilities assigned, the remuneration proposed to be paid to him is very reasonable in comparison of remuneration packages paid to similar senior level appointee(s) in other Companies in the industry.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Rakesh M. Kumar is Managing Director of the Company and except for drawing remuneration as approved by shareholders; has no other pecuniary relations with the Company. He is related to Mrs. Ritu Joshi, Director of the Company.

III. Other information:

1. Reasons of inadequate profits

In view of the highly competitive market scenario in forging industry and downtrend in the industry all across India from November, 2018 onwards, the Company has posted profits before tax of Rs. 118.65 lakh and net profit after tax of Rs. 101.38 lakh for the year ended 31st March, 2019.

2. Steps taken or proposed to be taken for improvement

A new 5 Ton Hammer and various CNC machines have been installed by the Company during the financial year 2018-19, to increase the production level. The company is constantly looking forward to improve its productivity, sales and consequently its profits and therefore steps have been taken for addition of new machinery equipped with latest technology, cost cutting, optimum utilization of resources to cater the needs of customers.

3. Expected increase in productivity and profits in measurable terms

Considering the slowdown in the Industry since November, 2018 which is still continue, it is very hard to predict the future market scenario and so as the productivity and profits of the Company. However, with the advent of new machinery installed during the previous financial year and development of new parts both for domestic as well as export markets by the Company, it is very confident of growth as & when the market conditions improve and as a result to the same the production, sales and profitability of the Company is expected to increase substantially. The Company posted net profit (after tax) of Rs. 101.38 lakh for the year ended 31st March, 2019 and is focusing on widening its product portfolio to improve the profits going forward.

Item No. 6

In order to align and update the provisions of the Memorandum of Association of the company with the recent developments in the Companies Act, 2013, it is considered appropriate to substitute the existing Clause III (B) (The objects incidental or ancillary to the attainment of the main objects) with a new clause III (B) (Matters which are necessary for furtherance of the objects specified in clause III (A)) and to delete the existing Clause III (C) i. e, the other Objects in the Memorandum of Association of the company. Pursuant to the provisions of Section 13 of the Companies Act, 2013, alteration in object clause of the Memorandum of Association of the company requires the approval of the members by special resolution. Therefore, the resolution is being placed before the members for approval for alteration in the Memorandum of Association by way of the Special Resolution as Item no. 6 of the notice.

None of the directors, Key Managerial Personnel or their relatives is interested or concerned in the aforesaid resolution.

Item No. 7

In order to align and update the provisions of the Articles of Associations of the company with the recent developments in the Companies Act, 2013, it is considered appropriate to adopt a new set of Articles of Association in substitution of the existing Articles of Association of the Company. Pursuant to the provisions of Section 14 of the Companies Act, 2013 the alteration in Articles of the company requires the approval of the members by special resolution. Therefore, the resolution is being placed before the members for approval.

The proposed draft of the altered Articles of Association of the Company will be available for physical inspection by the members at the registered office of the Company throughout the office hours on any working day. The Board, recommend the resolution proposed in Item no. 7 to be passed by the members as a Special Resolution.

None of the Directors, Key Managerial Personnel or any of their relatives are concerned or interested in the aforesaid resolution.

Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting (Details as on March 31, 2019):

Name of the Directors	Mrs. Ritu Joshi	Mr. Ajay Kumar Arora	Mr. Ashok Laxhanpal
Age (in years)	55	59	69
Nationality	Indian	Indian	Indian
Date of appointment	25.05.2011	13.11.2010	13.08.2011
Qualification	M.A.	FCS, LLB	B.Sc. Engg.
Nature of expertise in specific functional area	Sales, Marketing, Management	Secretarial, Legal, Accounts & Finance, Management	Engineering and Management
Directorship held in other companies (excluding Foreign Companies and Section 8 Companies)	Private Companies - Natrajan Investments & Finance Pvt Ltd - Jay Dee Holdings Pvt Ltd - Gee Cee Investments and Finance Pvt Ltd - Alacrity Holdings Pvt Ltd - Devi Computronics Pvt Ltd	Listed Companies - Paul Merchants Ltd - Vishal Papertech (India) Ltd Private Companies - Paul Merchants Finance Pvt Ltd	Nil. He is not holding directorship in any other company
Chairmanships/ Memberships of Committees held in Committees of other companies	Nil	<u>Paul Merchants Ltd</u> Member of Audit Committee <u>Vishal Papertech (India) Ltd</u>	Nil. He is not a member/chairman of committee of any other company
Relationship with other Director, Manager and other Key Managerial Personnel of the Company <i>inter-se</i>	Sister of Mr. Rakesh M Kumar, Managing Director	None	None
No. of equity shares held by Director: By self: As beneficial owner:	20 Nil	Nil Nil	Nil Nil
Number of Board Meetings attended during FY 2018-19	6	6	3



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 38th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2019. The financial highlights for the year under review are given below:

FINANCIAL RESULTS	(Rs. in lacs)	
	For the year ended 31.03.2019 (Current Year)	For the year ended 31.03.2018 (Previous Year)
Gross Sales including Job Work	9617.85	8210.24
Less: Excise Duty/Service Tax	0.00	213.68
Net Sales	9617.85	7996.56
Other Income	39.31	40.81
Profit before Interest, Depreciation & Tax	844.45	794.54
Interest	473.49	396.21
Depreciation	252.31	223.09
Net Profit before Tax	118.65	175.24
Provision for Tax including Deferred Tax	22.66	45.98
Income Tax of earlier years	-5.38	-0.14
Profit after tax available for appropriation	101.38	129.40
Transfer to General Reserve	0.00	0.00

OPERATIONAL REVIEW

Through the constant efforts put up by the directors and employees, the Company has achieved its highest ever net sales turnover of Rs. 9617.85 lakh during the year ended on March 31, 2019 as against net sales turnover of Rs. 7996.56 lakh during the corresponding previous financial year ended on March 31, 2018. This growth could be achieved mainly with addition of new customers, added in last two-three years in niche segments like Railways and Infrastructure. The company has earned net profit of Rs. 101.38 lakh as compared to the previous year's net profit of Rs. 129.40 lakh. The major reason of decrease in profit in spite of increase of turnover is increase in raw material cost which has been compensated by our customers in the present financial year. Its effect will be reflected in the results of present financial year 2019-20. Another reason of deficit in profits is exorbitant increase in furnace oil price during the financial year under review. Your directors are putting constant efforts to further increase the production, sales and profitability and expect much improved results during the year 2019-20.

FUTURE PROSPECTS/ EXPANSION

The Company has already successfully executed its expansion plan in previous financial year by adding a new 5 Ton Hammer and various CNC machines to strengthen its manufacturing capabilities & capacities. However, the market scenario since November, 2018 has been very bearish, especially in the commercial vehicle and Infrastructure segments. Also, the Government spent on Railways has drastically come down. The impact of the downtrend has been impacting adversely to the entire industry all across India.

You Company has no definite plans of any major capacity expansion in present financial year 2019-20. However, any customer based requirement will not deter the company to buy and install new machines.

On the positive side, the company has developed many new parts both for domestic as well as export markets and is very confident of growth as & when the market conditions improve in the coming months.

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 the prescribed form MGT-9 is annexed to this report as Annexure- 1 and also available of the website of the Company at www.samratforgings.com/investors/annual-report

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

I. Cessation of Director-

During the financial year under review, Mr. Ajay Kapoor (DIN: 01345146) has resigned from the directorship of the Company w.e.f. 30.06.2018 due to his personal reasons. His resignation was taken on record by the Board.

II. Appointment/Re-appointment of Directors-

In the Annual General Meeting of the Company held on 29th September, 2014, Mr. Ajay Kumar Arora (DIN: 00314161) and Mr. Ashok Lakhanpal (DIN: 036173550) were appointed as Independent Directors of the company for a term upto 28th September, 2019. Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommend the reappointment of Mr. Ajay Kumar Arora (DIN: 00314161) and Mr. Ashok Lakhanpal (DIN: 036173550) as Independent Directors of the Company for second term of five years w.e.f. 29th September, 2019, both are subject to the approval of the members in the ensuing AGM.

III. Director liable to retire by rotation

In accordance with the provisions of section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Ritu Joshi (DIN: 01598873), Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

IV. Declaration by Independent Directors

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013, as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. The Board took on record the declaration and confirmation submitted by the Independent Directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same.

V. 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.

VI. Performance Evaluation of the Board of Directors, its individual members and its committees

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.

VII. Nomination and Remuneration Policy

The Board has, on recommendation of the Nomination and 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 Key Managerial Persons (KMP) 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.

The said policy is placed on the Company's website www.samratforgings.com/investors/policies

VIII. Familiarization Programme for Independent Directors

The details of familiarization 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>

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(1)(c) and in terms of Section 134(5) of the Companies Act, 2013, the directors to the best of their knowledge and belief, state that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The 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 were adequate and were operating effectively; and
- (vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were 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 had 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 detail 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. However, since the company has applied for listing on BSE Limited under direct listing norms of the said stock exchange and the application is under process, therefore, these reports are incorporated and forming part of the annual report for the financial year 2018-19.

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.

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

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

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 29th September, 2017 for a period of five years i.e. till the conclusion of 41st Annual General Meeting.

The Audit Report issued by the Auditors of the Company for the financial year 2018-19 forms part of the Annual Report and does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

FRAUD REPORTING

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

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.

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. The Committee has not received any grievance of sexual harassment during the financial year 2018-19. Nor there was any grievance pending at the beginning or end of the financial year under review.

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 2018-19.

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 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.

SECRETARIAL STANDARDS

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS- 1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

**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 31st March, 2019.

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 2018-19 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. Your Directors also wish to place there deep sense of appreciation to the shareholders for their continued support and confidence reposed by them in the management of the Company and look forward to their valuable support for the future plans of the Company. Your Directors also wish to acknowledge the contribution made by the workers and employees 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: 25.07.2019

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
31st March, 2019

[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, 2nd 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	35
2	Machined Crankshafts	8483	20
3	Tractor Parts	8708	16
4	Railway Parts	8607	16

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GIN	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	
A. Promoters									
(1) Indian									
a) Individual/HUF	555020	40	555060	11.10	1270120	40	1270160	25.40	14.30
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...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	2766220	267741	3033961	60.68	3481320	267741	3749061	74.98	14.30
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoters (A) = (A)(1) + (A)(2)	2766220	267741	3033961	60.68	3481320	267741	3749061	74.98	14.30
B. Public Shareholding									
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) FIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture	-	-	-	-	-	-	-	-	-
h) Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	0	165000	165000	3.30	0	165000	165000	3.30	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	188600	1238700	1427300	28.55	68000	1700	69700	1.39	-27.15
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	750	105760	106510	2.13	5750	100760	106510	2.13	0

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	267229	267229	5.34	642500	267229	909729	18.19	12.85
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	189350	1611689	1801039	36.02	716250	369689	1085939	21.72	-14.30
Total Public shareholding (B) = (B)(1)+(B)(2)	189350	1776689	1966039	39.32	716250	534689	1250939	25.02	-14.30
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2955570	2044430	5000000	100	4197570	802430	5000000	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during 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	
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	1180100	23.60	72.67	14.30
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
	Total	3033961	60.68		3749061	74.98		14.30

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

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		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 (On 01.04.2018)	3033961	60.68		
	Date wise Increase/ (Decrease)				

1	Rakesh M Kumar				
	27.09.2018: Off market sale	(142500)	(2.85)	2891461	57.83
	10.12.2018: Off market purchase	857600	17.15	3749061	74.98
	At the End of the year			3749061	74.98

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

Sl. No.	Name of the shareholder	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
1	Prem Lal				
	At the beginning of the year (01.04.2018)	0	0.00		
	Date wise increase/(decrease)				
	04.12.2018: Off market purchase	500000	10.00	500000	10.00
	At the end of the year (31.03.2019)			500000	10.00
2	Punjab State Industrial Development Corporation Ltd				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	165000	3.30	165000	3.30
3	Natrajan Chouhan				
	At the beginning of the year (01.04.2018)	0	0.00		
	Date wise increase/(decrease)				
	27.09.2018: Off market purchase	142500	2.85	142500	2.85
	At the end of the year (31.03.2019)			142500	2.85
4	Gurdeep Singh Basi				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	133615	2.67	133615	2.67
5	Jassoo Singh Basi				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	133614	2.67	133614	2.67
6	Amrex Marketing Pvt Ltd				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	68000	1.36	68000	1.36
7	Lakshmi Krishan Iyer				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	4000	0.08	4000	0.08

8	Latha Kumar				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	4000	0.08	4000	0.08
9	Natwar Lal Rathi				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	3700	0.07	3700	0.07
10	C V Chacko				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2019	2000	0.04	2000	0.04

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of the Director or KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Rakesh M Kumar				
	At the beginning of the year	465000	9.30		
	Date wise increase/(decrease)				
	27.09.2018: Off market sale	(142500)	(2.85)	322500	6.45
	10.12.2018: Off market purchase	857600	17.15	1180100	23.60
	At the End of the year			1180100	23.60
2.	Mrs. Bindu Chowdhary				
	At the beginning and end of the year-No change during the year ended 31 March, 2019	10	0.00	10	0.00
3.	Mrs. Ritu Joshi				
	At the beginning and end of the year-No change during the year ended 31 March, 2019	20	0.00	20	0.00

Note: Shareholding of all other directors and Key Managerial Personnel – NIL

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
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	2743.41	727.51	-	3470.92

Change in Indebtedness during the financial year				
- Addition	389.68	644.69	-	1034.37
- Reduction	223.54	576.55	-	800.09
Net Change	166.14	68.14	-	234.28
Indebtedness at the end of the financial year				
i) Principal Amount	2907.96	793.15		3701.11
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	1.81	3.96		5.77
Total (i+ii+iii)	2909.77	797.11	-	3706.88

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	7750000	7750000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21600	21600
	(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)	7771600	7771600

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	----	----	17500	60000	35000	112500
	- Commission	----	----	----	----	----	----
	- Others, please specify	----	----	----	----	----	----
	Total (1)	----	----	17500	60000	35000	112500
2.	Other Non-Executive Directors						
	- Fee for attending board/ committee meetings	47500	50000	----	----	----	97500
	- Commission	----	----	----	----	----	----
	- Others, please specify	----	----	----	----	----	----
	Total (2)	47500	50000	----	----	----	97500
	Total (B)=(1+2)	47500	50000	17500	60000	35000	210000

* Resigned w.e.f. 30.06.2018

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

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: (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	571600	571600
	(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	571600	571600

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences under the Companies Act, 2013 during the year ended 31st Year, 2019



Annexure 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019 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, 2019 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 thereunder;
- (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 to the extent applicable;
- (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 previously

listed was de-recognized and the company moved into the dissemination Board of National Stock Exchange of India Limited:

- a) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- b) 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.
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 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, 2015.
- 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 (Delisting of Equity Shares) Regulations, 2009.
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- j) 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
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 Limited. 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 : 25.07.2019

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

Note: The status of the company has been considered as "un-listed public company" 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 : 25.07.2019

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 2018-19	Director's Name	Ratio to median remuneration
		Mr. Rakesh M Kumar	90.88
		Mrs. Bindu Chowdhary	0.56
		Mrs. Ritu Joshi	0.59
		Mr. Ajay Kapoor* *Resigned w.e.f. 30.06.2018	0.21
		Mr. Ajay K Arora	0.70
		Mr. Ashok Lakhanpal	0.41
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year 2018-19	Director's/CFO/CEO/CS/ Manager name	% age increase in remuneration
		Mr. Rakesh M Kumar, Managing Director	53.85%
		Mr. Sandeep Kumar, Company Secretary	6.70%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2018-19 compared to financial year 2017-18	4.09%	
(iv)	Number of permanent employees on the rolls of company	As on 31.03.2019	As on 31.03.2018
		647	535
(v)	Average percentile increase in salaries of employees other than managerial personnel	During 2018-19	During 2017-18
		8.46%	7.44%
(vi)	Justification for increase with reasons	Normal industry standards applied based on performance of the employees	
(vii)	Key parameter for any variable component of remuneration availed by the Directors	Nil	

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 2018-19:

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	77,50,000	B.E., MBA 28 years	Permanent	01.06.1994	53	23.60	Mrs. Ritu Joshi
2	Mr. Prem Lal	Vice President	20,48,000	B.Sc. Engg. LLB 37 years	Permanent	28.04.2008	62	10.00	N.A.
3	Mr. APS Grover	GM-Finance	18,48,000	B.Com., FCA 37 years	Permanent	02.08.2006	62	Nil	N.A.
4	Mr. Sanjay Jain	DGM-Marketing	14,29,200	B.A. 30 years	Permanent	21.01.1989	52	Nil	N.A.
5	Mr. Naveen Kumar	Asst. General Manager	10,58,000	Mech. Engg. 20 years	Permanent	02.07.2012	46	Nil	N.A.
6	Mr. Faquir Chand	Manager-Maintenance	9,85,720	Diploma in Mechanical 30 years	Permanent	21.06.2010	54	Nil	N.A.
7	Mr. Daljit Sharma	Manager-Tool Room	8,20,280	Diploma in Mechanical 28 years	Permanent	30.08.1991	51	Nil	N.A.
8	Mr. Parveen Kumar	Manager-Forge Shop	7,39,200	M.A. 24 years	Permanent	22.12.1995	47	Nil	N.A.
9	Mr. Ram Paul	Manager-Design	6,84,200	Diploma in Mechanical 27 years	Permanent	01.10.2009	52	Nil	N.A.
10	Mr. Sanjay Singh	Asst. Manager	6,27,600	Diploma in Mechanical 12 years	Permanent	01.12.2016	40	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 31.03.2019	Year Ended 31.03.2018
1	Electricity			
	a. Purchase	Unit in Lakhs	57.26	58.19
	Total Amount	Rs. in lakhs	413.24	434.19
	Average Cost per unit	Rs.	7.22	7.46
	b. Own Generation	Unit in Lakhs	1.36	1.26
	(Through diesel generation)			
	Unit per Ltr. of Diesel	Units	2.78	3.00
	Cost per Unit	Rs.	24.79	19.32
2	Furnace Oil / R.F.O./ L.D.O. Quantity	KL	1785	1448
	Amount	Rs. in lakhs	636.87	373.52
	Average Rates per Ltr.	Rs.	35.68	25.80
3	Consumption per unit of prod.			
	1. Electricity Purchased	Units	821.84	914.05
	2. Electricity Generated	Units	19.58	19.86
	3. Furnace Oil/ R.F.O./L.D.O.	Ltrs.	256.17	227.42
	4. Production	MT	6967	6366

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

	2018-19 (Rs in lakhs)	2017-18 (Rs in lakhs)
Earnings -on account of exports	226.56	213.03
Outgo -on account of import & expenditure	0.72	35.30

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2019.

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 2018-19, the Indian forging industry has shown the development in all of the above mentioned segments indicating 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.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

OPPORTUNITIES AND THREATS

This year the company continued its growth trend for the first half the financial year 2018-19. However, downtrend in entire Industry all across India started from November, 2018 which is still continuing which is the major threat at present. Necessary initiatives and steps towards value engineering, cost reductions, products up gradation continue to be the main focus for the company this year too.

RISKS AND CONCERNS

Due to sudden downtrend since November, 2018, there is blockade of inventory at all levels, thus putting pressure on company's liquidity. Due to the downtrend in the market, the impact of fixed costs on the company is the major concern at present.

OUTLOOK

The market scenario since November, 2018 has been very bearish especially in the commercial vehicle and Infrastructure segments. Also, the Government spent on Railways has drastically come down. The impact of the downtrend has been impacting adversely to the entire industry all across India.

On the positive side, the company has developed many new parts both for domestic as well as export markets and is very confident of growth as & when the market conditions improve in the coming months.

The Company has no definite plans of any major capacity expansion in present financial year 2019-20. However, any customer based requirement will not deter the company to buy and install new machines.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has achieved its highest ever net sales turnover of Rs. 9617.85 lakh during the year ended on March 31, 2019 as against net sales turnover of Rs. 7996.56 lakh during the corresponding previous financial year ended on March 31, 2018. This growth could be achieved mainly with addition of new customers, added in last two-three years in niche segments like Railways and Infrastructure. The company has earned net profit of Rs. 101.38 lakh as compared to the previous year's net profit of Rs. 129.40 lakh. The major reason of decrease in profit in spite of increase of turnover is increase in raw material cost which has been compensated by our customers in the present financial year. Its effect will be reflected in the results of present financial year 2019-20. Another reason of deficit in profits is exorbitant increase in furnace oil price during the financial year under review.

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

As on March 31, 2019 the company had 647 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.

**KEY FINANCIAL RATIOS**

Particulars	FY 2018-19	FY 2017-18	Remarks
Debtors Turnover Ratio	8.26	6.62	
Current Ratio	0.98	1.00	
Debt Equity Ratio	4.95	4.93	
Operating Profit Margin%	6.13	7.10	
Net Profit Margin%	1.05	1.61	Net Profit Margin is lower/decreased due to higher input cost of Raw Material and Consumables.
Return on Net Worth%	5.94	8.06	Return is lower due to deficit in profits.

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: 25.07.2019
Place: Chandigarh

By order of the Board of Directors
For Samrat Forgings Limited

Rakesh M Kumar	Bindu Chowdhary
Managing Director	Director
[DIN: 00066497]	[DIN: 01154263]

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

II. BOARD OF DIRECTORS

(a) Composition of the Board

The Board of Directors is the apex body constituted by the Shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic directions, management policies and their effectiveness and ensures that Shareholders' long term interests are being served.

There were five Directors as on 31st March, 2019, out of which two 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 one change in the composition of the Board during the financial year 2018-19, Mr. Ajay Kapoor has resigned from the directorship w.e.f. 30.06.2018.

None of the Directors of the Company is:

- (i) a director in more than ten public limited Companies
- (ii) an independent director in more than seven listed companies or three listed companies (in case he serves as a whole time director in any listed company)
- (iii) is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Indian public limited Companies in which he/she is a Director.

(b) Board Meetings

Seven Board meetings of the Company were held during the year financial year 2018-19 on following dates:

- I. 17.04.2018, II. 30.06.2018, III. 14.08.2018, IV. 08.09.2018, V. 30.11.2018, VI. 12.01.2019 and VII. 09.03.2019

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.

(c) Attendance and other Directorships

The details of attendance of the Directors at the Board Meetings during the financial year 2018-19 and the last Annual General Meeting held on 29th September, 2018 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*	
					Chairman	Member
Mr. Rakesh M. Kumar	Managing Director (Promoter & Executive)	7	Yes	7	Nil	2
Mrs. Bindu Chowdhary	Promoter Director and Chairperson (Non Executive)	6	No	2	Nil	1
Mr. Ajay Kapoor**	Independent Director (Non Executive)	2	No	1	1	2
Mr. Ajay Kumar Arora	Independent Director (Non Executive)	6	Yes	3	1	2
Mrs. Ritu Joshi	Promoter Director (Non Executive)	6	Yes	5	1	1
Mr. Ashok Lakhanpal	Independent Director (Non Executive)	3	Yes	Nil	Nil	1

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

**Mr. Ajay Kapoor Resigned from the directorship of the Company w.e.f. 30.06.2018 due to his personal reasons.

No extra ordinary general meeting has been held during the year ended 31st March, 2019.

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

Name of the Director	Name of the Listed Entity where Directorship is held	Category of Directorship
Mr. Ajay Kumar Arora	Paul Merchants Limited	Non-Executive Independent
	Vishal Papertech (India) Limited	Non-Executive Independent

(e) Disclosure of relationship between directors inter se

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

(f) Details of equity shares & convertible instruments held by non executive directors of the company as on March 31, 2019 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 the Listing Regulations; the detailed policy is available at the website of the Company (www.samratforgings.com) under weblink <http://samratforgings.com/wp-content/uploads/2017/03/Familiarization-programme-for-independent-directors.pdf>.

During the FY 2018-19, one Meeting of the Independent directors of the Company was held on 30th March, 2019, which was attended by all 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

(h) List of Core Skills/Expertise/Competencies identified by the Board of Directors

The boards indentified the following core skills/expertise/competencies required in the context of the business of the Company for effectively functioning and are actually available with the board:

1. Management and Strategy
2. Commercial, Purchase and Supply chain solution
3. Manufacturing and Engineering
4. Marketing, Sales and Business Expansion Strategy
5. Information Technology and Computers
6. Accounts, Finance and Taxation
7. Legal and Corporate Governance
8. Audit, Economics and Statistics
9. Banking and Investment
10. Human Resource Management and Industrial Relations

(i) Opinion of the Board regarding Independent Directors

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

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, Chairman of the Audit Committee, attended the last Annual General Meeting held on 29th September, 2018.

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 2018-19 under review, five Audit Committee meetings were held on the following dates:

I. 09.06.2018., II. 14.08.2018, III. 08.09.2018, IV. 24.11.2018 and V. 09.03.2019

During the year under review, Mr. Ajay Kapoor has resigned from the directorship of the Company w.e.f. 30.06.2018 and consequently ceased to be a member of the Audit Committee and Mr. Ashok Lakhanpal was appointed as member of the Audit Committee. The composition and other details of the Audit Committee as on 31.03.2019 are as under:

Name of the Member Director	Designation	Nature of Directorship	No. of Meetings Attended
Mr. Ajay K Arora	Chairman	Non-Executive Independent Director	5
Mr. Ashok Lakhanpal	Member	Non- Executive Independent Director	4
Mr. Rakesh M. Kumar	Member	Managing Director	5

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company reviews, assess and recommend 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, 2019 on 09.03.2019 and the meeting was attended by all members of the committee.

During the year under review, Mr. Ajay Kapoor has resigned from the directorship of the Company w.e.f. 30.06.2018 and consequently ceased to be a member of the Nomination and Remuneration Committee and Mrs. Ritu Joshi was appointed as member of the Nomination and Remuneration Committee. The composition and other details of the Nomination and Remuneration Committee as on 31.03.2019 are as under:

Name of the Member Director	Designation	Nature of Directorship
Mrs. Ritu Joshi	Chairperson	Non-Executive Non Independent Director
Mr. Ajay K Arora	Member	Non Executive Independent Director
Mr. Ashok Lakhanpal	Member	Non Executive 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 of Executive Directors and sitting fees of Non-Executive Directors during the year ended 31st March, 2019 is given below:

Name of the Director	Salary	Perquisites	Sitting Fee	(Amount in Rs.) Total
Mr. Rakesh M Kumar	77,50,000	21,600	-	77,71,600
Mrs. Bindu Chowdhary	-	-	47,500	47,500
Mrs. Ritu Joshi	-	-	50,000	50,000
Mr. Ajay Kapoor*	-	-	17,500	17,500
Mr. Ajay K Arora	-	-	60,000	60,000
Mr. Ashok Lakhanpal	-	-	35,000	35,000

*Resigned w.e.f. 30.06.2018

Criteria of making payment to the non-executive directors is posted and can be referred from the website of the Company at www.samratforgings.com/investors/policies

(C) Stakeholders Relationship Committee

The Company has constituted Stakeholders Relationship 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.

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

The committee met once during the financial year 2018-19 on 14.08.2018 and the meeting was attended by all members of the committee.

During the year under review, Mr. Ajay Kapoor has resigned from the directorship of the Company w.e.f. 30.06.2018 and consequently ceased to be a member of the Stakeholders Relationship Committee and Mrs. Ritu Joshi was appointed as member of the Committee. The composition and other details of the Stakeholders Relationship Committee as on 31.03.2019 are as under:

Name of the Member Director	Designation	Nature of Directorship
Mrs. Ritu Joshi	Chairperson	Non Executive Non Independent Director
Mrs. Bindu Chowdhary	Member	Non Executive Non Independent Director
Mr. Rakesh M Kumar	Member	Managing Director

The Company has not received any grievance from any of the stakeholders during the financial year 2018-19. 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
2016-17	35 th AGM	30 th Sept., 2016 11.00 AM	#406, First Floor, Sector 15-A, Chandigarh	Nil
2017-18	36 th AGM	29 th 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
2018-19	37 th AGM	29 th Sept., 2018 11.00 AM	#406, First Floor, Sector 15-A, Chandigarh	Nil

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 2018-19.

V. MEANS OF COMMUNICATION

The Company used to intimate its quarterly; half yearly and annual financial results to the Ludhiana Stock Exchange (LSE) and published in newspapers, 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 displayed on Company's website www.samratforgings.com.

During the year ended 31st March, 2019, no presentations were made to institutional investors or analysts.

VI. GENERAL SHAREHOLDER INFORMATION

- 38th Annual General Meeting Day & Date : Monday, 30th September, 2019
Venue : # 406, First Floor, Sector 15-A, Chandigarh-160015
Time : 11:00 AM
- Financial Calendar (tentative)
Financial Reporting for
Quarter ended on 30th June, 2019 : 4th week of July, 2019
Quarter ended on 30th Sept, 2019 : 1st / 2nd week of Nov, 2019
Quarter ended on 31st Dec, 2019 : 1st / 2nd week of Feb, 2020
Year ended on 31st March, 2020 : May, 2020
- Book Closure : 26th Sept., 2019 to 30th Sept., 2019
(Both days inclusive)
- Dividend Payment : Not declared

5. Listing on Stock Exchanges : Shifted to the dissemination of NSE on dissolution of Ludhiana Stock Exchange (LSE)
Company has filed application for listing on BSE Limited under and the same is under process.
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, 2nd 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 dematerialized with Central Depository Services (India) Ltd (CDSL) or National Securities Depository Limited (NSDL). 83.95% of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2019. 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 March 31, 2019.

11. Share Transfer Agents:

The Company has appointed M/s Mas Services Limited, T-34, 2nd 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. Credit Ratings:

The details of credit ratings from CRISIL, held by the Company as on March 31, 2019 and revision /changes in the credit rating of the Company during the financial year 2018-19 are as under:

Instrument	Amount (Rs. in Crores)	Rating (as on 31.03.2019)	Revision/change during FY 2018-19
Bank Guarantee	1.50	A4+	Changed from A4 to A4+
Bill Discounting	1.00	BB-/Stable	Changed from B+/Stable to BB-/Stable
Cash Credit	18.50	BB-/Stable	Changed from B+/Stable to BB-/Stable
Letter of Credit	4.00	A4+	Changed from A4 to A4+
Term Loan	5.00	BB-/Stable	Changed from B+/Stable to BB-/Stable

13. Shareholding Pattern of the Company as on 31st March, 2019 is as under:

Category	Number of shares held	Face value of share (Rs.)	% age of holding
Promoters / Associates	3749061	10.00	74.98
Financial Institutions / Banks	165000	10.00	3.30
Public -Bodies Corporate	69700	10.00	1.39
Public –Others	1016239	10.00	20.33
Total	5000000		100.00

14. Distribution of Shareholding as on 31st March, 2019 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	723	96.01	81270	812700	1.63
5,001 --- 10,000	9	1.20	6700	67000	0.13
10,001 --- 20,000	6	0.80	8600	86000	0.17
20,001 --- 30,000	0	0.00	0	0	0.00
30,001 --- 40,000	3	0.40	11700	117000	0.23
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	12	1.59	4891730	48917300	97.84
Total	753	100.00	5000000	50000000	100.00

15. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the year under review.

16. **Plant Location:** Forgings Division: Village Gholu Majra, Tehsil Derabassi, Distt. Mohali (Punjab).

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

17. 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)

18. Website Address: www.samratforgings.com

Email: 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. associate companies 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). 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. CERTIFICATE REGARDING NON DISQUALIFICATION OF DIRECTORS

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

E. STATUTORY AUDITORS' FEES

Total fees of Rs. 1,30,000/- (One lakh thirty thousand) for Financial Year 2018-19 was admissible by the Company to the Statutory Auditor for all services rendered by them to the Company.

F. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

G. 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. No personnel has been denied access to the Audit Committee.

H. COMPLIANCE OF THE PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORK-PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules there under. The Policy aims to provide protection to women at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment. Internal complaints committee has been set up to redress complaints received, if any, regarding sexual harassment. During the financial year ended 31st March, 2019, no complaint pertaining to sexual harassment was received to the Committee.

I. 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.

J. NON-COMPLIANCE OF ANY REQUIREMENT OF SUB-PARAS (2) TO (10) OF PARA C TO SCHEDULE V OF THE LISTING REGULATIONS

The Company has complied with all the requirements in this regard, to the extent applicable.



K. DISCLOSURES OF COMPLIANCE WITH REQUIREMENTS SPECIFIED IN THE LISTING REGULATIONS

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. After the de-recognition of the Ludhiana Stock Exchange (the exclusive stock exchange where the company was listed), the Company was shifted to the dissemination board of the National Stock Exchange of India Ltd (NSE). Since, the Company is not listed on any stock exchange; the listing regulations are not applicable to the Company. However, since the Company has filed an application for listing on BSE Limited under direct listing norms of the said stock exchange which is under process; the Company is complying with the requirements of these Regulations.

L. COMPLIANCE WITH 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.

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.

M. CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

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

Place: Chandigarh
Date: 25.07.2019

Rakesh M. Kumar
Managing Director
[DIN: 00066497]

Bindu Chowdhary
Director
[01154263]

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

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2019.

Place: Chandigarh
Date: 25.07.2019

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 31st March, 2019, 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 or 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: 25.07.2019

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 financial year ended March 31, 2019 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") to the extent voluntarily carried out by the company.

We state that the compliance of conditions of Corporate Governance is the responsibility of the Management, including the preparation and maintenance of all relevant supporting records and documents. Our examination was limited to review of procedures and implementation thereof, to the extent voluntarily adopted by the Company for ensuring compliance with 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 according to the explanation given to us and representations made by the Directors and Management, we certify that the Company has complied with some selective conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable during the Financial Year ended March 31, 2019.

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.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Chandigarh

Date: 25.07.2019

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.



CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)

To

The members of
Samrat Forgings Limited
#406, First Floor, Sector 15-A,
Chandigarh – 160015.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Samrat Forgings Limited having CIN – U28910CH1981PLC004522 and having registered office at #406, First Floor, Sector 15-A, Chandigarh – 160015 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Mr. Rakesh Mohan Kumar	00066497	01.06.1994
2.	Mrs. Bindu Chowdhary	01154263	25.04.1990
3.	Mrs. Ritu Joshi	01598873	25.05.2011
4.	Mr. Ashok Lakhanpal	03617355	13.08.2011
5.	Mr. Ajay Arora	00314161	13.11.2010

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

Place: Chandigarh

Date: 25.07.2019

Kanwaljit Singh

Practicing Company Secretary

FCS 5901, CP 5870

INDEPENDENT AUDITORS' REPORT

To the Members of SAMRAT FORGINGS LIMITED

Opinion

We have audited the accompanying financial statements of SAMRAT FORGINGS LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 31st March, 2019;
- (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 cash flow statement, of the cash flows for the year ended on that date.

Basis for Opinion

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

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 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

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 in terms of Section 143(11) of the Act, we give in "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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its 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

UDIN:-19513236AAAABY6471

PLACE : CHANDIGARH

DATED : 25.07.2019



"ANNEXURE-A" TO THE AUDIT 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 : 25.07.2019

**“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, 2019 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2019, 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 : 25.07.2019



BALANCE SHEET AS AT 31st MARCH, 2019

S.No.	Particulars	NOTES	CURRENT YEAR Amount in Rs.	PREVIOUS YEAR Amount in Rs.
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a)	Share Capital	2	50066125	50066125
(b)	Reserves and Surplus	3	120597552	110459913
2. Non-current Liabilities				
(a)	Long term borrowings	4	121129972	120277757
(b)	Deferred tax liabilities (Net)	5	19467207	17717547
3. Current Liabilities				
(a)	Short term borrowings	6	225291596	208067319
(b)	Trade Payables	7	227548465	207405439
(c)	Other current liabilities	8	64210086	59430805
(d)	Short term provisions	9	15869052	17990922
TOTAL			844180055	791415827
II. ASSETS				
1. Non-Current Assets				
(a)	Fixed Assets			
	Gross Block	10	525109945	437916700
	Less : Depreciation		227696090	204322135
(i)	Tangible Assets		297413855	233594565
(ii)	Capital Work in Progress		2875002	42461066
(b)	Long Term Loans & Advances	11	23989213	21749945
2. Current Assets				
(a)	Inventories	12	386728749	355765739
(b)	Trade Receivables	13	116441895	123943179
(c)	Cash & Cash equivalents	14	6754977	6050805
(d)	Short Term Loans & Advances	15	6876413	7052508
(e)	Other Current Assets	16	3099950	798021
TOTAL			844180055	791415827

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
(Firm Regn. No.:001361N)

PLACE : CHANDIGARH
DATED : 25-07-2019

(KRISHAN MANGAWA)
PARTNER
Membership No. 513236

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

S.No.	Particulars	NOTES	CURRENT YEAR	PREVIOUS YEAR
			Amount in Rs.	Amount in Rs.
I.	Revenue from operations (Gross)	17	961784731	821023889
	Less : Excise Duty / Service Tax		0	21368114
	Revenue from operations (Net)		961784731	799655775
II.	Other Income	18	3930554	4081098
III.	Total Revenue (I + II)	TOTAL	965715285	803736872
IV.	Expenses:			
	Cost of materials consumed	19	487099813	400065197
	Change in Finished & Semi Finished Stock	20	-44570427	-32715854
	Employee benefit expenses	21	144815375	123850978
	Finance costs	22	47349411	39620793
	Depreciation and amortization expenses	10	25231482	22308848
	Other expenses	23	293924378	233082763
	Total expenses	TOTAL	953850032	786212725
V.	Profit before Tax (III-IV)		11865253	17524148
VI.	Tax expense:			
	(1) Current tax		515990	5836924
	(2) Deferred tax		1749660	-1239282
	Income tax of last years		-538035	-13995
VII.	Profit for the Year from continuing operations (V-VI)		10137639	12940502
VIII.	Earnings per equity share:			
	Basic & Diluted	27	2.03	2.59
	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
(Firm Regn. No.:001361N)PLACE : CHANDIGARH
DATED : 25-07-2019(KRISHAN MANGAWA)
PARTNER
Membership No. 513236

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	CURRENT YEAR (Amount in Rs.)	PREVIOUS YEAR (Amount in Rs.)		
A Cash Flow from operating Activities				
Net profit before taxation	11865253	17524148		
Adjustment for:				
Depreciation	25231482	22308848		
Interest paid on Term Loans	19577881	11251575		
Interest Received	-980198	-816689		
Provision for Gratuity & Leave Encashment	2707531	3891319		
Operating profit before working capital changes	58401948	54159202		
Adjustment for:				
Trade and other receivables	7302136	-22087610		
Inventories	-30963010	-45918640		
Sundry Creditors & Other payables	24922307	24959792		
Short term borrowings	17224277	15089286		
Cash generated from operations	76887658	26202030		
Direct Taxes	-5298889	-1806593		
Gratuity / Leave Encashment	-1435153	-1139563		
Net cash operating activities	70153616	70153616	23255874	23255874
B Cash flow from investing activities				
Net Purchase /Sale of fixed assets	-49464708	-78797461		
Net Proceeds from Loans & Advances	-2239268	-8571374		
Net Cash Flow from Investing Activities	-51703976	-51703976	-87368835	-87368835
C Cash flow from financing activities				
Net Receipt from Long Term Secured Loans	4410291	41496087		
Net Receipt from Long Term unsecured loans	-3558076	33397764		
Interest on Term Loans	-19577881	-11251575		
Interest Received	980198	816690		
Net cash from financing activities	-17745467	-17745467	64458966	64458966
Net increase in cash & cash equivalents		704173		346005
Cash & cash Equivalents as at Beggining of year	6050805		5704800	
Cash & cash Equivalents as at the end of year	6754977	704173	6050805	346005

(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
(Firm Regn. No.:001361N)

PLACE : CHANDIGARH
DATED : 25-07-2019

(KRISHAN MANGAWA)
PARTNER
Membership No. 513236

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019

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:

Fixed assets are valued at cost less depreciation. Depreciation has been provided on Straight Line Method at the rate prescribed under Schedule II of the Companies Act, 2013.

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
DIN 01154263

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

PLACE : CHANDIGARH
DATED : 25-07-2019

(KRISHAN MANGAWA)
PARTNER
Membership No. 513236

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019

NOTE 2 SHARE CAPITAL		CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
1.	A) AUTHORISED		
	10000000 Equity shares of Rs. 10/- each	100000000	100000000
	B) ISSUED :		
	5026200 Equity Shares of Rs. 10/- each	50262000	50262000
	C) SUBSCRIBED & PAID UP		
	5000000 Equity Shares of Rs. 10/- each fully called up and paid up.	50000000	50000000
	D) FORFEITED EQUITY SHARES		
	26200 Equity Shares of Rs. 10/- each forfeited	66125	66125
	TOTAL	50066125	50066125

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) Prem Lal	500000	0
E) CFL Finance Ltd	0	1357600
F) Rakesh M. Kumar	1180100	465000

NOTE 3 RESERVES & SURPLUS		CURRENT YEAR	PREVIOUS YEAR
1.	Capital Reserve		
	State Capital Subsidy	1500000	1500000
2.	Balance in statement of profit & loss:		
	As per last Balance Sheet	108959913	96019411
	Add: Profit for the year	10137639	12940502
	TOTAL	120597552	110459913

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019

NOTE 4	LONG-TERM BORROWINGS	CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
1.	SECURED LOANS:		
A)	TERM LOANS FROM BANKS (Secured against Hypothecation of respective vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)	49436447	39658915
B)	TERM LOANS FROM OTHER PARTIES From Non-Banking Financial Companies (Secured against hypothecation of respective Vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)	21369772	26737013
2.	UNSECURED LOANS:		
A)	LOANS & ADVANCES FROM RELATED PARTIES	4297615	5269796
B)	OTHER LOANS & ADVANCES (Against personal guarantee of directors)	41843644	48612033
C)	LOANS & ADVANCES FROM BANKS	4182494	0
	TOTAL	121129972	120277757

		(Rs. in Lacs)		
3.	Repayment of loans	1st & 2nd year	3rd & 4th year	After 4 years
	SECURED LOANS:			
A)	Term Loans From Banks	251.70	202.89	39.78
B)	Term Loans From Other Parties	264.65	81.03	0.00
	UNSECURED LOANS:			
A)	Loan & Advances From Related Parties	0.00	42.98	0.00
B)	Other Loans & Advances	312.91	64.08	373.19

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	4508156	4352439
2.	Deferred Tax Liability due to depreciation	23975363	22069986
	Net Deferred Tax Liability	19467207	17717547
	Last Year Balance in Deferred Tax Liability	17717547	18956829
	Charged through P&L Account	1749660	-1239282

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.	SECURED LOANS:		
	A) LOANS & ADVANCES FROM BANKS		
	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.)	193568744	184930497
	B) LOANS & ADVANCES FROM OTHERS		
	The National Small Industries Corp. Ltd. (Secured against Bank guarantee)	13222851	13042566
2.	UNSECURED LOANS:		
	A) LOAN & ADVANCES FROM RELATED PARTIES	18500000	10094255
	TOTAL	225291596	208067319

NOTE 7	TRADE PAYABLES	CURRENT YEAR	PREVIOUS YEAR
1.	Sundry Creditors:		
	A) Total outstanding dues of Micro & Small Scale Industrial Enterprises	4513876	0
	B) Total outstanding dues of Creditors other than Micro & Small Scale Industrial Enterprises	203034589	207405439
	TOTAL	227548465	207405439

NOTE 8	OTHER CURRENT LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
1.	Current Maturities of Long term Borrowings		
	A) Secured Borrowings	12589427	9813733
	B) Unsecured Borrowings	11100500	8524954
2.	Interest Accrued but not due	576633	409814
3.	Statutory Liabilities	12157426	15675212
4.	Expenses Payable	18951122	23561177
5.	Advances from Customers	8590228	911464
6.	Director Remuneration & Fee payable	244750	534450
	TOTAL	64210086	59430805

NOTE 9	SHORT TERM PROVISIONS	CURRENT YEAR	PREVIOUS YEAR
1.	PROVISION FOR EMPLOYEES' BENEFITS		
	Provision for Gratuity	11662013	10388160
	Provision for Leave Encashment	1764363	1765838
2.	OTHERS		
	Income Tax Provision	2442676	5836924
	TOTAL	15869052	17990922

NOTE 10 : FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2019

Amount in Rs.

PARTICULARS	ORIGINAL COST AS ON 01.04.2018	ADD DURING THE YEAR	SALE/ TRANSFER	TOTAL COST AS ON 31.03.2019	TOTAL DEP. UP TO 31.03.2018	DEPRECIATION DURING THE YEAR	DEPRECIATION WRITEBACK	TOTAL DEP. UP TO 31.03.2019	WDV AS ON 31.03.2019	WDV AS ON 31.03.2018
LAND	441426	0	0	441426	0	0	0	0	441426	441426
FACTORY/BUILDING	54581218	3515716	0	58096934	17575922	1536077	0	19111949	3089485	3705296
ADMINISTRATIVE BUILDING	6589432	0	0	6589432	2474864	194770	0	2669634	3939798	4114567
PLANT & MACHINERY	344118579	88383395	4166826	428351448	161883730	21945985	958712	182881003	24545145	18224899
FURNITURE & FIXTURE	2900119	57150	0	3047269	2402463	180911	0	2983374	463895	580556
AIR CONDITIONERS	778624	0	0	778624	701592	16932	0	718134	60490	77882
COMPUTERS	4582289	62231	0	4644520	4100820	100595	0	4281405	363115	401469
OFFICE EQUIPMENT	2483392	62699	0	2511091	2179601	64055	0	2243896	267395	268791
VEHICLES	21286622	725000	946320	20665302	12913382	1192518	898814	1326896	738866	8373430
TOTAL	437916701	92306190	5112946	525109945	204322135	25231482	1857526	227696090	297413855	233994666
CAPITAL WORK IN PROGRESS	42461066	5709233	45681385	2489114	0	0	0	0	2489114	586454
TOTAL	480377767	98015424	50794131	527999059	204322135	25231482	1857526	227696090	299902969	234181020
PREVIOUS YEAR	385191655	19936758	530139	404988273	164516688	21018199	506532	185031255	219567019	220674867

Notes: Additions in Plant & Machinery includes interest on borrowed funds amounting to Rs. 32.14 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	3808100	3336902
2. Security Deposits	20181113	18413043
TOTAL	23989213	21749945

NOTE 12 INVENTORIES	CURRENT YEAR	PREVIOUS YEAR
(As per inventories taken, valued & certified by the management)		
1. Raw Materials	15094989	31419624
2. Work In Progress	286400868	244577304
3. Finished Goods	21322681	18760748
4. Stores & Spares	15222722	14650855
5. Tools & Dies	47924420	45779069
6. Scrap	763069	578139
TOTAL	386728749	355765739

NOTE 13 TRADE RECEIVABLES	CURRENT YEAR	PREVIOUS YEAR
(Unsecured but considered good)		
1. Debts outstanding for a period exceeding six months	3577251	3588991
2. Other Debts	112864644	120354188
TOTAL	116441895	123943179

NOTE 14 CASH & CASH EQUIVALENTS	CURRENT YEAR	PREVIOUS YEAR
1. Cash in Hand	111051	288127
2. Balance with Scheduled Banks		
A) Current Accounts	408365	390083
B) Fixed Deposits maturing within 12 Months (the above Fixed Deposits are provided as security as margin money against borrowings, guarantee, and other commitments)	6028477	5201066
C) Interest accrued on Fixed Deposits	207085	171529
TOTAL	6754977	6050805

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	2583855	1843490
2. Advance to Material suppliers	4292558	5209018
TOTAL	6876413	7052508

NOTE 16 OTHER CURRENT ASSETS		CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
1.	Advance Income Tax/TDS/MAT	2829784	591989
2.	Recoverable from Government agencies	40545	206032
3.	Interest accrued but not received	229621	0
TOTAL		3099950	798021

NOTE 17 REVENUE FROM OPERATIONS		CURRENT YEAR	PREVIOUS YEAR
1.	Sale of Product		
	Gross Sales	948685022	820002517
2.	Sale of Services		
	Conversion/Job Work Charges	13099709	1021372
		961784731	821023889
	Less: Excise Duty/ Service Tax	0	21368114
TOTAL		961784731	799655775

NOTE 18 OTHER INCOME		CURRENT YEAR	PREVIOUS YEAR
1.	Interest Income		
	Interest Received on FDRs	403297	360170
	Interest Received - Others	576901	456519
2.	Other non-operative Income		
	Miscellaneous Income	2950356	3264409
TOTAL		3930554	4081098

NOTE 19 COST OF RAW MATERIAL CONSUMED		CURRENT YEAR	PREVIOUS YEAR
	Opening Stock of Raw Materials	31419624	18904882
	Purchases during the year	470775178	412579939
		502194802	431484821
	Less Closing Stock	15094989	31419624
TOTAL		487099813	400065197

NOTE 20 CHANGES IN FINISHED & SEMI-FINISHED STOCK	CURRENT YEAR	PREVIOUS YEAR
	Amount in Rs.	Amount in Rs.
Opening Stock		
Work In Progress	244577304	220477686
FG. Stock	18760748	10311864
Scrap	578139	410787
TOTAL 'A'	263916191	231200337
Closing Stock		
Work In Progress	286400868	244577304
FG. Stock	21322681	18760748
Scrap	763069	578139
TOTAL 'B'	308486618	263916191
TOTAL (A - B)	-44570427	-32715854

NOTE 21 EMPLOYEE BENEFIT EXPENSES	CURRENT YEAR	PREVIOUS YEAR
1. Remuneration to Directors	7750000	7200000
2. Salaries & Wages	124125765	105028469
3. Bonus	3912685	3491003
4. Provident Fund - Directors	21600	21600
5. Provident Fund & Others	4280459	3860879
6. Staff & Labour Welfare	4691024	4188893
7. Medical Expenses	33842	60134
TOTAL	144815375	123850978

NOTE 22 FINANCE COSTS	CURRENT YEAR	PREVIOUS YEAR
1. Interest Expense		
A) Interest on Working Capital Loan	25003700	25252647
B) Interest on Term Loans	19577881	11251575
C) Interest Others	5990	431410
2. Other Expenses		
Bank Charges	2761839	2685160
TOTAL	47349411	39620793

NOTE 23 OTHER EXPENSES		CURRENT YEAR	PREVIOUS YEAR
		Amount in Rs.	Amount in Rs.
1. Manufacturing Expenses			
A) Power & Fuel		47087885	48458123
B) Tools & Dies Consumed		4645167	4800200
C) Stores & Consumables		160691078	115029073
D) Production/Job Work Expenses		28485943	20697931
E) Repair & Maintenance Machinery		6715608	5317837
	Total A	247625681	194303164
2. Selling Expenses			
A) Freight & Forwarding		7944134	5635289
B) Business Promotion		1760231	1482644
C) Rebates & Discounts		15584654	13829906
D) R & M Vehicles (LCV)		4464787	3739461
E) LD Charges		1545716	1461305
	Total B	31299522	26148605
3. Administrative & Other Expenses			
A) Travelling & Conveyance			
i) Directors		494848	608631
ii) Others		1427650	743910
B) Professional & Legal Expenses		1774250	1435427
C) Telephone & Postage		300264	600681
D) Printing & Stationary		709146	372244
E) Running & Maintenance-Vehicles		1367296	1331751
F) Miscellaneous Expenses		560735	512964
G) R & M - General		509166	660191
H) R & M - Building		2465981	1044862
I) Subscription & Membership Fee		21000	76818
J) Rates, Fee & Taxes		546655	892419
K) Insurance		664877	373835
L) Auditors' Remuneration			
i) Audit Fee		75000	75000
ii) Tax Audit Fee		15000	15000
iii) Tax Matters Fee		30000	30000
iv) Certification Work Fee		10000	6000
M) Advertisement		92448	66960
N) Rent		3561400	236800
O) Sitting Fees		210000	247500
P) Loss on Sale of Fixed Assets		163458	0
	Total C	14999176	12630993
	Grand Total (A+B+C)	293924378	233082763



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.	68.28	19.19
3.	Contingent Liabilities in respect of un-assessed cases of Income Tax, Excise Duty, Sales Tax & Service Tax.	Undeterminable	Undeterminable

NOTE 25 REMUNERATION PAID TO WHOLE TIME DIRECTORS		CURRENT YEAR	PREVIOUS YEAR
		(Rs. in Lacs)	(Rs. in Lacs)
Managing Director			
1.	Salary	77.50	72.00
2.	Provident Fund	0.22	0.22
		72.22	72.22

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 parties and their relationship

Sister Concerns	Punjab Pre Stressed Concrete Works Pvt Ltd.
	Jandwani Poly Products Pvt. Ltd.
	Jay Dee Holdings Pvt. Ltd.
	Natrajan Investments & Finance Pvt. Ltd.
	Gee Cee Investments and Finance Pvt. Ltd.
	Alacrity Holdings Pvt. Ltd.
	R. Kumar Investments and Finance Pvt. Ltd.

Key Managerial 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)	23.79 (4.55)	28.91 (28.91)
	Received during the year	185.00 (0.00)	15.44 (18.75)	0.00 (0.00)
	Paid during the year	100.94 (0.00)	23.50 (0.00)	4.00 (0.00)
	Interest Credited	0.00 (0.00)	0.83 (0.49)	1.51 (0.00)
	Closing Balance	185.00 (100.94)	16.56 (23.79)	26.42 (28.91)
	Rent Paid	38.94 (38.69)	0.00 (0.00)	0.00 (0.00)

*Remuneration to Whole Time Director 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. 101.38 Lacs (129.41 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/reconciliation. The management is of the opinion that adjustment, if any, arising out of such reconciliation 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.

NOTE 33 FOREIGN EXCHANGE TRANSACTION		CURRENT YEAR	PREVIOUS YEAR
		Rs. In Lacs	Rs. In Lacs
1.	Value of imports calculated on C.I.F. basis		
	A) Components and Spare parts	0.00	0.00
	B) Capital Goods	0.00	34.10
2.	Expenditure in Foreign currency		
	Director's Travelling Expenses	0.72	1.20
3.	Total value of Imported Goods consumed and their percentage		
	A) Components and Spare parts	0.00	0.00
	B) Components and Spare parts percentage	0.00	0.00
4.	Earnings in Foreign Exchange		
	Export of goods calculated on F.O.B. Basis	226.56	213.03

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	
Lease payments for the year	35.61	35.37
Total of Future Minimum Lease Payments under non cancelable operating lease:		
Payable within 1 Year	33.90	35.60
Later than 1 year but not later than 5 years	132.00	165.22
Later than 5 years	231.00	264.00

NOTE 35 RESTATEMENT OF PREVIOUS YEAR FIGURES

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

(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
(Firm Regn. No.:001361N)

PLACE : CHANDIGARH
DATED : 25-07-2019

(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 38th ANNUAL GENERAL MEETING of the company to be held on Monday, the 30th day of September, 2019 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 st March, 2019 along with Reports of the Directors and Auditors thereon		
2	Re-appointment of Mrs. Ritu Joshi, who retires by rotation		
Special Business			
3	Re-appointment of Mr. Ajay Kumar Arora as an Independent Director		
4	Re-appointment of Mr. Ashok Lakhanpal as an Independent Director		
5	Approval of increase in remuneration of Managing Director		
6	Alteration of object clause of the Memorandum of Association of the Company		
7	Alteration of Articles of Association of the Company		

Signed onday of....., 2019

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
190824018	Please refer Note No. 20 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*

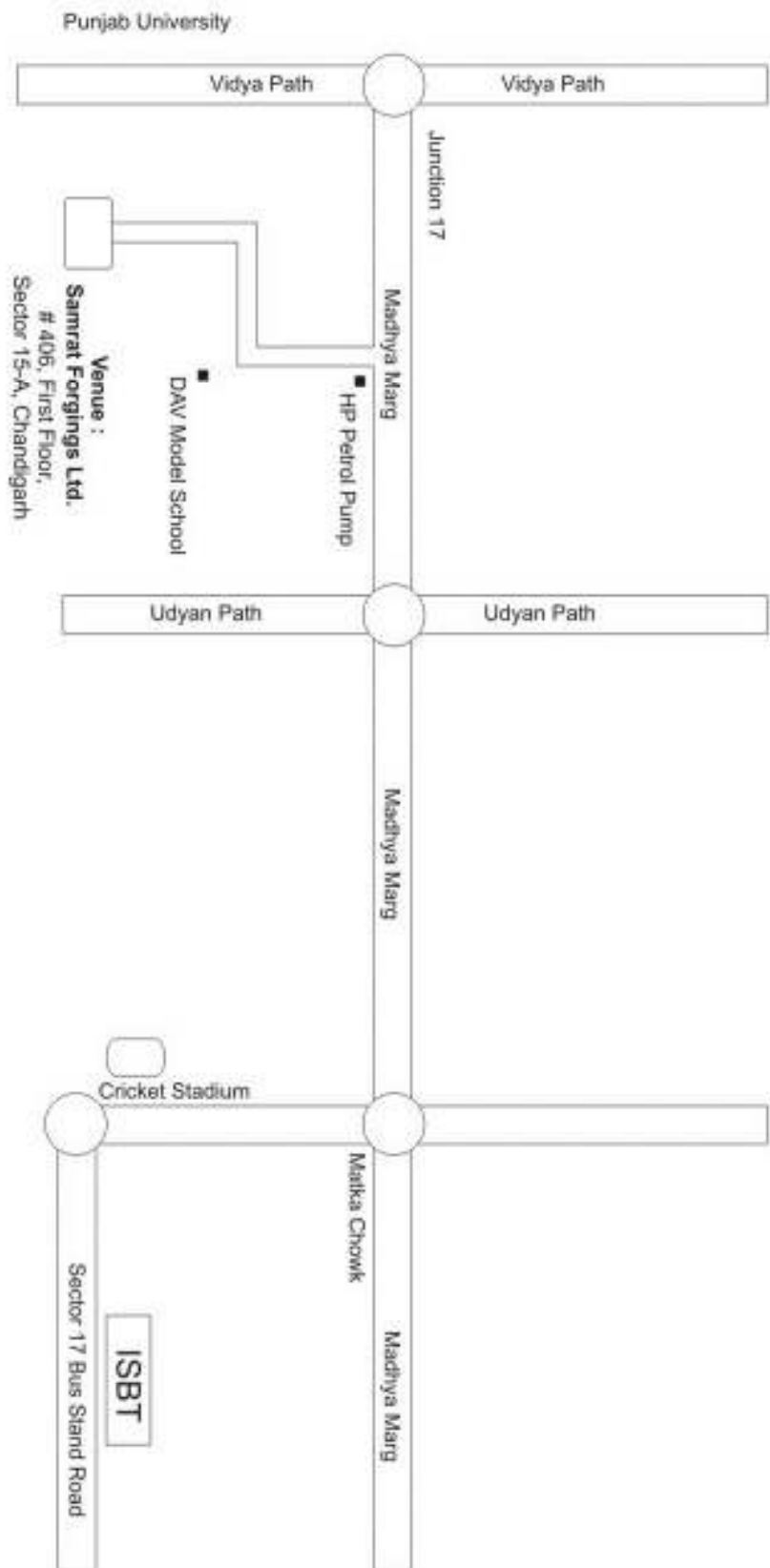
I hereby record my presence at the 38th Annual General Meeting of the Company at # 406, First Floor, Sector 15-A, Chandigarh-160 015 on Saturday, the 30th September, 2019 at 11:00 AM

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



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