



39th
*Annual
Report*
2019-20

Samrat Forgings Limited

SAMRAT FORGINGS LIMITED

39th ANNUAL REPORT 2019-20

BOARD OF DIRECTORS

Mrs. Bindu Chowdhary
(Chairperson)

Mr. Rakesh M. Kumar
(Managing Director)

Mrs. Ritu Joshi
Mr. Ajay K. Arora
Mr. Ashok Lakhanpal
Ms Niveta R. Sharma

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 Ghollu 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

<i>Particulars</i>	CONTENTS	<i>Page No.</i>
Company Information.....		1
Notice.....		2
Directors' Report.....		20
Management Discussion and Analysis Report.....		45
Corporate Governance Report.....		48
Independent Auditors' Report.....		62
Balance Sheet.....		72
Statement of Profit & Loss.....		73
Cash Flow Statement.....		74
Statement of changes in Equity		75
Notes on Financial Statements.....		76

NOTICE

Notice is hereby given that the 39th Annual General Meeting of Samrat Forgings Limited will be held on Wednesday, the 30th day of September, 2020 at 11.30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company i.e. #406, First Floor, Sector 15-A, Chandigarh- 160015.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Bindu Chowdhary (DIN: 01154263), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. **Cancellation of equity shares forfeited by the company**

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

"RESOLVED THAT pursuant to the provisions of Section 61(1)(e) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) ("the Act") and subject to the other permissions and approvals, if any, as may be required, consent of the Company be and is hereby accorded to the cancellation of 26,200 equity shares, issued out of the authorised share capital of the Company which were forfeited by the Company, and which have neither been re-issued nor have been taken up or agreed to be taken up by any person and the amount of issued share capital be and is hereby diminished by an amount of Rs. 66,125/- being the amount paid up on the forfeited shares so cancelled.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders."

4. **Re-classification of the Promoters of the Company**

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, if any or applicable provisions of any other Act(s), if any, the approval of the Members be and is hereby accorded for re-classification of Sh. Subhash Chander Chowdhary, forming part of the existing Promoters of the Company from Promoter category to Public category.

RESOLVED FURTHER THAT the Promoter seeking re-classification along with his personal promoter group entities and person acting in concert do/will not:

- i. have any special rights through formal or informal agreements.
- ii. hold more than 10% of the paid-up capital of the Company.
- iii. act as a Key Managerial person for a period of more than three years from the date of Shareholders approval.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution, including filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchanges and other concerned authorities as may be required to filed.”

5. Appointment of Ms Niveta Rampaul Sharma as an Independent Director

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Ms Niveta Rampaul Sharma, who was appointed as an Additional Director (Non Executive Independent) w.e.f November 15, 2019, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, who holds office as such up to the date of ensuing Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act be and is hereby, appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five years from the original date of appointment i.e. November 15, 2019 upto November 14, 2024.”

6. Re-appointment of Mr. Rakesh M. Kumar as 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 Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to the approvals, as may be necessary, consent of the Members be and

is hereby accorded to the re-appointment of Mr. Rakesh M. Kumar (DIN: 00066497) as Managing Director of the Company, for a period of three years with effect from December 1, 2020 as per the following terms:

- 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. Chauffeur driven car facility for official use.
 - b. Phone, laptop & internet and other communication facilities for official use.

FURTHER RESOLVED THAT the remuneration to Rakesh M Kumar may be revised and altered in any manner as the Board may deem fit within the aforesaid limits during his tenure and no further consent of the shareholders be taken for such revision and alteration.

FURTHER RESOLVED THAT the Directors or the Company Secretary of the Company be and are hereby authorised to take such steps and do all other acts, deeds and thing as may be necessary or desirable to give effect to this resolution.”

7. Continuation of directorship of Mrs. Bindu Chowdhary

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

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), approval of the Members be and is hereby accorded to the continuation of directorship of Mrs. Bindu Chowdhary (DIN:01154263), aged 80 years as a ‘Non-Executive Promoter Director’ of the Company, liable to retire by rotation”.

8. Shifting of Registered Office from the Union Territory of Chandigarh to the State of Punjab

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

“RESOLVED THAT pursuant to the provisions of section 12, 13(4) 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 subject to the approval of the Regional Director (Northern Region), Ministry of Corporate Affairs, Government of India and other regulatory authorities, government(s), judicial/quasi-judicial authorities, court(s) etc, consent of the members be and is hereby accorded for shifting of the Registered Office of the Company from the Union Territory of Chandigarh to the State of Punjab.

RESOLVED FURTHER THAT subject to the aforementioned approval and pursuant to section 13 and all other applicable provisions, if any of the Companies Act, 2013, the existing clause II of Memorandum of Association of the Company be and is hereby substituted with the following clause II:

“II. The Registered Office of the Company will be situated in the State of Punjab.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Rakesh M Kumar, Managing Director and Mr. Sandeep Kumar, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings on behalf of the Company as may be required, to settle all questions, difficulties or doubts that may arise in this regard as the aforesaid officials of the Company may in their sole and absolute discretion deem fit and delegate all or any of its powers herein conferred to any Director(s), Officer(s) and/or the Consultant of the Company, if required, as may in their absolute discretion deem it necessary or desirable.”

Regd. Office:
406, First Floor,
Sector 15-A,
Chandigarh – 160 015
Email: info@samratforgings.com
CIN: U28910CH1981PLC004522
Date: 20.08.2020

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. The Board of Directors have considered and decided to include the Item Nos. 3 to 8 given above as Special Business in the forthcoming Annual General Meeting (“AGM”), as they are unavoidable in nature.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/ 2020 dated 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 17.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. M/s Jain & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 36th Annual General Meeting held on 29th September, 2017, to hold office from the conclusion of that Annual General Meeting (“AGM”) for a period of five years i.e. till the conclusion of the 41st AGM of the Company to be held in year 2022 (subject to ratification of the appointment by the Members at every AGM held after that AGM). Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting (“AGM”) has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
6. The Company’s Registrar and Share Transfer Agent for its Share Registry Work (Physical and Electronic) are M/s Mas Services Ltd, having their office at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110 020.
7. The Register of Members and Share Transfer sBooks of the Company will remain closed from 26.09.2020 to 30.09.2020 (both days inclusive).
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company by 25th September, 2020.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at sandeepsharma@samratforgings.com from 26th September, 2020 (9:00 a.m. IST) to 28th September, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

9. The Securities and Exchange Board of India (SEBI) has directed for the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in to the Company's Registrar and Share Transfer Agent, M/s Mas Services Limited at their abovementioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
11. In compliance with the aforesaid MCA circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.samratforgings.com.
12. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of the company can only be transferred in dematerialized form with effect from 1st April, 2019. Accordingly, Members are advised to dematerialize shares held by them in physical form.
13. Members holding shares in physical mode and who have not registered/updated their email addresses with the Company are requested to register/update their email addresses by writing to the Company at sandeepsharma@samratforgings.com along with copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants.
14. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to RTA to do the needful.
15. Members 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.
16. Relevant documents referred to in the accompanying Notice shall be available for inspection by the Members through electronic mode, basis the request being sent on sandeepsharma@samratforgings.com.
17. Voting through Electronic means:
- a. In compliance/accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Listing Regulations and Secretarial Standards on General Meeting (SS 2) issued by the Institute of Company Secretaries of India, the Company is providing its members, the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.
 - b. The remote e-voting period commences on 27th September, 2020 at 9.00 AM and ends on 29th September, 2020 at 5.00 PM. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - c. The process and manner for remote e-voting are as under:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com
 - (ii) Click on 'Shareholders' module
 - (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. 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 Ramesh 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.

d. Process for those shareholders whose email addresses are not registered with the Company/ depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- i) For shareholders holding shares in physical form - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the Company or RTA's email address at sandeepsharma.acs@gmail.com and info@masserv.com
- ii) For shareholders holding shares in dematerialized form - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + Client ID), Name of shareholder, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA's email address at sandeepsharma.acs@gmail.com and /or info@masserv.com.
- iii) The Company / RTA shall co- ordinate with CDSL and provide the login credentials to the aforesaid shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:

1. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on 'first come first serve' basis.
2. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
3. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
4. Further, shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance from 26th September, 2020 (9:00 a.m. IST) to 28th September, 2020 (5:00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at sandeepsharma@samratforgings.com. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and

have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

INSTRUCTIONS 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 in the “Corporate” module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz, kanwalcs@gmail.com and sandeepsharma@samratforgings.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

OTHER GUIDELINES

- I) Any person, who acquires shares of the Company and becomes a members of the Company after mailing of the Notice and holding shares as on the cut off date, may obtain the login ID and password by sending an email to info@masserv.com.
- II) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained in the Depositories as on cut off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
- III) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQ”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542) or contact Shri Shrawan Mangla, General Manager, M/s Mas Services Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase- II, New Delhi – 110020, Telephone: (011) 26387281, 82, 83, Email: info@masserv.com.
- IV) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N

Samrat Forgings Limited

M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- e) 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, 2020.
 - f) 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.
 - g) Mr. Kanwaljit Singh, Practicing Company Secretary (Membership No. FCS 5901 and Certificate of Practice No. 5870) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - h) The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
 - i) The Results declared along with 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.
 - j) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September, 2020.
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. Bindu Chowdhary (DIN: 01154263), Director of the Company retires by rotation and being eligible, offers herself for re-appointment. The particulars of the said Director are given below:

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

Mrs. Bindu Chowdhary is holding 20 Equity Shares of the Company as on 31.03.2020.

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

Other Directorship:

Mrs. Bindu Chowdhary was director in following other Companies as on 31.03.2020:

- 1. Punjab Pre Stressed Concrete Works Pvt Ltd
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

Regd. Office:
406, First Floor,
Sector 15-A,
Chandigarh – 160 015
Email: info@samratforgings.com
CIN: U28910CH1981PLC004522
Date: 20.08.2020

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 8 of the accompanying Notice dated August 20, 2020:

Item No. 3

In the past, the Board had forfeited 26200 equity shares of face value of Rs. 10/- each due to non-payment of call money by the respective shareholders.

While showing details of the equity share capital in the Balance Sheet, the details of forfeited shares also needs to be shown till the time these shares are either re-issued or cancelled. Considering very small quantum of the shares and undertaking submitted with BSE regarding not to reissue these forfeited shares in future, it is proposed to cancel these shares.

Further, pursuant to Section 61(1)(e) of the Companies Act, 2013, a limited company having a share capital may, if so authorised by its articles, alter its memorandum in its general meeting to cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its issued share capital by the amount of the shares so cancelled.

The resolution contained in item no. 3 of the accompanying Notice, accordingly require members' approval through ordinary resolution to cancel the forfeited shares. The Board recommends the resolution as set out at item no. 3 in the Notice to be passed as an Ordinary Resolution.

None of the Directors or key managerial personnel of the Company or their relatives is/are, in any way concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 4

The Company was in receipt of request from Sh. Subhash Chander Chowdhary, Promoter of the Company, for reclassification from Promoter category to Public category. Details of his shareholding in the Company is as under:

Name of applicants classified under Promoter Group category	No. of Equity shares held	% of Shareholding
Subhash Chander Chowdhary	10	0.00

Sh. Subhash Chander Chowdhary having Folio No. 6 had subscribed 10 no's of shares of the Company at the time of incorporation of the Company in the year 1981 and since then he is taken as promoter of the Company.

He is leading his life and occupation independently from a very long time and is not connected, directly or indirectly, whatsoever, with any activity of the Company. Further, the other persons in the Promoter Group of the Company do not have any control over the affairs or the decision making process of this shareholder.

The above shareholder does not directly or indirectly, exercise control over the affairs of the Company. He has also never held at any time; any position of Key Managerial Personnel in the Company. He also doesn't have any special rights through formal or informal arrangements with the Company or Promoters or any person in the Promoter Group. He also never privy to any price sensitive information of the Company.

In view of the application for re-classification, the Board of Directors of the Company at their meeting held on 30th May, 2020 have approved the said application for reclassification received to the Company as above from Promoter group category to Public category subject to the approval by the members of the Company.

The Directors recommend the passing of resolution set forth in item No. 4 of the Notice as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel and relatives thereof is in anyway concerned or interested in this Resolution.

Item No. 5

Ms Niveta Rampaul Sharma (DIN: 08056816) on the recommendation of Nomination & Remuneration Committee was appointed as an Additional Independent Director of the Company by the Board with effect from 15th November, 2019. In accordance to the provisions of section 161 of the Companies Act, 2013 and applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (listing regulations), she will hold office upto the date of the Annual General Meeting of the Company. She is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

She is Company Secretary by profession and has rich experience in the field of Secretarial, Legal and Accounts. The Board, upon recommendation of the Nomination and Remuneration Committee, is of the view that Ms Niveta Sharma's varied experience will be of immense value to the Company and, therefore, recommends her appointment as an Independent Director of the Company for a period of five years from the original date of appointment i.e. November 15, 2019, to the members in terms of Resolution set out in Item No. 5 of the Notice. The Company has also received a declaration from Ms Niveta Sharma declaring that she meets the criteria of independence as provided under Section 146(9) of the Companies Act, 2013.

In the opinion of the Board, Ms Niveta Sharma fulfills the conditions required to be fulfilled for being appointed as an Independent Directors of the Company as per the provisions of Companies Act, 2013 and listing regulations.

The Directors recommends the Resolution set out at Item No. 5 of the Notice to be passed by the Members as an Ordinary Resolution.

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

Item No. 6

The existing tenure of Mr. Rakesh M Kumar (DIN: 00066497), designated as "Managing Director" will be expiring of 30th November, 2020. The Board of Directors of the Company in their meeting held on 20.08.2020, in terms of the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Audit Committee and subject to the approval of members, has recommended re-appointment of Mr. Rakesh M Kumar as "Managing Director" for a period of three years commencing from 1st December, 2020.

The terms of appointment and remuneration of Mr. Rakesh M Kumar are set out in the Resolution under Item No. 6 of the notice, which is within the limit specified in Schedule V, Part II, Section II(A) of the Companies Act, 2013.

Mr. Rakesh M Kumar (aged 54 years) is associated with the Company since 1994 as a Whole Time Director and he has rich business experience of thirty years in forging industry to his credit. He is managing the affairs of the Company for the last twenty six years and given his strong dedication and devotion for the overall growth of the Company to a very sound state. The Board feels that continuation of Mr. Rakesh M Kumar as Managing Director of the Company will lead to the better growth and development of the Company.

The Directors recommends the Resolution set out at Item No. 6 of the Notice to be passed by the Members as Special Resolution.

Except for Mr. Rakesh M Kumar being the appointee and Mrs. Ritu Joshi being his sister, none of the directors or Key Managerial Personnel of the Company and their relatives is/are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The following additional information on Item No. 6 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 based on given indicators:

Sales & Other Income	: Rs. 8241.51 lacs
Profit /(Loss) after tax	: Rs. 3.92 lacs
Rate of dividend	: Dividend not declared
Earning per share	: 0.08

5. Foreign investments or collaborations, if any:

The Company has not made any investment in foreign market and it has no foreign collaborations.

II. Information about the appointee

1. Background detail:

Mr. Rakesh M. Kumar (aged 54 years) is professionally qualified having B. Tech (Hons.) degree and done MBA from California State University. He has rich industrial experience of around three decades to his credit. He joined the Company in the year 1994 as an Executive Director and presently designated as Managing Director of the Company. He looks after marketing, sales, technical, financial and all administrative and day to day affairs of the Company.

2. Past remuneration:

Mr. Rakesh M Kumar drew total remuneration of Rs. 112.72 lacs for FY 2019-20.

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 six 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:

As mentioned in the resolution.

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):

Considering the industrial experience of approximately three decades and taking into account the responsibility shouldered by him and high level of remuneration prevailing in forging industry for such position, the remuneration proposed to be paid to him is considered reasonable.

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

Mr. Rakesh M Kumar is holding 11,80,100 equity shares of Rs. 10/- each and except the remuneration and perquisites stated in the resolution, unsecured loan given by him to the Company and besides his relation with Mrs. Ritu Joshi, Director of the Company, he has no other direct or indirect pecuniary relationship with the Company.

III. Other information:

1. Reasons of loss or inadequate profits:

Due to sluggish market conditions, highly competitive market scenario in Forging Industry and lockdown imposed by the Government towards the end of the financial year due to COVID 19, the turnover of the company has decreased by 14.63% in comparison

of sales turnover for the previous financial year. Due to these adverse market conditions, the profitability of the Company also impacted badly and the Company has reported profits before tax of Rs. 30.52 lacs and net profit after tax of Rs. 3.92 lacs for the year ended 31st March, 2020.

2. Steps taken or proposed to be taken for improvement:

The market scenario remains uncertain post Covid-19. But silver lining is the improving demand in the tractor industry where the Company has major presence. Also, 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 is constantly looking forward to improve its productivity, sales and consequently its profits by optimum utilization of resources and cost cutting with all possible means.

3. Expected increase in productivity and profits in measurable terms:

The Company is taking all necessary measures in terms of mitigating the impact of the challenges posed due to Covid 19. The key priorities of the Company are to closely monitor costs and optimize the use of financial resources. The company expects revival of the market in the second half of the year and with the strategic planning of the management regarding capital expenditure and cost optimization, the company is looking forward to increase its productivity and profitability.

Item No. 7

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Although, the company is not listed on any stock exchange and the listing regulations are not applicable to the company. But, as the company has filed listing application with BSE Limited under direct listing norms and is in process of getting listed on BSE, thus to ensure the compliance of listing regulations, it is pertinent to get the approval of members for continuation of Mrs. Bindu Chowdhary as director of the company as she is more than 75 years of age.

A brief justification for continuation of Mrs. Bindu Chowdhary as Non-Executive Director on the Board of the Company and a brief resume in terms of Regulation 36(3) of the Listing Regulations of the said director is as under:

Mrs. Bindu Chowdhary has been serving as a Non Executive Director on the Board of Samrat Forgings Limited since 1990. She is the present Chairperson of the Board.

By considering her rich business management experience and valuable contribution made to the Board of the Company, the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the continuation of Mrs. Bindu Chowdhary as 'Non Executive Promoter Director' of the Company. Being promoter of the Company, her presence on the Board adds more value and her rich experience of more than four decades

gives strength to the Board in making and implementing the business strategies.

Mrs. Bindu Chowdhary is not related to any other directors on the Board pursuant to the definition of relatives provided in the Companies Act, 2013. She doesn't hold directorship or membership of the committees of the board of any other listed company. She is holding 20 no's equity shares of the Company.

She fulfills all conditions specified by applicable laws for the position of Director of the Company. The Company has also received necessary declarations from her that she meets the criteria as prescribed under the Act and Listing Regulations, presently applicable. Further, Mrs. Bindu Chowdhary has also confirmed that she is not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives (except Mrs. Bindu Chowdhary with respect to her resolution) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Directors recommends the passing of Resolution set forth in Item No. 7 of the Notice as a Special Resolution.

Item No. 8

Presently, the registered office of the Company is situated at #406, First Floor, Sector 15-A, Chandigarh - 160015 in the Union Territory of Chandigarh. The plants/factories of the Company are located in the state of Punjab and these are around 30 KM from the present registered office of the Company. The Administration office of the Company is at works/factory of the Company at VPO Gholu Majra, Tehsil Derabassi, District Mohali, Punjab - 140506. The books of accounts and other records are also maintained at the said address of the Company since all departments of the Company have their respective offices at the Administration Office of the Company. The Administration office & works of the Company are in the vicinity of Chandigarh and the Board of Directors of the Company think that in the interest of the Company it would be just, necessary, expedient and desirable to have the registered office of the Company at its workplace in the State of Punjab.

The present registered office is maintained on rented premises and the proposed shifting will result in cost optimization and would also result in efficient management and control over functioning of the Company. Accordingly, the Board is proposing to shift the registered office of the Company from the Union Territory of Chandigarh to the State of Punjab by amending clause II of the Memorandum of Association of the Company.

Pursuant to applicable provisions of the Companies Act, 2013, approval of the members of the Company, by way of Special Resolution is required to give effect to the proposed shifting of the Registered Office of the Company. The proposal will be effective only on the confirmation by the Regional Director (Northern Region), Ministry of Corporate Affairs, Government of India. The Company will approach the Regional Director to get requisite approval after passing of the aforesaid special resolution by the members.

None of the Directors is deemed to be interested or concerned in the aforesaid resolution and the Board of Directors recommend the resolution proposed in Item no. 8 to be passed by the members as a Special Resolution.

Samrat Forgings Limited

Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting (Details as on March 31, 2020):

Name of the Directors	Mrs. Bindu Chowdhary (DIN: 01154263)	Ms Niveta Rampaul Sharma (DIN: 08056816)
Age (in years)	80	28
Nationality	Indian	Indian
Date of appointment	25.04.1990	15.11.2019
Qualification	B.A.	B.Com, ACS
Nature of expertise in specific functional area	Mrs. Bindu Chowdhary is the non executive promoter director of the Company and present Chairperson of the Board. She has vast experience of Business Administration and Management.	Ms Niveta Sharma is Company Secretary by profession and has rich experience of Secretarial, Legal and Accounts fields.
Directorship held in other companies (excluding Foreign Companies and Section 8 Companies)	<u>Listed Companies</u> Nil <u>Other (unlisted) Companies</u> - Punjab Pre Stressed Concrete Works Pvt Ltd	<u>Listed Companies</u> Nil <u>Other (unlisted) Companies</u> - Leeford Healthcare Ltd
Chairmanships/ Memberships of Committees held in Committees of other companies	Nil	Nil
Relationship with other Director, Manager and other Key Managerial Personnel of the Company <i>inter-se</i>	Nil	Nil
No. of equity shares held by Director: By self: As beneficial owner:	20 Nil	Nil Nil
Number of Board Meetings attended during FY 2019-20	8	3

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 39th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2020. The financial highlights for the year under review are given below:

	(Rs. in lacs)	
FINANCIAL RESULTS	For the	For the
	year ended	year ended
	31.03.2020	31.03.2019
	(Current Year)	(Previous Year)
Net operating revenue	8210.94	9617.85
Other Income	30.57	39.31
Profit before Interest, Depreciation & Tax	876.54	844.45
Interest	547.59	473.49
Depreciation	298.43	252.31
Net Profit before Tax	30.52	118.65
Provision for Tax including Deferred Tax	25.33	22.66
Income Tax of earlier years	1.27	-5.38
Profit after tax available for appropriation	3.92	101.38
Transfer to General Reserve	0.00	0.00

OPERATIONAL REVIEW

The slowdown in the auto parts and Tractor manufacturing industry, which started in November, 2018, continued unabated during fiscal year 2019-20 also.

To add to the woes, Nationwide lockdown imposed by the Government from 25th March, 2020 to curtail the spread of COVID-19 had further impacted the business segments towards the end of the financial year. The Company's operations remained suspended from 23rd March, 2020 in view of the lockdown announced by Punjab Govt. and accordingly the targeted supplies to the customers could not been made which has resulted in considerable sale loss to the company.

In this backdrop, your company has attained net sales turnover of Rs. 8210.94 lacs during the year ended on March 31, 2020 as against net sales turnover of Rs. 9617.85 lacs during the corresponding previous financial year ended on March 31, 2019. The sales turnover got decreased by 14.63% in comparison of sales turnover of the previous financial year.

The company has reported profit before tax of Rs. 30.52 lacs for the year ended on March 31, 2020 in comparison of corresponding previous year's profit before tax of Rs. 118.65 lacs.

FUTURE PROSPECTS / EXPANSION

Your Company has started operations post lockdown in May, 2020 limping back to its normal sales level. It's facing many un-foreseen hurdles due to state wise lockdowns where customers are located, restrictions in intra state transportation of goods, acute shortage of migratory labor and above all low End customer sentiments resulting in low first quarter sales. Although the future seems unpredictable but due to company's varied product mix and segments, the company hopes to sail through safely in these troubled times. Its pertinent to add, that the health and safety of all our employees, Staff, customers and associates are of utmost importance to the company and will always remain priority.

The company has hope and trust that after Covid-19, the market will bounce back and grow especially in light of Government of India's positive steps to support industry in these difficult times.

Your Company has no definite plans of any major capacity expansion in present financial year 2020-21. 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. Appointment/Re-appointment of Directors

In the Annual General Meeting of the Company held on 30th September, 2019, Mr. Ajay Kumar Arora (DIN: 00314161) and Mr. Ashok Lakhanpal (DIN: 036173550) were reappointed as Independent Directors of the company for the second term of five years w.e.f. 29th September, 2019.

Ms Niveta Rampaul Sharma has been appointed as Additional Director of the Company with effect from 15th November, 2019. She holds office upto the date of the forthcoming Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a Member signifying intention to propose Ms Niveta Sharma to be appointed as an

Independent Director for five years at the forthcoming Annual General Meeting. The Directors recommends her appointment as an Independent Director for a term of five years in the forthcoming Annual General Meeting of the Company,

III. Director liable to retire by rotation

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

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 eight 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 Chairperson 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 Members of the Company on the recommendation of the Nomination and Remuneration 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/she is a member), attended by him/her, 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 Personnel (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 Ms Niveta Rampaul Sharma. During the Financial Year 2019-20, there has been one change in the composition of the Audit Committee. Mr. Ashok Lakhanpal has left the membership of the Audit Committee due to his personal reasons and Ms Niveta Sharma was appointed as a Member of the Audit Committee w.e.f. 07th March, 2020. 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 made during the Financial Year 2019-20 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 and it has also not made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

CHANGE IN NATURE OF BUSINESS

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

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 38 of the Balance Sheet.

LISTING STATUS OF THE COMPANY

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 got the in-principal approval to the same. And, now the company in terms of the in-principal approval received from BSE, has submitted its application for listing and trading permission of securities with the said stock exchange which is under process. Therefore, to ensure the compliance of listing regulations, these reports are incorporated and forming part of the annual report for the financial year 2019-20.

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 2019-20 forms part of the Annual Report and does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditors.

ADOPTION OF INDIAN ACCOUNTING STANDARDS

The company is in process of listing of its securities on BSE Limited, thus Indian Accounting Standards (IND AS) becomes applicable to the Company. Accordingly, the Company has adopted these accounting standards and prepared its Financial Statements for the FY 2019-20 in terms of the applicable IND AS.

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 has accredited with IATF 16949:2016 Certification from TUV SUD. 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 2019-20. 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/investors during the financial year 2019-20.

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.

RISK MANAGEMENT

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

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

Analysis of the Company's performance during the Financial Year 2019-20 is stated in the Management Discussion and Analysis Report, which forms part of the Annual Report.

CORPORATE GOVERNANCE

Though the provisions of corporate governance are not applicable to the company as the Company is not listed on any Stock Exchange, however your company is 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 the 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, 2020.

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 2019-20 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 their 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: 20.08.2020

Rakesh M. Kumar
Managing Director
[DIN: 00066497]

Bindu Chowdhary
Director
[01154263]

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on
31st March, 2020

[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	34
2	Machined Crankshafts	8483	23
3	Tractor Parts	8708	14

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	1270120	40	1270160	25.40	1270150	10	1270160	25.40	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2211200	267701	2478901	49.58	2478901	-	2478901	49.58	0
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	3481320	267741	3749061	74.98	3749051	10	3749061	74.98	0
(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)	3481320	267741	3749061	74.98	3749051	10	3749061	74.98	0
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) FIs	-	-	-	-	-	-	-	-	-
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	68000	1700	69700	1.39	68400	1700	70100	1.40	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5750	100760	106510	2.13	6150	99960	106110	2.12	-0.01

Samrat Forgings Limited

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	642500	267229	909729	18.19	642500	267229	909729	18.19	Nil
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	716250	369689	1085939	21.72	717050	368889	1085939	21.72	-
Total Public shareholding (B) = (B)(1)+(B)(2)	716250	534689	1250939	25.02	717050	533889	1250939	25.02	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4197570	802430	5000000	100	4466101	533899	5000000	100	0

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sh. J C Chowdhary	10	0.00	100	0	0.00	Nil	0.00
1	Smt. Bindu Chowdhary	10	0.00	Nil	20	0.00	Nil	0.00
2	Sh. Rakesh M Kumar	1180100	23.60	72.67	1180100	23.60	72.67	Nil
3	Smt. Kiran M Kumar	90000	1.80	Nil	90000	1.80	Nil	Nil
4	Smt. Ritu Joshi	20	0.00	Nil	20	0.00	Nil	Nil
5	Sh. R N Sood	10	0.00	100	10	0.00	Nil	Nil
6	Sh. S C Chowdhary	10	0.00	100	10	0.00	Nil	Nil
7	Jandwani Poly Products Pvt Ltd	1361200	27.22	Nil	1361200	27.22	Nil	Nil
8	Natrajan Investments & Finance Pvt Ltd	820000	16.40	Nil	820000	16.40	Nil	Nil
9	Jay Dee Holdings Pvt Ltd	280000	5.60	89.29	280000	5.60	Nil	Nil
10	R Kumar Investments & Finance Pvt Ltd	17701	0.35	100	17701	0.35	Nil	Nil
	Total	3749061	74.98		3749061	74.98		0.00

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

SI. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2019)		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 01.04.2019)	3749061	74.98		
	Date wise Increase/ (Decrease)				
	At the End of the year			3749061	74.98

Samrat Forgings Limited

There has been transmission of 10 no's shares on 11.01.2020 from the name of Sh. J C Chowdhary (deceased) to his wife Smt. Bindu Chowdhary. It has not impacted the promoter's collective shareholding.

(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 and at the end of the year – No Change during the year ended 31 March, 2020	500000	10.00	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, 2020	165000	3.30	165000	3.30
3	Natrajan Chouhan				
	At the beginning and at the end of the year – No Change during the year ended 31 March, 2020	142500	2.85	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, 2020	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, 2020	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, 2020	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, 2020	4000	0.08	4000	0.08
8	Sh. Latha Kumar				
	At the beginning and at the end of the year – No change during the year ended 31 March, 2020	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, 2020	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, 2020	2000	0.04	2000	0.04

Samrat Forgings Limited

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Rakesh M Kumar				
	At the beginning and end of the year-No change during the year ended 31 March, 2020	1180100	23.60	1180100	1180100
2.	Mrs. Bindu Chowdhary				
	At the beginning of the year	10	0.00		
	Date wise increase (decrease)				
	11.01.2020: Off market (transmission of shares as legal heir of her deceased husband)	10	0.00	20	0.00
	At the end of the year			20	0.00
3.	Mrs. Ritu Joshi				
	At the beginning and end of the year-No change during the year ended 31 March, 2020	20	0.00	20	0.00

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

V. INDEBTEDNESS (Amount in Lacs)

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	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
Change in Indebtedness during the financial year				
· Addition	138.09	375.02	-	513.11
· Reduction	295.01	140.21	-	435.22
Net Change	(156.92)	234.81	-	77.89
Indebtedness at the end of the financial year				
i) Principal Amount	2751.04	1027.96	-	3779.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.63	6.94	-	8.57
Total (i+ii+iii)	2752.67	1034.90	-	3787.57

Samrat Forgings Limited

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	11250000	11250000
	(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)	11271600	11271600

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

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Mrs. Bindu Chowdhary	Mrs. Ritu Joshi	*Ms Niveta Rampaul Sharma	Mr. Ajay K Arora	Mr. Ashok Lakhanpal	
1.	Independent Directors · Sitting Fee for attending board/ committee meetings	----	----	22500	67500	52500	142500
	· Commission	----	----	----	----	----	----
	· Others, please specify	----	----	----	----	----	----
	Total (1)	----	----	22500	67500	52500	142500
2.	Other Non-Executive Directors · Sitting Fee for attending board/ committee meetings	62500	42500	----	----	----	105000
	· Commission	----	----	----	----	----	----
	· Others, please specify	----	----	----	----	----	----
	Total (2)	62500	42500	----	----	----	105000
	Total (B)=(1+2)	62500	42500	22500	67500	52500	247500

* Appointed w.e.f. 15.11.2019

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	566723	566723
	(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	566723	566723

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, 2020

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, 2020 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, 2020 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014.
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 (Buy back of Securities) Regulations, 2018.
 - i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

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

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

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 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 under audit.

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 : 20.08.2020

UDIN: F005901B000599142

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.

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 : 20.08.2020
UDIN: F005901B000599142

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 2019-20	Director's Name	Ratio to median remuneration
		Mr. Rakesh M Kumar	122.30
		Mrs. Bindu Chowdhary	0.68
		Mrs. Ritu Joshi	0.46
		Mr. Ajay K Arora	0.73
		Mr. Ashok Lakhanpal	0.57
		Ms. Niveta R Sharma	0.24
(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 2019-20	Nil	
(iii)	Percentage increase in the median remuneration of employees in the financial year 2019-20 compared to financial year 2018-19	8.07% The increase in median remuneration in spite of no increase in salaries has been due to the reduced number of employees.	
(iv)	Number of permanent employees on the rolls of company	As on 31.03.2020	As on 31.03.2019
		583	647
(v)	Average percentile increase in salaries of employees other than managerial personnel	During 2019-20	During 2018-19
		Nil	8.46%
(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.

Samrat Forgings Limited

Detail of top ten employees in terms of remuneration drawn during FY 2019-20:

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	1,12,71,200	B.E., MBA 29 years	Permanent	01.06.1994	54	23.60	Mrs. Ritu Joshi
2	Mr. Prem Lal	Vice President	20,37,484	B.Sc. Engg, LLB 38 years	Permanent	28.04.2008	63	10.00	N.A.
3	Mr. APS Grover	GM-Finance	18,26,710	B.Com., FCA 38 years	Permanent	02.08.2006	63	Nil	N.A.
4	Mr. Sanjay Jain	DGM-Marketing	14,12,187	B.A. 31 years	Permanent	21.01.1989	53	Nil	N.A.
5	Mr. Naveen Kumar	Asst. General Manager	10,53,870	Mech. Engg. 21 years	Permanent	02.07.2012	47	Nil	N.A.
6	Mr. Faquir Chand	Manager-Maintenance	9,08,150	Diploma in Mechanical 31 years	Permanent	21.06.2010	55	Nil	N.A.
7	Mr. Daljit Sharma	Manager-Tool Room	8,16,047	Diploma in Mechanical 29 years	Permanent	30.08.1991	52	Nil	N.A.
8	Mr. Parveen Kumar	Manager-Forge Shop	7,33,026	M.A. 25 years	Permanent	22.12.1995	48	Nil	N.A.
9	Mr. Rajinder Singh	Manager-Production	6,98,318	Graduation, ITI, 14 years	Permanent	07.11.2007	39	Nil	N.A.
10	Mr. Ram Paul	Manager-Design	6,77,405	Diploma in Mechanical 28 years	Permanent	01.10.2009	53	Nil	N.A.

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 31.03.2020	Year Ended 31.03.2019
1	Electricity			
	a. Purchase	Unit in Lakhs	45.84	57.26
	Total Amount	Rs. in lakhs	345.36	413.24
	Average Cost per unit	Rs.	7.53	7.22
	b. Own Generation	Unit in Lakhs	1.51	1.36
	(Through diesel generation)			
	Unit per Ltr. of Diesel	Units	2.98	2.78
	Cost per Unit	Rs.	21.99	24.79
2	Furnace Oil / R.F.O./ L.D.O. Quantity	KL	1283	1785
	Amount	Rs. in lakhs	402.93	636.87
	Average Rates per Ltr.	Rs.	31.40	35.68
3	Consumption per unit of prod.			
	1. Electricity Purchased	Units	721.91	821.84
	2. Electricity Generated	Units	23.83	19.58
	3. Furnace Oil/ R.F.O./L.D.O.	Ltrs.	202.04	256.17
	4. Production	MT	6350	6967

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

	2019-20 (Rs in lacs)	2018-19 (Rs in lacs)
Earnings -on account of exports	209.46	226.56
Outgo -on account of import & expenditure	2.18	0.72

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2020.

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 2019-20, the Indian forging industry slowed down in line with the slowing economy but the scenario is changing fast especially when foreign companies have started to show preference of Indian suppliers over Chinese suppliers.

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

During the financial year 2019-20, due to recessive growth in Indian economy, the company too slowed down and achieved 14.63% less sales turnover as compared to previous financial year 2018-19. The major threat globally has now been spread of Covid-19 pandemic which has impacted growth plans of majorly all businesses across Globe. The company too has not been left unaffected and impacted its first quarter numbers adversely.

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

The future remains unpredictable with no immediate signs of preventive and cure vaccine for Covid in sight. Hence any relapse or second wave of Covid-19 can have adverse results in future which remains major concern for the company. On the positive side the company is optimistic about the Government support to the Industry in these difficult times and hopeful of recovering its lost sales in the second half of this financial year 2020-21.

OUTLOOK

The market scenario remains uncertain post Covid-19. But silver lining is the improving demand in the tractor industry where your company has major presence. Since November, 2018 other segments have 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 2020-21. 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

Fiscal year 2019-20 has witnessed slowdown in the tractor and auto industry to which your company has the major supplies. Nationwide lockdown imposed by the Government from 25th March, 2020 to curtail the spread of COVID-19 had further impacted the business segments towards the year end. The Company's operations remained suspended from 23rd March, 2020 in view of the lockdown announced by Punjab Govt. and accordingly the targeted supplies to the customers could not been made, which has resulted a considerable sale loss to the company. In this backdrop company has attained net sales turnover of Rs. 8210.94 lacs during the year ended on March 31, 2020 as against net sales turnover of Rs. 9617.85 lacs during the corresponding previous financial year ended on March 31, 2019. The sales turnover got decreased by 14.63% in comparison of sales turnover of the previous financial year. The company has reported profit before tax of Rs. 30.52 lacs for the year ended on March 31, 2020 in comparison of corresponding previous financial year's profit before tax of Rs. 118.65 lacs.

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

As on March 31, 2020 the company had 583 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.

Samrat Forgings Limited

KEY FINANCIAL RATIOS

Particulars	FY 2019-20	FY 2018-19	Remarks
Debtors Turnover Ratio	7.35	8.26	
Current Ratio	1.02	0.98	
Debt Equity Ratio	4.00	3.93	
Operating Profit Margin%	7.01	6.13	
Net Profit Margin%	0.05	1.05	Net Profit Margin is lower/decreased due to higher input cost of Raw Material and consumables.
Return on Net Worth%	0.22	5.94	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: 20.08.2020
Place: Chandigarh

By order of the Board of Directors
For Samrat Forgings Limited

Rakesh M Kumar Managing Director [DIN: 00066497]	Bindu Chowdhary Director [DIN: 01154263]
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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 are six Directors on the Board, out of which three are Independent Directors. The Chairperson of the Company is a Non Executive Promoter Director and including her there are three Promoter Directors, one of whom is Managing Director of the Company. All Directors possess variety of skills and professional expertise to ensure effectiveness of the Board facilitating efficient discharge of duties and adding value in the overall growth of the Company. There was one change in the composition of the Board during the financial year 2019-20 in the form of appointment of Ms Niveta Sharma as an additional director (Non Executive - Independent) w.e.f. 15.11.2019, who is recommended by the Board to be regularized as Independent Director for the term of five years in the forthcoming Annual General Meeting of the members of the Company.

None of the Directors of the Company is:

- (i) a director in more than ten public limited Companies
- (ii) an independent director in more than seven listed companies or three listed companies (in case he 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

Eight Board meetings of the Company were held during the financial year 2019-20 on following dates:

- I. 25.05.2019, II. 28.06.2019, III. 25.07.2019, IV. 13.09.2019, V. 15.11.2019, VI. 14.12.2019, VII. 31.01.2020 and VIII. 07.03.2020

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

Samrat Forgings Limited

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 2019-20 and the last Annual General Meeting held on 30th September, 2019 and also the number of other Directorship and Committee Membership / Chairmanship as on 31st March 2020 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)	8	Yes	7	Nil	2
Mrs. Bindu Chowdhary	Promoter Director and Chairperson (Non Executive)	8	No	1	Nil	1
Mr. Ajay Kumar Arora	Independent Director (Non Executive)	7	Yes	3	1	2
Mrs. Ritu Joshi	Promoter Director (Non Executive)	5	Yes	6	1	1
Mr. Ashok Lakhanpal	Independent Director (Non Executive)	5	Yes	Nil	Nil	Nil
Ms. Niveta Sharma**	Independent Director (Non Executive)	3	N.A.	1	Nil	1

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

**Appointed w.e.f. 15.11.2019.

No extra ordinary general meeting has been held during the year ended 31st March, 2020.

(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	Independent Director

(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, 2020 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	20	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 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 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 2019-20, one Meeting of the Independent directors of the Company was held on 14th March, 2020, 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) Skills/Expertise/Competencies of the Board of Directors

The Board of Directors of the Company brings a wide range of skills and experience from various field, functions and sectors, which enhance the governance framework of the Company and the Board’s decision making process. The Board has identified strategic planning, knowledge with regard to Company’s business / activities, understanding of industry, sales & marketing, risk management, accounting & financial expertise as the key skills/expertise/competencies for the effective functioning of the Company and the same are currently available with the Board.

Sr. No.	Name of Director	Expertise/Skill
1	Mrs. Bindu Chowdhary (Chairperson)	General Management, Business Strategy
2	Mr. Rakesh M Kumar (Managing Director)	Business Management, Finance & Accounts, Legal, Corporate affairs & Administration and Risk Management.
3	Mrs. Ritu Joshi	General Management, Business Strategy, Corporate Affairs & planning
4	Mr. Ajay Arora	Legal, Secretarial, Listing, Accounts, Corporate Finance & Taxation, Risk Management
5	Mr. Ashok Lakhanpal	Management, Technical, Human Recourse Development, Project Management
6	Ms Niveta Sharma	Secretarial, Listing, Legal and Accounts.

(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 proficient experience and knowledge of corporate affairs & financial management and they possess accounting and financial management expertise.

The role, terms of reference and the authority and powers of this Committee are in conformity with the requirements 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 30th September, 2019.

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 2019-20 under review, five Audit Committee meetings were held on the following dates:

I. 25.05.2019, II. 25.07.2019, III. 13.09.2019, IV. 15.11.2019 and V. 31.01.2020.

During the year under review, Mr. Ashok Lakhanpal has left the membership of the Audit Committee due to his personal reasons and Ms Niveta Rampaul Sharma was appointed as member of the Audit Committee w.e.f. 07.03.2020. The present composition of the Audit Committee is as under:

- Mr. Ajay K Arora, Chairman
- Mr. Rakesh M Kumar
- Ms Niveta R Sharma

Attendance record of the Members of the Audit Committee for FY 2019-20 is as under:

Name of the Member	Designation	Nature of Directorship	No. of Meetings Attended
Mr. Ajay K Arora	Chairman	Independent	5
Mr. Ashok Lakhanpal*	Member	Independent	5
Mr. Rakesh M. Kumar	Member	Managing Director	5
Ms Niveta R Sharma**	Member	Independent	Nil

*Cessation from membership of the committee w.e.f. 07.03.2020

**Appointed as member of the committee w.e.f. 07.03.2020

(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 directors from time to time. The committee met once during the financial year ended March 31, 2020 on 15.11.2019 and the meeting was attended by all members of the committee.

During the year under review, there has been one change in the composition of the Nomination and Remuneration Committee in the form of Appointment of Ms Niveta Rampaul Sharma as a member of the committee w.e.f. 07.03.2020 at the place of Mr. Ashok Lakhanpal, who has left the membership of the Committee due to his personal reasons. The present composition of the Nomination and Remuneration Committee as on 31.03.2020 is as under:

- Mrs. Ritu Joshi, Chairperson
- Mr. Ajay K Arora
- Ms Niveta R Sharma*

Attendance record of the Members of the Audit Committee for FY 2019-20 is as under:

Name of the Member	Designation	Nature of Directorship	No. of Meetings Attended during FY 2019-20
Mrs. Ritu Joshi	Chairperson	Non-Executive Non Independent	1
Mr. Ajay K Arora	Member	Independent	1
Mr. Ashok Lakhanpal*	Member	Independent	1
Ms Niveta R Sharma**	Member	Independent	Nil

*Ceased to be a member of the committee w.e.f. 07.03.2020

**Appointed as member of the committee w.e.f. 07.03.2020

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, 2020 is given below:

Detail of remuneration of Executive Directors and sitting fees of Non-Executive Directors during the year ended 31st March, 2020 is given below:

Name of the Director	Salary	Perquisites	Sitting Fee	(Amount in Rs.) Total
Mr. Rakesh M Kumar	1,12,50,000	21,600	-	1,12,71,600
Mrs. Bindu Chowdhary	-	-	62,500	62,500
Mrs. Ritu Joshi	-	-	42,500	42,500
Mr. Ajay K Arora	-	-	67,500	67,500
Mr. Ashok Lakhanpal	-	-	52,500	52,500
Ms Niveta R Sharma*	-	-	22,500	22,500

* Appointed w.e.f. 15.11.2019

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.

One meeting of the committee has been held during the financial year 2019-20 on 29.02.2020, which was attended by all members of the committee.

The present composition and other details of the Stakeholders Relationship Committee 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 2019-20. Also, no grievance was pending at the beginning or at the 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
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
2019-20	38 th AGM	30 th Sept. 2019 11.00 AM	#406, First Floor, Sector 15-A, Chandigarh	1. Re-appointment of Mr. Ajay Kumar Arora as an Independent Director 2. Re-appointment of Mr. Ashok Lakhanpal as an Independent Director 3. Approval of increase in remuneration of Managing Director 4. Alteration of object clause of the Memorandum of Association of the Company 5. Alteration of Articles of Association of the Company

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 2019-20.

V. MEANS OF COMMUNICATION

The Company used to intimate its quarterly 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, 2020, no presentations were made to institutional investors or analysts.

VI. GENERAL SHAREHOLDER INFORMATION

1. 39th Annual General Meeting Day & Date : Wednesday, 30th September, 2020
 Time : 11:30 AM
 Venue : Annual General Meeting through Video Conferencing/Other Audio Visual Means facility (Deemed venue for the meeting: Registered office of the Company i.e. #406, First Floor, Sector 15-A, Chandigarh – 160015)
2. Financial Calendar (tentative)
 The Financial year covers the period from 1st April to 31st March
 Financial Reporting for
 Quarter ended on 30th June, 2020 : 1st/2nd week of Sept, 2020
 Quarter ended on 30th Sept, 2020 : 1st / 2nd week of Nov, 2020
 Quarter ended on 31st Dec, 2020 : 1st / 2nd week of Feb, 2021
 Year ended on 31st March, 2021 : May, 2021
3. Book Closure : 26th Sept., 2020 to 30th Sept., 2020
 (Both days inclusive)
4. Dividend Payment : Not declared
5. Listing on Stock Exchanges : Shifted to the dissemination of NSE on dissolution of Ludhiana Stock Exchange (LSE)
 Company has filed application for listing on BSE Limited which 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). 89.32% of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2020. 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

MCA vide making amendment in Companies Act, 2013, has restricted the transfer of shares of public limited companies in physical form effective from 2nd October, 2018. SEBI also effective from 1st April, 2019, has barred physical transfer of shares of listed companies and mandated transfer only through demats. However, investors are not barred from holding shares in physical form. Share sent for transfer/ transmission in physical form eligible under new SEBI guidelines

Samrat Forgings Limited

effective from 1st April, 2019, were registered & returned within the stipulated timeline from the date of receipt, if the documents were valid in all respects.

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/Transmission 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, 2020 and revision /changes in the credit rating of the Company during the financial year 2019-20 are as under:

Instrument	Amount (Rs. in Crores)	Rating (as on 31.03.2020)	Revision/change during FY 2019-20
Bank Guarantee	1.50	A4+	No Change. The Company has not obtained credit rating from any credit rating agencies during FY 2019-20
Bill Discounting	1.00	BB-/Stable	
Cash Credit	18.50	BB-/Stable	
Letter of Credit	4.00	A4+	
Term Loan	5.00	BB-/Stable	

13. Shareholding Pattern of the Company as on 31st March, 2020 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	70100	10.00	1.40
Public –Others	1015839	10.00	20.32
Total	5000000		100.00

14. Distribution of Shareholding as on 31st March, 2020 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	722	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	752	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:

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

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

Unit III: Plot No. 11, Behind Nector Life Sciences Plant No. 1, Village Saidpura, 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. sister concern 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 inter alia 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 the Report on Corporate Governance.

E. STATUTORY AUDITORS' FEES

Total fees of Rs. 2,30,000/- (Two lac thirty thousand) for Financial Year 2019-20 was admissible by the Company to the Statutory Auditor as Audit Fee and fee for all other 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 WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules there under. The Policy aims to provide protection to women at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment. Internal complaints committee has been set up to redress complaints received, if any, regarding sexual harassment. During the financial year ended 31st March, 2020, 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 annexed with 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, as the Company has filed an application for listing on BSE Limited under direct listing norms of the said stock exchange which is under process, therefore, 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: 20.08.2020

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, 2020.

Place: Chandigarh
Date: 20.08.2020

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, 2020, that:

- a) We have reviewed the financial statements and cash flow statement for the year and to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
 - I. that there are no significant change in internal control over financial reporting during the year;
 - II. that there has been change in accounting policies during the year. The Company has adopted Ind AS effective annual reporting period beginning from April 1, 2019 and applied these standards in preparation of financial statements for the year ended March 31, 2020; and
 - III. that there are no instance of significant fraud of which we have become aware.

Place: Chandigarh
Date: 20.08.2020

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, 2020 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, 2020.

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 : 20.08.2020
UDIN: F005901B000599164

KANWALJIT SINGH THANEWAL
FCS No. 5901
CP No.: 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, 2020 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
6.	Ms. Niveta Sharma	08056816	15.11.2019

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 : 20.08.2020

UDIN: F005901B000599153

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

INDEPENDENT AUDITORS' REPORT

To the Members of SAMRAT FORGINGS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of SAMRAT FORGINGS LIMITED ("the Company"), which comprises the Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended March 31, 2020, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the

Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters in the Notes to the financial Statements:

1. We draw attention to Note 40 of the accompanying standalone financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.
2. The Group is in process of collecting information with respect to Micro, Small and Medium Enterprises Statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

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

		<p>combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <p>e) Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.</p> <p>Obtained Confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p>
2.	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

Other Information

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 A". Our report expresses an unmodified opinion on the adequacy and

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

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer **Note 30** to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts and equity shares, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

KRISHAN MANGAWA
PARTNER
(Membership No. 513236)
UDIN :20513236AAAAFB5017

DATED : 28.07.2020
PLACE : CHANDIGARH

Annexure “A” to the Independent Auditors’ Report

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

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

We have audited the internal financial controls over financial reporting of **M/s SAMRAT FORGINGS LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

KRISHAN MANGAWA
PARTNER
(Membership No. 513236)
UDIN :20513236AAAAFB5017

DATED : 28.07.2020
PLACE : CHANDIGARH

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i) In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) According to information and explanations given by the management, the company has a program of physical verification of property, plant and equipment to cover all the items in a phased manner over a period of three years. In accordance with this program, certain property, plant and equipment were physically verified by the Management 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. As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- iii. According to information and explanations given to us the Company has not granted loans secured or unsecured during the year to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and hence reporting under Accordingly, paragraph 3 (iii) of the Order is not applicable.
- 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 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013, for the products of the company and accordingly the provisions of clause 3(vi) of the Order are not applicable.
- vii. According to information and explanations given to us in respect of Statutory Dues;
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there have been slight delays in few cases.
 - (b) There were no undisputed amounts payable in respect of provident fund, income-tax, Goods and Services Tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues outstanding on account of income-tax, Goods and Services Tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding debentures 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.
- 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 standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us the Company has not issued shares under preferential allotment during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence 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 him. 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)
UDIN :20513236AAAAFB5017

DATED : 28.07.2020
PLACE : CHANDIGARH

Samrat Forgings Limited

BALANCE SHEET AS ON 31.03.2020

S.No.	Particulars	Note	As at 31.03.2020	As at 31.03.2019
A)	ASSETS		Amount in Rs.	Amount in Rs.
1	Non-Current assets			
(a)	Property Plant & Equipment	1	290,216,519	297,413,855
(b)	Capital Work in Progress	1A	-	2,875,002
(c)	Right of Use Asset	28	26,798,613	-
(d)	Financial assets			
(i)	Other Financial Assets	2	19,178,076	20,181,113
(e)	Other non current assets	3	-	3,808,100
	Total non-current assets		336,193,208	324,278,070
2	Current assets			
(a)	Inventories	4	404,123,911	386,728,749
(b)	Financial assets			
(i)	Trade receivables	5	111,689,245	116,441,895
(ii)	Cash & Cash Equivalents	6	1,008,068	519,415
(iii)	Other Bank Balances	7	6,425,146	6,028,477
(iv)	Other financial assets	8	955,478	436,706
(c)	Other current assets	9	11,590,244	6,944,838
	Total current assets		535,792,092	517,100,080
	Total assets		871,985,300	841,378,150
B)	EQUITY AND LIABILITIES			
1	Equity			
(a)	Equity Share Capital	10	50,066,125	50,066,125
(b)	Other Equity	11	124,470,393	120,597,552
	Total equity		174,536,518	170,663,677
2	Non current Liabilities			
(a)	Financial liabilities			
(i)	Borrowings	12	128,595,794	121,129,972
(ii)	Lease Liabilities	28	26,210,865	-
(b)	Provisions	13	11,805,746	13,426,376
(c)	Deferred tax liabilities (Net)	14	19,546,674	17,540,520
	Total non-current liabilities		186,159,079	152,096,868
3	Current Liabilities			
(a)	Financial liabilities			
(i)	Borrowings	15	227,281,641	225,291,596
(ii)	Trade Payables	16		
-	Total outstanding dues of Micro and Small Scale Industrial Enterprises		1,689,861	4,513,876
-	Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises		232,600,473	223,034,589
(iii)	Lease Liabilities	28	1,369,383	-
(iv)	Other financial liabilities	17	38,386,017	43,462,432
(b)	Current Tax Liabilities (Net)	18	145,661	1,567,458
(c)	Other current Liabilities	19	9,816,667	20,747,654
	Total current liabilities		511,289,703	518,617,605
	TOTAL EQUITY AND LIABILITIES		871,985,300	841,378,150

Notes from 1 to 41 form an integral part of the financial statements.

(A P S GROVER)	(SANDEEP KUMAR)	(RAKESH M. KUMAR)	(BINDU CHOWDHARY)
GM-Finance	Company Secretary	Managing Director	Director
	M. No. F9075	DIN 00066497	DIN 01154263

AUDITORS' REPORT

As per our separate report of even date

FOR JAIN & ASSOCIATES

(Firm Regn. No.: 001361N)

(KRISHAN MANGAWA)

PARTNER

Membership No. 513236

Place: Chandigarh

Dated : 28/07/2020

Samrat Forgings Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	Note	As at 31.03.2020	As at 31.03.2019
		Amount in Rs.	Amount in Rs.
Revenue from operations	20	821,093,858	961,784,731
Other Income	21	3,057,437	3,930,554
Total Income		<u>824,151,295</u>	<u>965,715,285</u>
Expenses:			
Cost of materials consumed	22	388,000,317	487,099,813
Change in F.G, WIP, and Stock-in-Trade	23	(10,505,785)	(44,570,427)
Excise duty on sale of goods		-	-
Employee Benefit Expenses	24	135,381,616	144,815,375
Finance costs	25	54,759,357	47,349,410
Depreciation and amortization expense	26	29,842,675	25,231,482
Other expenses	27	223,621,180	293,924,378
Total expenses		<u>821,099,359</u>	<u>953,850,031</u>
Profit before exceptional items and tax		<u>3,051,935</u>	<u>11,865,254</u>
Exceptional items		-	-
Profit before tax		<u>3,051,935</u>	<u>11,865,254</u>
Tax expense:			
(1) Current tax		-	515,990
(2) Deferred tax		2,533,037	1,749,660
Income tax of Previous Year		127,390	(538,035)
Profit after tax		<u>391,508</u>	<u>10,137,639</u>
Other comprehensive income			
(i) Items that will not be re-classified to profit or loss:		-	-
- Remeasurements of defined benefit obligation (net)		3,481,333	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
(ii) Items that may be re-classified to profit or loss:			
- Income tax relating to items that may be reclassified to profit or loss		-	-
Total other comprehensive income (net of tax)		3,481,333	-
Total comprehensive income		3,872,841	10,137,639
Earnings per equity share-basic /diluted:			
- Before exceptional item		0.08	2.03
- After exceptional item		0.08	2.03
Nominal Value of each share		10	10

Notes from 1 to 41 form an integral part of the financial statements.

(A P S GROVER)	(SANDEEP KUMAR)	(RAKESH M. KUMAR)	(BINDU CHOWDHARY)
GM-Finance	Company Secretary	Managing Director	Director
	M. No. F9075	DIN 00066497	DIN 01154263

AUDITORS' REPORT

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

(KRISHAN MANGAWA)

PARTNER

Membership No. 513236

Place: Chandigarh

Dated : 28/07/2020

Samrat Forgings Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
	(Amount in Rs.)	(Amount in Rs.)
CASH FLOW FROM OPERATING ACTIVITIES:		
Total comprehensive income	3,872,841	10,137,639
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
INCOME TAX CHARGED IN PROFIT AND LOSS A/C	2,660,427	1,727,615
DEPRECIATION AND AMORTIZATION	29,842,675	25,231,482
FINANCE COSTS	54,759,357	47,349,410
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	(54,963)	163,458
INTEREST INCOME RECEIVED	(1,665,067)	(980,198)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	89,415,270	83,629,405
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
TRADE RECEIVABLES	4,752,651	7,501,283
OTHER RECEIVABLES	191,735	(2,162,863)
INVENTORY	(17,395,162)	(30,963,010)
PROVISIONS	(1,620,630)	1,272,378
TRADE AND OTHER PAYABLES	20,304,760	42,146,583
CASH GENERATED FROM OPERATIONS	95,648,624	101,423,777
INCOME TAX PAID (NET)	2,620,848	5,609,998
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	93,027,776	95,813,779
CASH FLOW FROM INVESTING ACTIVITIES:		
NET PURCHASE OF FIXED ASSETS	(49,388,988)	(89,214,229)
CHANGE IN CAPITAL WIP	2,875,002	39,586,064
CHANGE IN INVESTMENTS		
INTEREST INCOME RECEIVED	1,665,067	980,198
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(44,848,919)	(48,647,968)
CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LONG-TERM BORROWINGS	7,465,822	852,216
FINANCE COST	(54,759,357)	(47,349,410)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(47,293,535)	(46,497,194)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	885,322	668,616
OPENING CASH AND CASH EQUIVALENTS	6,547,892	5,879,276
CLOSING CASH AND CASH EQUIVALENTS	7,433,214	6,547,892

Notes:

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

Statement of Changes in Equity

A. Equity share capital

(Also refer Note 11)

(Amount In Rs)

Particulars	Amount
As on 1st April 2018	50,066,125
Issue of Share Capital During the Year	-
As on 31st March 2019	50,066,125
Issue of Share Capital During the Year	-
As on 31st March 2020	50,066,125

B Other Equity

(Also refer Note 12)

PARTICULARS	Capital Incentive	Retained Earnings	TOTAL
As at 1st April 2018	1,500,000	108,959,913	110,459,913
Profit for the period	-	10,137,639	10,137,639
Other Comprehensive Income	-	-	-
Capital Incentive Received During the Year	-	-	-
Transfer to/(From) Retained Earnings	-	-	-
As At 31st March 2019	1,500,000	119,097,552	120,597,552
Profit for the period	-	391,508	391,508
Other Comprehensive Income	-	3,481,333	3,481,333
At 31st March 2020	1,500,000	122,970,393	124,470,393

Notes on Financial Statements for the Year ended 31st March 2020

NOTE 1 Property, Plant & Equipment

Amount in Rs.

	Land	Building	Plant & Machinery	Building/Office (Flat)	Furniture & Fixture	Office Equipment	Vehicle	Air Conditioner	Computer	Total
Gross carrying Amount										
Deemed cost at April 1, 2018	441,426	54,681,218	344,118,679	6,589,432	2,990,119	2,448,392	21,286,622	778,624	4,682,289	437,916,701
Additions	-	3,515,716	88,383,395	-	57,150	62,699	225,000	-	62,231	92,306,190
Disposals	-	-	4,166,826	-	-	-	946,120	-	-	5,112,946
Balance as at March, 31, 2019	441,426	58,196,934	428,335,148	6,589,432	3,047,269	2,511,091	20,565,502	778,624	4,844,520	525,109,945
Additions	-	3,229,858	13,146,854	-	733,750	322,064	1,095,103	256,189	206,227	20,619,051
Disposals	1,636,006	-	-	-	-	-	702,884	-	-	2,342,890
Balance as at March 31, 2020	2,077,432	61,417,792	441,482,002	6,589,432	3,781,019	2,833,155	20,957,721	1,034,813	4,852,746	545,026,112
Accumulated Depreciation										
As at April 1, 2018	-	17,575,922	161,893,730	2,474,864	2,402,463	2,179,601	12,913,192	701,542	4,180,820	204,322,135
Depreciation charged for the year	-	1,538,027	21,945,985	194,770	180,911	64,095	1,192,518	16,592	100,385	25,231,482
Disposals	-	-	958,712	-	-	-	898,814	-	-	1,857,526
Balance as at March, 31, 2019	-	19,111,949	182,881,003	2,669,634	2,583,374	2,243,696	13,206,996	718,134	4,281,405	227,696,090
Depreciation charged for the year	-	1,731,296	24,237,531	194,770	137,614	64,420	1,269,720	17,793	128,099	27,781,243
Disposals	-	-	-	-	-	-	667,740	-	-	667,740
Reclassified as Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	-	20,843,245	207,118,534	2,864,404	2,720,988	2,308,116	13,808,876	735,927	4,409,504	254,809,593
Net Carrying Amount										
As at March 31, 2020	2,077,432	40,574,548	234,363,468	3,725,028	1,060,031	525,039	7,148,845	298,886	443,242	290,216,519
As at March 31, 2019	441,426	39,084,985	245,454,145	3,919,798	483,895	287,395	7,358,606	60,490	363,115	297,413,855
As at April 1, 2018	441,426	37,105,296	182,224,849	4,114,567	587,656	288,791	8,373,430	77,082	401,469	233,694,566

Note 1A Details of under capital work-in-progress as on 31.03.2020 is as under:

PARTICULARS	AMOUNT
Opening Balance of Capital Work in Progress as at 1st April 2018	42,461,066
(+) Additions	7,320,716
(-) Transfers	46,906,780
(-) Disposals	-
Closing Balance of Capital Work in Progress as at 31st March 2019	2,875,002
(+) Additions	7,200,355
(-) Transfers	10,075,358
(-) Disposals	-
Closing Balance of Capital Work in Progress as at 31st March 2020	-

Samrat Forgings Limited

NOTE 2 OTHER FINANCIAL ASSETS	AS AT 31.03.2020	AS AT 31.03.2019
	Amount in Rs.	Amount in Rs.
Unsecured, considered good Security Deposit	19,178,076	20,181,113
TOTAL	19,178,076	20,181,113

NOTE 3 OTHER NON CURRENT ASSETS	As at 31.03.2020	As at 31.03.2019
Capital Advances	-	3,808,100
TOTAL	-	3,808,100

NOTE 4 INVENTORIES	As at 31.03.2020	As at 31.03.2019
(As per inventories taken ,valued & certified by the management)		
Raw Materials	21,327,220	15,094,989
Work In Progress	296,718,067	286,400,868
Finished Goods	20,943,831	21,322,681
Stores & Spares	14,687,670	15,222,722
Tools & Dies	49,116,618	47,924,420
Scrap	1,330,505	763,069
TOTAL	404,123,911	386,728,749

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

NOTE 5 TRADE RECEIVABLES	As at 31.03.2020	As at 31.03.2019
Unsecured Considered Good	111,689,245	116,441,895
TOTAL	111,689,245	116,441,895

Samrat Forgings Limited

NOTE 6 CASH & CASH EQUIVALENTS	As at 31.03.2020	As at 31.03.2019
	Amount in Rs.	Amount in Rs.
(a) Cash & Cash Equivalents		
- Cash in Hand	139,717	111,051
(b) Balance with Banks		
- in Current Accounts	868,352	408,365
TOTAL	1,008,068	519,415

NOTE 7 Other Bank Balances	As at 31.03.2020	As at 31.03.2019
(a) Fixed Deposits		
Maturing within 12 Months	6,425,146	6,028,477
(kept with banks as security as margin money against borrowings, guarantee, and other commitments)		
TOTAL	6,425,146	6,028,477

NOTE 8 OTHER FINANCIAL ASSETS	As at 31.03.2020	As at 31.03.2019
Considered Good		
Interest accrued on loans, investments, deposits	955,478	436,706
TOTAL	955,478	436,706

NOTE 9 OTHER CURRENT ASSETS	As at 31.03.2020	As at 31.03.2019
(Unsecured considered good unless otherwise stated)		
A) Advances other than Capital Advances		
Advance to Vendors	5,194,212	4,292,558
Security Deposits	764,230	-
Prepaid expenses	3,685,493	1,021,112
Balance with Government Authorities	550,328	618,753
Others	1,395,981	1,012,415
TOTAL	11,590,244	6,944,838

Samrat Forgings Limited

NOTE	10 EQUITY SHARE CAPITAL	As at 31.03.2020	As at 31.03.2019
		Amount in Rs.	Amount in Rs.
1.	A) AUTHORISED		
	10000000 Equity shares of Rs. 10/- each	100,000,000	100,000,000
	B) ISSUED :		
	5026200 Equity Shares of Rs. 10/- each	50,262,000	50,262,000
	C) ISSUED SUBSCRIBED & PAID UP		
	Fully called up and paid up.	50,000,000	50,000,000
	D) Forfeited Equity Shares		
	26,200 Equity Shares of Rs. 10/- each forfeited	66,125	66,125
		50,066,125	50,066,125
	B) RIGHTS ATTACHED TO EQUITY SHARES		
	i) Each Shareholder is entitled to one vote per share.		
	ii) Each Shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding.		
	iii) In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.		
	C) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES		
		As on 31st	As on 31st
		March 2020	March 2019
		No. of Shares held	No. of Shares held
	1. Jandwani Poly Products Pvt Ltd	1,361,200	1,361,200
	2. Susoka Enterprises Pvt. Ltd.	820,000	820,000
	(Formerly Natrajan Investments & Finance Pvt Ltd)		
	3. Jitya Enterprises Pvt Ltd	280,000	280,000
	(Formerly Jay Dee Holdings Pvt Ltd)		
	4. Prem Lal	500,000	500,000
	5. Rakesh M Kumar	1,180,100	1,180,100
	D) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:		
	Subscribed and fully paid up Equity Shares:		Numbers
	As at April 1, 2018		5,000,000
	Add: Bonus Shares issued during the year		-
	As at March 31, 2019		5,000,000
	Add: Bonus Shares issued during the year		-
	As at March 31, 2020		5,000,000

Samrat Forgings Limited

NOTE 11 OTHER EQUITY		As at 31.03.2020	As at 31.03.2019
		Amount in Rs.	Amount in Rs.
A)	<u>CAPITAL INCENTIVE</u>	1,500,000	1,500,000
B)	<u>PROFIT & LOSS ACCOUNT</u>		
	As Per Last Balance Sheet	119,097,552	108,959,913
	Net Profit during the year	391,508	10,137,639
	Add :-Income/(Expenses) recognised in OCI	3,481,333	-
	Closing balance	122,970,393	119,097,552
	Total (A+B)	124,470,393	120,597,552
NOTE 12 LONG TERM BORROWINGS		As at 31.03.2020	As at 31.03.2019
(AT AMORTIZED COST)			
I.	Secured		
	A. LOANS & ADVANCES		
	TERM LOANS FROM BANKS	35,769,202	49,436,447
	(Secured against Hypothecation of respective vehicle under hire-purchase agreement / Machinery & personal guarantee of directors)		
	TERM LOANS FROM OTHER PARTIES	22,806,508	21,369,772
	From Non-Banking Financial Companies (Secured against hypothecation of respective Machinery/Vehicle and personal guarantee of directors)		
	TOTAL SECURED LOANS	58,575,710	70,806,219
II.	Unsecured		
	LOAN & ADVANCES FROM RELATED PARTIES	4,528,641	4,297,615
	OTHER LOANS & ADVANCES	50,853,788	41,843,644
	(Against personal guarantee of directors)		
	LOAN & ADVANCES FROM BANKS	14,637,655	4,182,494
	TOTAL UNSECURED LOANS	70,020,084	50,323,753
	TOTAL LONG-TERM BORROWINGS	128,595,794	121,129,972

Samrat Forgings Limited

NOTE 13 LONG TERM PROVISIONS		As at 31.03.2020	As at 31.03.2019
		Amount in Rs.	Amount in Rs.
Provision For Employees Benefit			
- Gratuity		10,608,384	11,662,013
- Leave Encashment		1,197,362	1,764,363
TOTAL		11,805,746	13,426,376

NOTE 14 DEFERRED TAX (NET)		As at 31.03.2020	As at 31.03.2019
A. Deferred Tax Liability		27,346,962	23,975,363
B. Deferred Tax Asset		5,346,718	4,508,156
C. MAT CREDIT ENTITLEMENT		2,453,570	1,926,686
Net Deferred Tax Liability (A-B-C)		19,546,674	17,540,521

NOTE 15 SHORT TERM BORROWINGS (AT AMORTIZED COST)		As at 31.03.2020	As at 31.03.2019
I. SECURED			
A LOANS REPAYABLE ON DEMAND		194,177,675	193,568,744
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 Promoter Directors of the Company.)			
B FROM OTHERS		13,551,969	13,222,851
The National Small Industries Corp. Ltd. (Secured against Bank guarantee)			
II. UNSECURED			
LOAN FROM RELATED PARTIES		19,551,997	18,500,000
TOTAL		227,281,641	225,291,596

Samrat Forgings Limited

NOTE 16 TRADE PAYABLES	As at 31.03.2020	As at 31.03.2019
	Amount in Rs.	Amount in Rs.
Sundry Creditors		
i) Total outstanding dues of Micro and Small Scale Industrial Enterprises	1,689,861	4,513,876
ii) Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises	232,600,473	223,034,589
TOTAL	234,290,334	227,548,465

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020, is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31.03.2020	As at 31.03.2019
(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	1,689,861	4,513,876
Interest		
(b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:		
Principal	-	-
Interest		
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.		
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Samrat Forgings Limited

NOTE 17 OTHER FINANCIAL LIABILITIES	As at 31.03.2020	As at 31.03.2019
	Amount in Rs.	Amount in Rs.
Expenses Payable	14,552,311	18,951,122
Current Maturities of Long Term Debts.	22,022,637	23,689,927
Interest accrued but not due on borrowings	857,411	576,633
Director Remuneration & Fee payable	953,658	244,750
TOTAL	38,386,017	43,462,432

NOTE 18 CURRENT TAX LIABILITY (NET)	As at 31.03.2020	As at 31.03.2019
Current Tax Payable for the year	476,102	2,442,676
Less : Tax Paid during the year	330,441	875,218
TOTAL	145,661	1,567,458

NOTE 19 OTHER CURRENT LIABILITIES	As at 31.03.2020	As at 31.03.2019
Statutory Dues	6,232,657	12,157,426
Advance received from customers	3,584,010	8,590,228
TOTAL	9,816,667	20,747,654

Samrat Forgings Limited

NOTE 20 DETAIL OF REVENUE FROM OPERATIONS		
	As at 31.03.2020	As at 31.03.2019
Revenue from sale of products	Amount in Rs.	Amount in Rs.
Gross Sales	817,374,106	948,685,022
Sale of Services		
Conversion/Job Work Charges	3,719,752	13,099,709
	821,093,858	961,784,731
<hr/>		
NOTE 21 OTHER INCOME	As at 31.03.2020	As at 31.03.2019
Interest Income	1,665,067	980,198
Other non-operative Income		
Misc Income	1,392,370	2,950,356
TOTAL	3,057,437	3,930,554
<hr/>		
NOTE 22 COST OF RAW MATERIAL CONSUMED	As at 31.03.2020	As at 31.03.2019
Opening Stock of Raw Materials	15,094,989	31,419,624
Add Purchases during the year	394,232,548	470,775,178
Less Closing Stock	21,327,220	15,094,989
TOTAL	388,000,317	487,099,813
<hr/>		
NOTE 23 CHANGES IN FINISHED GOODS, WIP, STOCK IN TRADE	As at 31.03.2020	As at 31.03.2019
Opening Stock		
Work In Progress	286,400,868	244,577,304
Finished Goods	21,322,681	18,760,748
Scrap	763,069	578,139
TOTAL 'A'	308,486,618	263,916,191
Closing Stock		
Work In Progress	296,718,067	286,400,868
Finished Goods Stock	20,943,831	21,322,681
Scrap	1,330,505	763,069
TOTAL 'B'	318,992,403	308,486,618
TOTAL (A - B)	(10,505,785)	(44,570,427)

Samrat Forgings Limited

NOTE 24 EMPLOYEE BENEFIT EXPENSES	As at 31.03.2020	As at 31.03.2019
	Amount in Rs.	Amount in Rs.
Salaries & Wages	127,069,465	135,788,450
Contribution to Provident Fund & Other Funds	4,172,543	4,280,459
Staff Welfare	4,118,008	4,724,866
Provident Fund- Directors	21,600	21,600
TOTAL	135,381,616	144,815,375

NOTE 25 FINANCE COST	As at 31.03.2020	As at 31.03.2019
Interest Expense		
Interest on Financial Liabilities other than Lease Liabilities	50,285,357	44,587,571
Interest on Lease Liabilities (Refer Note 28)	2,020,203	-
Other Borrowing Cost		
Bank Charges	2,453,798	2,761,839
TOTAL	54,759,357	47,349,410

NOTE 26 DEPRECIATION AND AMORTIZATION EXPENSE	As at 31.03.2020	As at 31.03.2019
Depreciation of tangible assets (refer Note 1)	27,781,243	25,231,482
Depreciation of Right-of-use assets(refer note 28)	2,061,432	-
TOTAL	29,842,675	25,231,482

Samrat Forgings Limited

Note 27 OTHER EXPENSES	As at 31.03.2020	As at 31.03.2019
	Amount in Rs.	Amount in Rs.
Manufacturing Expenses		
Power & Fuel	39,005,227	47,087,885
Tools & Dies Consumed	3,787,988	4,645,167
Stores & Consumables	113,291,006	160,691,078
Production/Job Work Expenses	21,913,057	28,485,943
Repair & Maintenance Machinery	9,368,617	6,715,608
Total A	187,365,896	247,625,681
Selling Expenses		
Freight & Forwarding	6,053,636	7,944,134
Business Promotion	1,720,055	1,760,231
Rebates & Discounts	12,663,905	15,584,654
R & M Vehicles (LCV)	3,194,202	4,464,787
LD Charges	1,407,316	1,545,716
Total B	25,039,114	31,299,522
Administrative & Other Expenses		
Travelling & Conveyance		
i) Directors	1,016,499	494,848
ii) Others	1,261,970	1,427,650
Professional & Legal Expenses	1,763,061	1,774,250
Telephone & Postage	251,400	300,264
Printing & Stationary	634,622	709,146
Running & Maintenance-Vehicles	1,280,264	1,367,296
Miscellaneous Expenses	214,161	560,735
R & M - General	289,381	509,166
R & M - Building	389,699	2,465,981
Subscription & Membership Fee	96,177	21,000
Rates, Fee & Taxes	2,700,723	546,655
Insurance	571,661	664,877
Auditors' Remuneration		
i) Audit Fee	150,000	75,000
ii) Tax Audit Fee	40,000	15,000
iii) Tax Matters Fee	30,000	30,000
iv) Certification work Fee	10,000	10,000
Advertisement	13,800	92,448
Rent	250,000	3,561,400
Board Meeting Fees	247,500	210,000
Loss on Sale of Fixed Assets	-	163,458
Foreign Fluctuation Loss	5,251	-
Total C	11,216,169	14,999,176
Grand Total (A+B+C)	223,621,180	293,924,378

Note 28 Right of Use Assets & Lease Liability

The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. This has resulted in recognising a right-of-use asset of 288.6 Lacs and a corresponding lease liability of the same amount.

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

Particulars	Land	Amount
Opening Balance	-	-
Addition on account of Transition to Ind AS 116 - 1st April, 2019	28,860,044	28,860,044
Additions	-	-
Disposals	-	-
Balance as at 31st March 2020	28,860,044	28,860,044
Accumulated Depreciation		
Opening Balance	-	-
Additions	2,061,432	2,061,432
Disposals	-	-
Balance as at 31st March 2020	2,061,432	2,061,432
Net Block as at 31st March 2020	26,798,613	26,798,613

B. Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Amount
Opening Balance	-
Add : Addition on account of Transition to Ind AS 116 - 1st April, 2019	28,860,044
Add : Accretion of interest	2,020,203
Less : Payments	3,300,000
Less : Termination	-
As at 31st March 2020	27,580,247
Current	1,369,383
Non Current	26,210,865

The effective interest rate for lease liabilities is 7%.

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

Particulars	2019-20
Depreciation expense of right-of-use assets	2,061,432
Interest expense on lease liabilities	2,020,203
Expense relating to short-term leases and low value leases (included in other expenses)	250,000
Total amount recognised in profit or loss	4,331,635

- D. The Company had total cash outflows for leases of INR 35.50 lacs in March 31, 2020. There are no noncash additions to right-of-use assets and lease liabilities .
- E. The maturity analysis of lease liabilities based on contractual undiscounted payment is as follows :

Particulars	Amount
On Demand	-
0-12 months	3,300,000
1-5 years	16,500,000
More than 5 years	23,100,000
Total	42,900,000

Note 29 Employee Benefits

A Short-term employee benefits

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

B Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

C Defined contribution plan

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

Particulars	For Year Ended March 31, 2020	For Year Ended March 31, 2019
Employer's contribution to provident fund/pension scheme	4,194,143	4,302,059

**D Defined benefit plan
Gratuity (funded)**

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The plan assets are also managed by the Life Insurance Corporation (LIC).

(i) Components of Expense recognised

Particulars	For Year Ended March 31, 2020	For Year Ended March 31, 2019
Recognised in the Statement of Profit and Loss		
1 Current Service Cost	2,804,429	-
2 Past Service Cost	-	-
3 Net Interest Cost	203,216	-
4 Actuarial Gain/Loss of obligations	579,415	
5 Actuarial Gain/Loss of Plan Assets	106,399	
6 Direct Benefit Payments	(212,405)	
7 Expected Return on Plan Assets	(203,216)	
8 Total Expense Recognised in Profit and Loss Account	3,277,838	-
Re-measurements recognised in Other Comprehensive Income		
9 Return on plan assets (excluding amounts included in Net interest cost)	199,434	-
10 Effect of changes in demographic assumptions		-
11 Effect of changes in financial assumptions		-
12 Changes in asset ceiling(excluding interest income)		-
13 Effect of experience adjustments	9,533,474	-
14 Total re-measurements included in Other Comprehensive Income	9,732,908	-
15 Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)	13,010,746	-

Samrat Forgings Limited

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

I Defined Benefit Obligation Liability

Particulars	As at March 31, 2020	As at March 31, 2019
1 Present Value of DBO at the beginning of the year	8,885,103	-
2 Current Service Cost	2,804,429	-
3 Past Service Cost	-	-
4 Interest Cost	555,319	-
5 Remeasurement gains/(losses)		
a. Effect of changes in demographic assumptions	-	-
b. Effect of changes in financial assumptions	-	-
c. Changes in asset ceiling (excluding interest income)	-	-
d. Effect of experience adjustments	9,533,474	-
6 Curtailment Cost/ (Credits)	-	-
7 Settlement Cost/ (Credits)	-	-
8 Liabilities assumed in business combination	-	-
9 Actuarial Gain/Loss on Obligations	579,415	-
10 Effect of transfer In / (out)	-	-
11 Benefits Paid	(1,609,713)	-
12 Present Value of DBO at the end of the year (TOTAL I)	<u>20,748,027</u>	<u>-</u>

II Change in Fair Value of Assets

Particulars	As at March 31, 2020	As at March 31, 2019
1 Plan Assets at the beginning of the year	8,885,103	-
2 Asset acquired in Business Combination	-	-
3 Interest Income	555,319	-
4 Remeasurement Gains/ (Losses) on plan assets (305,833)	-	-
5 Actual Company Contributions Benefits Paid	1,205,000	-
6 Benefits Paid	(1,397,308)	-
7 Effects of transfer In/(Out)	-	-
8 Plan Assets at the end of the year (TOTAL II)	<u>8,942,281</u>	<u>-</u>

Samrat Forgings Limited

Net Liability/(Asset)

Particulars	As at March 31, 2020	As at March 31, 2019
III Present Value of Defined Benefit Obligations (Total I)	20,748,027	-
IV Fair Value of Plan Assets (Total II)	8,942,281	-
Net Liability/(Asset) (III-IV)	11,805,746	-

(iii) Investment details of plan assets	As at March 31, 2020	As at March 31, 2019
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Insurance Fund

(iv) The principal assumptions used in determining gratuity are:

Mortality table - LIC

Indian Assured Lives Mortality Indian
Assured Lives Mortality(2006-08)

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.25%	-
Withdrawal Rate	10%	-
Estimated rate of return on plan assets	6.25%	-
Estimated future salary growth	5%	-

(iv) Risks associated with defined benefit plan

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

Interest rate Risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher proportion. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount

rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM Risk.

Mortality Risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk:

Plan is having a concentration risk all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Samrat Forgings Limited

NOTE	30	COMMITMENTS AND CONTINGENCIES	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
		Commitments :			
		Estimated value of contracts remaining to be executed on Capital Account and not provided for	NIL	68	19
		Contingent liabilities :			
	(a)	Claims against companies not acknowledged as debt*	NIL	NIL	NIL
		* Includes claims from revenue departments and other claims			
	(b)	In respect of unassessed cases of Income Tax, Goods and Services Tax, Excise Duty & Service Tax	Undeterminable	Undeterminable	Undeterminable

NOTE 31 IMPAIRMENT OF ASSETS

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

NOTE	32	DISCLOSURE AS PER IND AS-33 EARNING PER SHARE	As at 31.03.2020	As at 31.03.2019
------	----	--	---------------------	---------------------

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

Profit attributable to the equity holders of the Company	391,508	10,137,639
Weighted average number of equity shares	5,000,000	5,000,000
Basic earnings per share	0.08	2.03
(Face value of INR 10/- per share)		

**NOTE 33 DISCLOSURE AS PER INDAS-108
SEGMENT REPORTING**

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

NOTE 34 Compensation of key management personnel of the Company	As at 31ST MARCH, 2020	As at 31ST MARCH, 2019
Salary to Managing Director	11,250,000	77,500,00
Short-term employee benefits	21,600	21,600
Post-employment gratuity and medical benefitts	-	-
Total compensation paid to key management personnel	11,271,600	7,771,600

NOTE 35 REGROUPING OF FIGURES

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

Note 36 Financial Instruments and Related Disclosures

1. CAPITAL MANAGEMENT

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

2 Categories of Financial Instruments

Particulars	Fair Value Hierarchy	As at March 31, 2020		As at March 31, 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A Financial Asset					
(i) Measured at Amortised Cost					
Current					
Security Deposits	3	19,178,076	19,178,076	20,181,113	20,181,113
Non Current					
Trade receivables	3	111,689,245	111,689,245	116,441,895	116,441,895
Cash & Cash Equivalents	3	1,008,068	1,008,068	519,415	519,415
Other Bank Balances	3	6,425,146	6,425,146	6,028,477	6,028,477
Other financial assets	3	955,478	955,478	436,706	436,706
Total Financial Assets		139,256,013	139,256,013	143,607,606	143,607,606
B Financial Liabilities					
(i) Measured at Amortised Cost					
Current					
Borrowings	3	128,595,794	128,595,794	121,129,972	121,129,972
Lease Liabilities	3	26,210,865	26,210,865	-	-
Non Current					
Borrowings	3	227,281,641	227,281,641	225,291,596	225,291,596
Trade Payables	3	234,290,334	234,290,334	227,548,465	227,548,465
Lease Liabilities	3	1,369,383	1,369,383	-	-
Other Financial Liabilities	3	38,386,017	38,386,017	43,462,432	43,462,432
Total Financial Liabilities		656,134,034	656,134,034	617,432,465	617,432,465

Fair Value Hierarchy

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3 Financial Risk Management Objectives

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

(i) Management of market risk:

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

(ii) Management of Interest Rate risk:

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

(iii) Management of Price risk:

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

(iv) Management of currency risk

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

(v) Management of Credit Risk

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

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

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

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

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

(vi) Management of liquidity risk:

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

Samrat Forgings Limited

NOTE 37	Income Tax Expense	As at 31.03.2020	As at 31.03.2019
			(Rs. In Lacs)
A	Income Tax Expense		
	Current Tax		
	Current Tax on Profits for the Year	-	5.16
	Adjustments for current tax of prior year	1.27	(5.38)
	Total Current Tax Expense	1.27	(0.22)
	Deferred Tax		
	Deferred Tax Charge/(Income)	25.33	17.50
	Total Tax Expense	26.60	17.28
B	Reconciliation of tax expense and the accounting profit		
	Profit Before Tax	30.52	118.65
	Income Tax (Calculated at 27.82% for FY 2018-19 and at 26% for FY 2019-20)	7.94	33.01
	Tax Effect of :		
	- Income Exempt from Tax	-	-
	- Brought Forward Tax Losses	4.20	-
	- Difference due to change in rate of deferred tax	-	(13.63)
	- Expense not allowed as per Income Tax Act	(0.43)	0.05
	- Others	14.90	(2.16)
	Income Tax Expense	26.60	17.28

Samrat Forgings Limited

NOTE 38	DISCLOSURE AS PER IND AS-24 RELATED PARTY	As at 31ST MARCH, 2020	As at 31ST MARCH, 2019
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(A) List of Related Parties and Relationships:

a) Key Management Personnel & Their Relatives

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

b) Related Party

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

(B) Related Party Transactions:

	2019-20	2018-19
Interest Expense		
Jandwani Poly Products Pvt Ltd.	1,051,997	-
Mr. Rakesh M. Kumar, Managing Director	100,452	91,506
Mrs. Bindu Chowdhary, Director	156,245	167,515
Travelling Expenses		
Mr. Rakesh M. Kumar, Managing Director	1,053,837	494,848
Sitting Fees		
Mrs. Ritu Joshi, Director	42,500	45,000
Mrs. Bindu Chowdhary, Director	62,500	47,500

(C) Balance outstanding with related parties	2019-20	2018-19
Mr. Rakesh M. Kumar, Managing Director	1,746,715	1,656,309
Mrs. Bindu Chowdhary, Director	2,838,176	2,641,306
Jandwani Poly Products Pvt Ltd.	19,551,997	18,500,000
Mrs. Ritu Joshi, Director	130,500	92,250

* Remuneration of Managing Director has been disclosed in the Note No. 34

NOTE 39 FIRST TIME ADOPTION OF IND AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note no.41 have been applied in preparing the financial statements for the year ended 31st March, 2020, the comparative information presented in these financial statements for the year ended 31st March, 2019 and in the preparation of an opening Ind AS balance sheet at 1st April, 2018 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard Rules), 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows is set out as follows :

A Exemptions on first time adoption of Ind AS 101:-

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions in the transition from previous GAAP to Ind AS.

i) Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1st April 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

B Reconciliation of equity as at date of transition i.e. 1st April, 2018 and 31st March, 2019

Particulars	As at 1st April, 2018	As at 31st March, 2019
Total equity (Shareholders fund) as per Previous GAAP	110,459,912.89	120,597,552.03
Adjustments		
Remeasurement and Restatement	-	-
Income Tax Effect	-	-
Total Adjustment	-	-
Total Equity as per Ind AS	110,459,912.89	120,597,552.03

NOTE 40 IMPACT OF COVID

While the Company believes strongly that it has a rich portfolio of goods to partner with customers, the impact on future revenue streams could come from :

- a) the inability of our customers to continue their businesses due to financial resource constraints or their goods no-longer being availed by their customers
- b) prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- c) customers not in a position to accept delivery due to restrictions in movement of goods
- d) customers postponing their discretionary spend due to change in priorities

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations if any.

The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions considering the current crisis to ensure that revenue recognition in such cases reflect realisable values.

(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
(Firm Regn. No.: 001361N)

(KRISHAN MANGAWA)
PARTNER
Membership No. 513236

Place: Chandigarh
Dated : 28/07/2020

Note 41 Notes and Significant Accounting Policies

1. Corporate Information

SAMRAT FORGINGS LIMITED ('the Company') is a public limited company incorporated in India. The Company is one of the Largest Suppliers of Quality Forgings in the country recognized as one of the prime suppliers of forgings of various dimensions and profile. The registered office of the Company is at # 406, FIRST FLOOR SECTOR 15-A CHANDIGARH – 160015, INDIA. The financial statements have been approved by Board of Directors in their board meeting dated June 1, 2020.

The business portfolio of the Company comprises of:

- a. Design Engineering and Product Development
- b. Tool & Die Manufacturing
- c. Forging
- d. Machining
- e. Testing & Validation

2. Statement of Compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

3. Basis of Preparation

These standalone financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The statement of cash flows has been prepared under indirect method. These standalone financial statements have been prepared in Indian Rupee (INR) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

4. Significant Accounting Policies**a) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and gains or losses on effective portion of cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition or construction of assets up to the date of commissioning of assets.

On the date of transition to Ind AS i.e. April 1, 2018, the Company has opted to measure all of its property, plant and equipment at their previous Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

The Company is following straight line method of depreciation in respect of buildings, plant and equipment and other assets.

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of the Companies Act 2013 except for certain items of Plant and Equipment.

i) Estimated Useful Lives:

ASSET	USEFUL LIFE
ADMINISTRATIVE BUILDING	30 years
PLANT & MACHINERY	15 years
FURNITURE & FIXTURE	10 Years
AIR CONDITIONERS	5 Years
COMPUTERS	3 Years
OFFICE EQUIPMENTS	5 Years
VEHICLES	8-10 Years

ii) Estimated residual value:

The Estimated residual value of assets other than Land is taken as 5% of its original cost.

Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

b) Inventories

Inventories are valued at lower of cost (determined on weighted average basis) and net realisable value. The basis for determining cost (which also includes taxes and duties wherever applicable) for different categories of inventory are as under:

- Stores & spares, raw materials - Weighted average rate. and stock-in-trade
- Work-in-Progress and - Direct cost plus appropriate finished goods share of overheads after
- giving credit for other income
- and excluding certain expenses like ex-gratia and gratuity etc.
- By-products are valued at estimated net realisable value

c) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that it is principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The policy of recognising the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract with customers".

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer generally on date of bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 30 to 90 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

d) Other revenue streams

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Export Benefits

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

e) Employee benefits

(i) Defined contribution plans

Company's contribution paid/payable during the year to provident fund, superannuation fund and employees' state insurance corporation are recognized in the statement of profit and loss.

(ii) Defined benefit plans

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets, where applicable. The Company makes contribution to the LIC for Employees Gratuity Scheme. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized in the other comprehensive income for the period in which they occur and is not reclassified to profit or loss.

(iii) Compensated absences

Provision for earned leave and medical leave is determined on an actuarial basis at the end of the year and is charged to the statement of profit and loss each year. Actuarial gains

and losses are recognized in the statement of profit and loss for the period in which they occur.

f) Foreign currency transactions

The functional currency of the Company is Indian rupee. Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Monetary items (i.e. receivables, payable, loans etc) denominated in foreign currency are reported using the closing exchange rate on each reporting date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise except for exchange difference on foreign currency borrowings relating to asset under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

g) Financial instruments - Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

Subsequent measurement:

A. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets carried at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

h) Impairment

i) Financial assets

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

ii) Non-financial assets: Tangible and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired

i) Income taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

j) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As per Ind AS 116 each lease component within the contract is accounted as a lease separately from non-lease components of the contract and the consideration in the contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. A right-of-use asset representing its right to use the underlying asset for the lease term at the lease

commencement date is recognized. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The amount of the re-measurement of lease liability due to modification is recognised as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a lessee :

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019).

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

k) Provisions

Provisions for claims including litigations are recognized when the Company has a present obligation as a result of past events, in the year when it is established by way of orders of court or government notifications etc. that it is probable that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. The provision including any subsequent adjustments are accounted for in the same expenditure line item to which the claim pertains.

5. Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

i) Useful lives and residual value of property, plant and equipment:

Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.

ii) Deferred tax assets:

The Company reviews the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduces to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

iii) Revenue:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the

amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
 - Revenue for fixed-price contract is recognised using percentage-of completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- iv) **Provision for gratuity and compensated absences:** The provision for gratuity and compensated absences are based on actuarial valuation using the projected unit credit method. The Company uses actuarial assumptions to determine the obligation for employee benefit at each reporting period. These assumptions include the discount rate, salary escalation and employee turnover rate.

(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
(Firm Regn. No.: 001361N)

(KRISHAN MANGAWA)

PARTNER

Membership No. 513236

Place: Chandigarh

Dated : 28/07/2020

Samrat Forgings Limited

CIN : U28910CH1981PLC004522



REGISTERED OFFICE :

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Chandigarh-160 015

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