41st
Annual Report
2021-22

Samrat Forgings Limited

SAMRAT FORGINGS LIMITED

41st ANNUAL REPORT 2021-22

BOARD OF DIRECTORS

Mr. Rakesh M. Kumar (Chairman)

Mrs. Bindu Chowdhary

Mrs. Ritu Joshi Mr. Ajay Arora

Mr. Satish Chander Sharma

Ms Niveta Sharma

CHIEF FINANCIAL OFFICER

Mr. A.P.S. Grover

COMPANY SECRETARY

Mr. Sandeep Kumar

AUDITORS

M/s. Jain & Associates Chartered Accountants

BANKERS

The Jammu & Kashmir Bank Ltd.

REGISTERED OFFICE & WORKS

Village & P.O. Ghollu Majra, Tehsil Derabassi, Distt. Mohali,

Punjab - 140506

Phone: +91-9257240444

Email: info@samratforgings.com Website: www.samratforgings.com CIN: L28910PB1981PLC056444

REGISTRARS AND SHARE TRANSFER AGENTS

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

Tel: 011-26387281/82/83 Email: info@masserv.com

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41st ANNUAL GENERAL MEETING

on Friday, 30th September, 2022 at 11:30 A.M. through Video Conferencing / Other Audio Visual Means

NOTICE

Notice is hereby given that the 41st Annual General Meeting of Samrat Forgings Limited will be held on Friday, the 30th day of September, 2022 at 11.30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon.
 - "RESOLVED THAT the Audited Financial Statements of the Company, Report of the Board of Directors and the Auditors' thereon for the financial year ended on March 31, 2022 alongwith Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."
- 2. To appoint a Director in place of Mrs. Bindu Chowdhary (DIN: 01154263), who retires by rotation and, being eligible, offers herself for re-appointment.
 - "RESOLVED THAT Mrs. Bindu Chowdhary (DIN: 01154263), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."
- 3. To appoint the Auditors and fix their remuneration

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s Rajesh Aggarwal & Associates, Chartered Accountants (Firm Registration No.: 009831N) be and are hereby appointed as the Statutory Auditors of the Company, to hold the office for a period of 5 (five) consecutive years commencing from the conclusion of this 41st Annual General Meeting of the Company till the conclusion of the 46th Annual General Meeting to be held in the year 2027, at a remuneration to be determined by the Board of Directors of the Company from time to time in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS

4. To Ratify the remuneration to Cost Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the remuneration payable to M/s. Balwinder & Associates, Cost Accountants (Firm Registration No.: 000201) appointed as the Cost

Auditors of the Company, to conduct an audit of the cost records of the Company for the Financial Year ending on March 31, 2023, at Rs. 40,000/- (Rupees Forty Thousand Only) plus all applicable taxes and reimbursement of out-of-pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Chief Financial Officer and / or the Company Secretary be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

5. To appoint Mr. Satish Chander Sharma (DIN: 09654654) as an Independent Director

To consider and, if thought fit, to pass the following Resolution a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Mr. Satish Chander Sharma (DIN: 09654654), who was appointed as an Additional Director (Non Executive Independent) w.e.f June 30, 2022, 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 he 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. June 30, 2022 upto June 29, 2027."

6. To increase borrowing powers of the Company

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

"RESOLVED THAT in supersession of the resolution passed by the members of the Company in the 33rd Annual General Meeting of the Company held on 29th September, 2014 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder including any amendment thereto, consent of the Company be and is hereby accorded to the Board of Directors of the Company which shall be deemed to include any committee thereof, to borrow money for the purpose of the business of the Company as may be required from time to time on such terms and conditions and with or without security as the Board may think fit, provided that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers/Lenders in the ordinary course of business) and outstanding at any time shall not exceed the sum of Rs. 150 Crores.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

7. To mortgage or create charge over properties of the Company against borrowings

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

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company earlier at the 33rd Annual General Meeting of the Company held on 29th September, 2014 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder including any amendment thereto, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as Board) which shall be deemed to included any committee thereof, to pledge, hypothecate, mortgage and/or charge all or any part of the movable and immovable properties of the Company wheresoever situate, present and future, or to sell, lease or otherwise dispose off the whole or substantially of the whole of the undertaking(s) and where Company owns more than one undertaking, the whole or substantially whole of all or any of such undertaking(s) and to create/register mortgage and/or charge on such terms and conditions at such time(s) and in such form and manner and with such ranking as to priority as the Board may in its absolute discretion decide on the whole or substantially of the whole of any one or more of the undertakings of the Company in favour of Banks, Financial Institutions, Non-Banking Finance Companies, Bodies corporate, Investors or other Lenders to secure the amount borrowed by the Company from time to time for the due payment of principal and/or together with interest, costs, charges and expenses thereon payable by the Company in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 150 Crores (Rupees one hundred and fifty crores) at any point of time.

FURTHER RESOLVED THAT the Board of Directors and Company Secretary of the Company be and are hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

Regd. Office:

Village & P.O. Ghollu Majra, Tehsil Derabassi,

Distt. Mohali, Punjab 140506 Email: info@samratforgings.com

CIN: L28910PB1981PLC056444

Date: 13.08.2022

By order of the Board of Directors
For Samrat Forgings Limited

(Sandeep Kumar) Company Secretary FCS-9075

NOTES:

- 1. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business under Item No. 4 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM are also annexed.
- 2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated 8th April 2020, No. 17/ 2020 dated 13th April, 2020, No. 20/2020 dated 5th May, 2020, No. 02/2021 dated 13th January, 2021, No. 21/2021 dated 14th December, 2021 and No. 02/2022 dated 5th May, 2022 ("collectively referred to as MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/ P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively referred to as "SEBI Circulars"), permitted the companies for holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and above referred MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Friday, 30th September, 2022 at 11:30 AM. The deemed venue for the meeting shall be registered office of the Company at Village & P.O. Ghollu Majra, Tehsil Derabassi, Distt. Mohali, Punjab - 140506.

The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 23.

- 3. As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The Route Map is also not required to be annexed to the Notice.
- 4. The facility for joining AGM through VC/OVAM will be available to all the Members, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
- Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 6. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting.

They are requested to send a certified copy of the Board Resolution of authorization to the Scrutinizer by e-mail at kanwalcs@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

- 7. In case of Joint Holders attending the AGM, only such Joint Holder whose name appears first in the order of names will be entitled to vote.
- 8. Only bona fide members of the Company, whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/ OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
- 9. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at sandeepsharma@samratforgings.com up to the date of AGM.
- 10. In line with the aforesaid MCA and SEBI circulars, the notice of the AGM along with the Annual Report 2021-22 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 2021-22 has been uploaded on the Company's website www.samratforgings.com and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also available on the website of CDSL at www.evotingindia.com.
- 11. M/s Mas Services Ltd, having their office at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi 110 020 are the Company's Registrar and Share Transfer Agent ("RTA") for its Share Registry Work (Physical and Electronic).
- 12. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2022 to 30.09.2022 (both days inclusive).
- 13. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of the listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of this and to eliminate all risks associated with physical shares, Members are advised to dematerialize shares held by them in physical form. Members can contact the Company's Registrar and Share Transfer Agents M/s Mas Services Ltd for assistance in this matter.
- 14. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to RTA to do the needful.
- 15. Members holding shares in dematerialized mode who have not registered / updated their email addresses are requested to register / update their email addresses with the relevant Depository Participants.

- 16. Members holding shares in physical mode may please note that the Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by all the shareholders who are holding their shares in physical form. Effective from 1st January 2022, any service requests or complaints received from such member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.samratforgings.com/investors/downloads/
- 17. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members can avail of the facility of nomination in respect of shares held by them. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from downloads link under Investors page at the Company's website at www.samratforgings.com. Members are requested to submit the said forms to their DP in case the shares are held in electronic form and to the RTA at info@masserv.com in case the shares are held in physical form by quoting their Folio No.
- 18. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (address, bank detail, mobile number and email) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. No services request will be processed from 1st January, 2022, until unless KYC, PAN and nomination or opt-out detail will not be furnished. A separate letter already dispatched in this regard by company to all physical shareholders by Regd/Speed post.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN;
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature (in Form ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14.

All of above required documents/details shall be provided to RTA at investor@masserv.com and send the documents to RTA. The shareholders can download the forms mentioned in SEBI circular from the website of RTA i.e. www.masserv.com.

A separate communication has already been sent to the respective shareholders by Registered/Speed Post.

- 19. Members holding shares in demat form are requested to:
 - Intimate their latest bank account details viz. name and address of the branch of the bank with 9 digit MICR code of the branch & 11 digit IFSC code, type of account and account number, to the respective depository participant.
 - ii. Intimate changes, if any, pertaining to their registered addresses, email address, telephone/mobile numbers, specimen signatures (duly attested by the bank), nomination, etc. to their respective depository participants.
- Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary of the Company by 25th September, 2022.
 - Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at sandeepsharma@samratforgings.com at least 7 (seven) days prior to the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- 21. Relevant documents referred to in the accompanying Notice shall be available for inspection by the Members through electronic mode on the basis of request being sent on sandeepsharma@samratforgings.com.
- 22. Appointment /Re-appointment of Director
 - Mr. Satish Chander Sharma, who was appointed as Additional Director (Non Executive Independent) w.e.f. June 30, 2022, is proposed to be regularized as an Independent Director of the Company in the forthcoming Annual General Meeting.
 - Further, Mrs. Bindu Chowdhary shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM, forms part of the Notice.
- 23. Voting through Electronic means:
- In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its members to exercise their right to vote in respect to the business to be transacted at the AGM. For this purpose, the Company has availed the services from Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised agency. The facility to cast the votes by the members using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- II. The Members can join the AGM through VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.
- III. The remote e-Voting period commences on 27th September, 2022 at 9.00 AM and ends on 29th September, 2022 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, 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. 23rd September, 2022, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com or to the Company's Registrar and Share Transfer Agent at info@masserv.com.
- IV. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who could not cast their vote by remote e-Voting. They will be eligible to exercise their right to vote during the AGM. Members could have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- V. Pursuant to SEBI Circular No. SEBI/HO/FD/ CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations; listed companies are required to provide remote e-voting facility to its shareholders in respect of all shareholders resolutions. However, it has been observed that the participation by the public non-institutional members / retail members is at a negligible level. Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.
- VI. In view of the aforesaid SEBI Circular dated December 9, 2020, individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.
 - Pursuant to the above said SEBI Circular, Login method for e-voting and joining the AGM through VC for individual shareholders holding shares in demat mode is given below:

| Type of Member | Login Methods |
|---|---|
| Individual shareholders holding shares in demat mode with CDSL Depository | Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www. cdslindia.com and click on Login icon and select New System Myeasi. |
| | 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. |
| | If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration |
| | Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual member holding shares in demat mode with NSDL | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |
| | If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp |
| | 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |
| Individual member (holding shares in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at abovementioned websites.

Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login Type | Helpdesk details |
|---|--|
| Individual members holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022- 23058542-43. |
| Individual members holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. |

Login method for e-voting and joining virtual meeting for physical shareholders and shareholders other than individual holding shares in Demat form is as under:

- 1. The shareholder should log on to the remote e-voting website www.evotingindia.com
- 2. Click on 'Shareholders' module
- 3. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digit Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4. Next enter the Image Verification as displayed and Click on Login.
- 5. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- 6. If you are a first time user follow the steps given below:

| | For physical shareholders and other than individual shareholders holding shares in Demat form |
|---|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both, demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | , , |

- 7. After entering these details appropriately, click on "SUBMIT" tab.
- 8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that

company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- 9. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10. Click on the EVSN for Samrat Forgings Limited.
- 11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15. You can also take a print of the votes cast by you by clicking on "Click here to print" option on the Voting page.
- 16. If demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

17. Note for Non-Individual Shareholders and Custodians – For Remote e-voting only:

| Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module. |
|---|
| A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. |
| After receiving the login details a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on. |
| The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. |
| A scanned copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. |
| Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the Scrutinizer at kanwalcs@gmail.com and to the company at the email address viz. sandeepsharma@samraforgings.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the |

Scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, CDSL, A, Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORY

- For physical shareholders please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- 2. For Demat shareholders please update your email id & mobile no. with your respective Depository Participant (DP).
- 3. For Individual Demat Shareholders please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM AND E-VOTING DURING AGM ARE AS UNDER:

- I. The procedure for attending the AGM and e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- III. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- V. Further, Shareholders will be required to allow camera and use internet connection with a good speed to avoid any disturbance during the meeting.
- VI. 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.
- VII. Shareholders who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 days prior to the AGM mentioning their name, demat account number / folio number, email id, mobile number at sandeepsharma@samratforgings.com. The Shareholders who do not wish to

speak during the AGM but have queries may send their queries in advance 7 days prior to the AGM mentioning their name, demat account number / folio number, email id, mobile number at sandeepsharma@samratforgings.com. These queries will be replied to by the Company suitably by email.

- VIII. Only those members who have registered themselves as a speaker will 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.
- IX. Only those Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- X. If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same members have not participated in the AGM through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the AGM.
- XI. 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.

GENERAL INSTRUCTIONS

- i. Mr. Kanwaljit Singh, Practicing Company Secretary (Certificate of Practice No. 5870) has been appointed as the Scrutinizer to scrutinize remote e-voting process before the AGM as well as remote e-voting during the AGM in a fair and transparent manner.
- ii. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.
- iii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.samratforgings.com and on the website of CDSL www.evotingindia.com immediately after the results are declared. The Company shall simultaneously forward the results to BSE Limited ("BSE").
- iv. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on 23rd September, 2022.
- v. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 30th September, 2022.

By order of the Board of Directors

For Samrat Forgings Limited

Village & P.O. Ghollu Majra, Tehsil Derabassi,

Distt. Mohali, Punjab - 140506

Email: info@samratforgings.com CIN: L28910PB1981PLC056444

Date: 13.08.2022

Regd. Office:

(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. 4 to 7 of the accompanying Notice dated August 13, 2022:

ITEM NO. 2

Though not statutorily required, the following is being provided as additional information to the Members.

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One-third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors are not subject to retirement by rotation.

In the 40th AGM Mrs. Ritu Joshi was subject to retirement by rotation and was re-appointed by Members at the AGM. Accordingly, Mrs. Bindu Chowdhary is now required to retire by rotation at this AGM and being eligible, has offered herself for re-appointment. Keeping in view Mrs. Bindu Chowdhary's rich experience and her association as a director of the Company over a long period of time, the Board of Directors is of the opinion that it would be in the interest of the Company to re-appoint her as a Non-Executive, Non Independent Director of the Company.

At the 39th AGM held on September 30, 2020, the Members approved the continuation of directorship of Mrs. Bindu Chowdhary aged 80 years, by way of a special resolution pursuant to Regulation 17(1A) of the Listing Regulations. Accordingly, no further approval is being sought regarding the same as part of this Notice. Additional information in respect of Mrs. Bindu Chowdhary, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2), is given at last and forms a part of this Notice.

Except Mrs. Bindu Chowdhary, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2. The Board of Directors recommends the resolution in relation to the reappointment of Mrs. Bindu Chowdhary as set out in Item No. 2, for approval of the Members by way of an Ordinary Resolution.

ITEM NO. 3

Although an Ordinary Business, explanation given for the information to the Members.

Members of the Company at the 36th Annual General Meeting, held in September 2017, had approved the appointment of M/s Jain & Associates, Chartered Accountants (Firm Registration No. 01361N), as Statutory Auditors of the Company for a term of five years. In terms of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, M/s Jain & Associates is completing its term on the conclusion of this AGM.

Accordingly, the Board on the recommendations of Audit Committee, has proposed the appointment of M/s Rajesh Aggarwal & Associates, Chartered Accountants (Firm's Registration No. 009831N) as Statutory Auditors of the Company for five years from the conclusion of this AGM till the conclusion of the 46th AGM of the Company on the basis of review of their audit experience, clients served, technical knowledge, etc. The fee for Statutory Audit and Limited Review proposed to be paid to M/s Rajesh Aggarwal & Associates for the financial year 2022-23 is Rs.1.50 lacs plus applicable taxes and out of pocket expenses. The proposed fee amount is the same as the company has paid to the existing auditors for the financial year 2021-22.

As required under the provisions of Section 139(1) of the Act, the Company has received a written consent from M/s Rajesh Aggarwal & Associates for its appointment and a Certificate to the effect that its appointment, if made, would be in accordance with the Act and the Rules framed thereunder and that it satisfies the criteria provided in Section 141 of the Act.

Brief profile of M/s. Rajesh Aggarwal & Associates:

M/s. Rajesh Aggarwal & Associates, Chartered Accountants, is the partnership firm established in 1990. The firm is based at Chandigarh and it provides audit, tax and advisory services to their various clients. The Firm is registered with the Institute of Chartered Accountants of India ("ICAI") vide registration number 009831N.

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

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

ITEM NO. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Balwinder & Associates, Cost Accountants (Firm Registration No. 000201) as the Cost Auditor of the Company to conduct audit of the cost records of the Company for the financial year 2022-23 on a remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) plus applicable taxes and reimbursement of out of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO. 5

Mr. Satish Chander Sharma (DIN: 09654654) on the recommendation of Nomination & Remuneration Committee was appointed as an Additional Director (Non Executive Independent) of the Company by the Board with effect from June 30, 2022. In accordance to the provisions of section 161 of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), he will hold office upto the date of the Annual General Meeting of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

He is a retired banker and has rich experience in the field of banking, financing and insurance segments. The Board, upon recommendation of the Nomination and Remuneration Committee, is of the view that Mr. Satish Sharma's varied experience will be of immense value to the Company and, therefore, recommends his appointment as an Independent Director of the Company for a period of five years from the original date of appointment i.e. June 30, 2022, to the members in terms of Resolution set out in Item No. 5 of the Notice. The Company has received a declaration from Mr. Satish Sharma declaring that he meets the criteria of independence as provided under Section 146(9) of the Act and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment. Also, the Company has received a notice in writing in terms of Section 160(1) of the Act recommending him to be appointed as an Independent Director of the Company.

In the opinion of the Board, Mr. Satish Sharma fulfills the conditions required to be fulfilled for being appointed as an Independent Directors of the Company as per the provisions of Act and Listing Regulations. Therefore, the Directors recommend the Resolution set out at Item No. 5 of the Notice to be passed by the Members as a Special Resolution.

Except for Mr. Satish 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 & 7

In accordance with the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the following powers can be exercised by the Board of Directors with the consent of the company by a Special Resolution:

- To pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company;
- To borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed the aggregate of the Company's paid-up share capital and free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

The Board is of the view that in order to further expand the business activities of the Company and for meeting the expenses for capital expenditure, the Company may be further required to borrow money, either secured or unsecured, from the banks, financial institutions, other body corporate etc. from time to time, and to pledge, mortgage, hypothecate and/or charge any or all of the movable and/or immovable properties of the Company and/or whole or part of the undertaking of the Company.

The Board of Directors of the Company proposes to increase the limits to borrow money upto Rs. 150 Crores (Rupees one hundred and fifty crores) and to secure such borrowings by pledging, mortgaging, hypothecating the movable and/or immovable properties of the Company amounting up to Rs. 150 Crores (Rupees one hundred and fifty crores).

It is, therefore, required to obtain fresh approval of members by Special Resolution under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to create charge on the assets of the Company under the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolutions.

The Board recommends the Special Resolution set out at Item No. 6 & 7 of the Notice for approval by the Members.

By order of the Board of Directors

For Samrat Forgings Limited

Village & P.O. Ghollu Majra, Tehsil Derabassi,

Distt. Mohali, Punjab 140506

Read. Office:

Email: info@samratforgings.com (Sandeep Kumar)
CIN: L28910PB1981PLC056444 Company Secretary

Date: 13.08.2022 FCS-9075

ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 41ST ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015] AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

| Name of the Director | Mr. Satish Chander Sharma | Bindu Chowdhary |
|--|---|--|
| DIN | 09654654 | 01154263 |
| Date of Birth | 22.08.1955 | 13.04.1940 |
| Age (in years) | 67 | 82 |
| Nationality | Indian | Indian |
| Date of appointment | 30.06.2022 | 25.04.1990 |
| Qualification | M.Sc. (Physics) | B.A. |
| Expertise in specific functional area | 35 years of experience in the field of Banking and Finance. | Vast experience of more than four decades in Business Administration and Management. |
| Brief Resume | Mr. Satish Sharma in Master in Physics by qualification and also holding P.G. Diploma in Applied Electronics from the University of Jammu. He has a vast experience of approximately thirty five years in banking and retired as Branch Manager from the Jammu & Kashmir Bank in the year 2015. Post retirement he is providing consultancy services in the field of Finance, Banking and Insurance. | Mrs. Bindu Chowdhary is graduate by qualification and she is the non executive promoter director of the Company since 1990. During her business carrier of more than four decades she has held directorship in various companies and successfully directed them towards sustained growth. She has enriched experience of management and business administration and contributing successfully to the company |
| Directorship held in other | Nil | in strategic management and business planning. Nil |
| Companies | | |
| Memberships of Committees/ Chairmanship in other companies | Nil | Nil |
| Listed entities from which the person has resigned in the past three years | Nil | Nil |
| Number of Board Meetings of Samrat Forgings Limited attended during FY 2021-22 | N.A. | 5 out of 5 |
| Shareholding in Samrat Forgings Limited | Nil | 20 equity shares |
| Disclosure of inter-se relationships between Directors and Key Managerial Personnel | Nil | Nil |
| Terms and conditions of appointment or re-appointment | Independent Director not liable to retire by rotation | Non Executive Non Independent Director liable to retire by rotation |
| Remuneration last drawn (including Sitting fees, if any) | Nil | Sitting fee of Rs. 40,000/- for attending Board Meetings during FY 2021-22. |
| Justification for choosing the appointees for appointment as Independent Director | Mr. Satish Sharma has extensive experience of Banking and Finance and his services as a Board member would be very helpful and guiding to the Company in analyzing financial options and making strategic financial planning. | Not applicable |

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 41st Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

The financial summary of the Company for the year under review is given below for your consideration:

| Particulars | | (Rs. in Lakhs) |
|---|--------------------------|--------------------------|
| | Year ended 31.03.2022 | Year ended 31.03.2021 |
| Net Operating Revenue | 13,948.62 | 11,771.39 |
| Other Income | 48.78 | 21.21 |
| Profit before Finance Cost, Depreciation, | 1,291.60 | 1,158.46 |
| Exceptional items and tax | | |
| Finance Cost | 486.64 | 561.04 |
| Depreciation | 286.83 | 296.47 |
| Profit before exceptional items & tax | 518.13 | 300.95 |
| Exceptional items | 0.34 | - |
| Profit before tax | 518.47 | 300.95 |
| Provision for current tax | 121.00 | 84.60 |
| Deferred tax | 32.74 | (8.69) |
| Income tax of previous year | 8.46 | 0.05 |
| Net profit after tax | 356.27 | 224.99 |
| Other Comprehensive Income (net of tax) | 4.63 | 13.94 |
| Total Comprehensive Income | 360.90 | 238.93 |
| Transfer to General Reserve | 0.00 | 0.00 |

OPERATIONAL REVIEW

The financial year 2021-22 under review had continued to witness disruptions in operations due to unprecedented economic challenges faced by the Indian economy as the nation faced the severe second wave of COVID-19, followed by a third wave though its intensity was not that grave. The overall scenario intermittently has posed different challenges like soaring prices of raw material due to increase in prices of international Iron Ore, foreign scrap and Ferro Alloy prices. Russian invasion of Ukraine in February, 2022 came as blow which further restricted supply of inputs required by steel mills. Supply chain related issues more particularly procurement of raw material, availability of required manpower etc. were also disrupted. However, the Company by effectively managing all related matters, yet again able to post its highest ever performance.

In spite of above hurdles, the Company has achieved its highest ever turnover during the financial year ended 31st March, 2022. The net operating revenue for FY 2021-22 stood at Rs. 139.49 crore as against Rs. 117.71 crore of previous year. With continued focus on cost front, the Company has earned profit before tax of Rs. 5.18 crore against the previous year's profit before tax of Rs. 3.01 crore, profit after tax (before other comprehensive income) of Rs. 3.56 crore (Previous year: Rs. 2.25 crore) translated into Earning Per Share of Rs. 7.13 (Previous year: Rs. 4.50). Total comprehensive income (net of tax) for the year stood at Rs. 3.61 crore as against Rs. 2.39 crore of previous year.

No material changes and commitments which could affect your Company's financial position for FY 2021-22 have occurred between the end of the financial year of your Company and date of this report.

FUTURE PROSPECTS/ EXPANSION

With the Government's "Atamanirbhar Bharat" Abhiyan, reduction in Bank's Interest rates, adequate financing availability and prediction of normal monsoon, it is expected that the domestic demand is likely to continue its growth trajectory in FY 2021-22, which will be quite helpful to the Company to increase its sales volume and maintain its growth in the present fiscal. However, the recent surge in COVID-19 pandemic could pose some challenges. Although the future seems unpredictable but due to company's varied product mix and segments, the company hopes to sail through safely in these tough situations for the industry. It's 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 definite plan of capacity expansion in present financial year 2022-23. The company has already in process of commissioning capacity expansion of its crankshaft machining line by another 50% of its installed capacity. Also, company has been offered to machine engine camshafts, which presently is being supplied in raw forging's state thus increasing sales and value addition. In addition, more CNC machines are being planned to strengthen machining capacities. Also, the company has developed many new parts both for domestic as well as export markets in different niche segments and is very confident of growth during this year.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserves.

CAPITAL STRUCTURE

There has been no other change in the Capital Structure of the Company during the FY 2021-22.

DIVIDEND

The Directors does not recommend any dividend for the year under review and rather prefer to conserve the resources and plough back the accrued profits into the Company.

The provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations), 2015, regarding formulation of dividend distribution policy are not applicable to the Company.

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on 31st March, 2022 is available on the website of the Company at the web link: www.samratforgings.com/wp-content/uploads/2022/08/Annual-Return-2021-22.pdf

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

DIRECTORS

I. Appointment/Cessation of Directors

There has been no change in directorship of the Company during the Financial Year 2021-22. Sh. Ashok Lakhanpal, Independent Director of the Company passed away on April 02, 2022.

Sh. Satish Chander Sharma (DIN: 09654654) has been appointed as an Additional Director (Non Executive Independent) of the Company with effect from 30th June, 2022. He 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 Mr. Satish Chander Sharma to be appointed as an Independent Director for five years at the forthcoming Annual General Meeting. The Directors recommends his appointment as an Independent Director for a term of five years in the forthcoming Annual General Meeting of the Company.

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

The details of the directors being recommended for appointment/re-appointment are contained in the Notice convening the ensuing 41st Annual General Meeting of the Company.

II. Declaration by Independent Directors

All the Independent Directors have given declaration to the Company that they meet the criteria of 'independence' set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The Board is of the opinion that the Independent Directors of the Company hold high standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

III. Meetings of the Board

During the Financial Year 2021-22 five Board Meetings were held on following dates:

I. 22.05.2021, II. 26.06.2021, III. 14.08.2021, IV. 10.11.2021 and V. 05.02.2022

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. Attendance detail in the aforesaid board meetings is as under:

| Name & DIN of the Director | Number of Meetings which director was entitled to attend | Number of meetings attended | |
|--|--|-----------------------------|--|
| Mr. Rakesh M. Kumar (DIN: 00066497) | 5 | 5 | |
| Mrs. Bindu Chowdhary (DIN: 01154263) | 5 | 5 | |
| Mrs. Ritu Joshi (DIN: 01598873) | 5 | 5 | |
| Mr. Ajay Arora (DIN: 00314161) | 5 | 5 | |
| Mr. Ashok Lakhanpal (DIN: 03617355) | 5 | 3 | |
| Ms Niveta Sharma (DIN: 08056816) | 5 | 5 | |

One meeting of Independent Directors was held on 12.03.2022 during the year under review which was attended by all three Independent Directors of the Company i.e. Mr. Ajay Arora, Mr. Ashok Lakhanpal and Ms. Niveta Sharma.

IV. Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has put in place a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-

a. Criteria for evaluation of the Board of Directors as a whole:

- i. Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Board
- v. Number of Committees and their role
- vi. Overall performance of the Company

b. Criteria for evaluation of the Board Committees

- i. Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Committee
- v. Role of Committees.
- vi. Contribution to the decision making process of the Board.

c. Criteria for evaluation of the Individual Directors including Independent Directors;

- i. Experience and ability to contribute to the decision making process
- ii. Problem solving approach and guidance to the Management
- iii. Attendance and Participation in the Meetings
- iv. Personal competencies and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include
 - a. Performance of the directors; and
 - b. fulfillment of the independence criteria as specified in these regulations and their independencefrom the management:

According to the above criteria, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. A structured questionnaire was prepared based on the above said parameters and after taking into consideration inputs received from the Directors, covering various aspects of the Boards functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual directors including the 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 stakeholders 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 Independent Directors had met separately on 12.03.2022 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent

Directors and Board as a whole and the performance of the Chairperson of the Board after taking into consideration the views of Executive and Non-Executive Directors.

The Directors express their satisfaction over the evaluation process.

V. Nomination and Remuneration Policy

On recommendations of the Nomination and Remuneration Committee, the Board has adopted a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration titled as Remuneration Policy. The extract/salient features of the Remuneration Policy of the Company are attached as **Annexure 1** to this report and forms part of this report of the Board of Directors. The detailed policy is available on the website of the company and can be accessed at weblink www.samratforgings.com/wp-content/uploads/2022/08/Remuneration-Policy.pdf

VI. Familiarization Programme for Independent Directors

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has imparted the familiarization programme for Independent Directors detail whereof is available on the website of the Company at the web link www.samratforgings.com/wp-content/uploads/2022/08/Familiarisation-programmes-conducted-during-FY-2021-22.pdf

VII. Statement regarding opinion of the Board with regard to integrity, expertise and experience (Including the proficiency) of the Independent Directors appointed during the year

No appointment/re-appointment of any Independent Director made during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the directors to the best of their knowledge and belief, confirm that:

- (i) in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) adequate internal financial controls to be followed by the Company have been laid down and such internal financial controls were operating effectively during the Financial Year ended 31st March, 2022;
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2022.

COMMITTEES OF BOARD:

(A) AUDIT COMMITTEE

The Company has an Audit Committee comprising of 1 (one) Executive and 2 (two) Non-Executive Independent Directors. There was no change in the composition of the Audit Committee during the Financial Year 2021-22. The role and powers of the Audit Committee are in accordance with the items listed in Part C of Schedule II of Listing Regulations and as per section 177 of the Companies Act, 2013. All the Members of the Committee possess strong accounting and financial management knowledge.

All the recommendations of the Audit Committee made during the Financial Year 2021-22 were accepted by the Board.

During the Financial Year 2021-22 under review, 5 (five) Audit Committee meetings were held on I. 22.05.2021., II. 26.06.2021, III. 14.08.2021, IV. 10.11.2021 and V. 05.02.2022

Attendance record of the Members of the Audit Committee for FY 2021-22 is as under:

| Name of the Member Director | Positing | Nature of Directorship | Number of meetings held | Number of Meetings Attended |
|--------------------------------|----------|---------------------------|----------------------------|--------------------------------|
| Mr. Ajay Arora | Chairman | Independent Director | 5 | 5 |
| Ms Niveta Sharma | Member | Independent Director | 5 | 5 |
| Mr. Rakesh M. Kumar | Member | Managing Director | 5 | 5 |

The Chief Financial Officer of the Company regularly attends the meetings. Other senior executives, when required, are invited in the meetings. Statutory auditors, cost auditors and internal auditors are also invited to the meetings.

The Company Secretary of the Company acts as Secretary of the Committee.

All the members of the Audit Committee were present at the last AGM held on 30th September, 2021.

(B) NOMINATION & REMUNERATION COMMITTEE

The Board has set up a Nomination & Remuneration Committee to review, assess and recommend to the Board the appointment and remuneration of directors, key managerial personnel or senior management personnel from time to time, formulate policy relating to the remuneration for the directors, key managerial personnel and other employees, to deal with such other matters and functions as may be prescribed from time to time etc. The committee comprises three members and there was no change in the composition of the committee during the Financial Year 2021-22. The Company Secretary of the Company acts as Secretary of the committee.

During the Financial Year 2021-22 under review, one meeting the Nomination & Remuneration Committee was held on 30.03.2022 and the attendance of the member of the committee in the said meeting was as follows:

| Name of the Member Director | Positing | Nature of Directorship | Number of meetings held | Number of Meetings Attended |
|-----------------------------|-------------|--|----------------------------|--------------------------------|
| Mrs. Ritu Joshi | Chairperson | Non Executive Non Independent Director | 1 | 1 |
| Mr. Ajay Arora | Member | Independent Director | 1 | 1 |
| Ms Niveta Sharma | Member | Independent Director | 1 | 1 |

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee, to consider inter alia transfer/transmission of shares, issue of duplicate share certificates and allied work and review status of investor grievances etc. The committee oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

The Stakeholders Relationship Committee has three members and there was no change in composition of the Committee during the Financial Year 2021-22. One Committee meeting was held during the Financial Year 2021-22 on 14.06.2021 and the attendance of the member of the committee in the said meeting was as follows:

| Name of the Member | Positing | Nature of | Number of | Number of |
|----------------------|-------------|--|---------------|-------------------|
| Director | | Directorship | meetings held | Meetings Attended |
| Mrs. Ritu Joshi | Chairperson | Non Executive Non Independent Director | 1 | 1 |
| Mrs. Bindu Chowdhary | Member | Non Executive Non Independent Director | 1 | 1 |
| Mr. Rakesh M. Kumar | Member | Managing Director | 1 | 1 |

The Company had received one investor complaint during the Financial Year 2021-22 and the same got resolved. No grievance was pending at the beginning or at the end of the financial year under review. Mr. Sandeep Kumar, Company Secretary of the Company is the Compliance Officer of the Company.

SUBSIDIARIES, JOINT VENTURES ANS 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.

AUDITORS & AUDITORS' REPORT

M/s Jain & Associates, Chartered Accountants (ICAI Firm 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 term of five years until the conclusion of 41st AGM of the Company to be held in the year 2022. Accordingly, the term of M/s Jain & Associates, Chartered Accountants as Statutory Auditors is ending at the conclusion of the ensuing AGM.

In accordance with provision of Section 139 of the Companies Act, 2013 read with Rules framed thereunder, the Board of Directors of the Company on the recommendation of the Audit Committee, proposed the appointment of M/s Rajesh Aggarwal & Associates, Chartered Accountants (ICAI Firm Registration Number 009831N) as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of ensuing 41st AGM till the conclusion of 46th AGM

to be held in the year 2027. The appointment of M/s Rajesh Aggarwal & Associates as the statutory auditors of the Company forms part of Notice of ensuing AGM for the approval of the Members. As required under provision of Section 139(1) of the Companies Act, 2013, the Company has received consent from M/s Rajesh Aggarwal & Associates for their appointment and a certificate to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for appointment as statutory auditors of the Company. The members are requested to consider the appointment of statutory auditors as aforesaid and authorization of their remuneration.

The Report given by the Auditors on the financial statements of the Company for the financial year 2021-22 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer given by the Auditors in their Report.

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 (Certificate of Practice No. 5870) to undertake the Secretarial Audit of the Company for Financial Year 2021-22. However, Mr. Kanwaljit Singh had resigned as Secretarial Auditor of the Company for the Financial Year 2021-22 due to personal reasons. Consequently, the Board of Directors in their meeting held on July 23, 2022 appointed Anil Negi & Company, Practicing Company Secretaries (Certificate of Practice No. 17213) as Secretarial Auditor of the Company, to conduct the Secretarial Audit of the Company for Financial Year 2021-22. The Secretarial Audit Report received from the said auditor is annexed to this report as Annexure- 2. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COST RECORDS AND COST AUDIT

The Company is maintaining cost records according to the provisions of Section 148(1) of the Companies Act, 2013. The Board of Directors had appointed M/s Balwinder & Associates, Cost Accountants (Firm Registration Number 000201), as the Cost Auditors of the Company for the Financial Year 2021-22.

The Board of Directors on recommendation of the Audit Committee, reappointed M/s Balwinder & Associates, Cost Accountants (Firm Registration Number 000201), as Cost Auditors of the Company for the Financial Year 2022-23 under Section 148 of the Companies Act, 2013. M/s Balwinder & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under sub section (3) of Section 141 read with sub section (5) of Section 148 of The Companies Act 2013.

The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arms length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s Balwinder & Associates, Cost Auditors is included in the Notice convening the 41st Annual General Meeting.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2021-22 were in the ordinary course of business on arm's length basis. There were no material transactions made by the company during the year that would have required members' approval.

A statement giving details of all related party transactions is placed before the Audit Committee or quarterly basis. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

The Company has adopted a policy to deal with Related Party Transactions as approved by the Board of Directors and the same is available on its website at www.samratforgings.com/wp-content/uploads/2022/08/Policy-on-Related-Party-Transactions.pdf

In accordance with Section 134(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC-2 is enclosed at **Annexure 3** to this Report. The detail of the related party transactions as per Ind-AS, are set out in Note 38 to the Financial Statements.

CODE OF CONDUCT

The company has framed and adopted a Code of Conduct (the Code) which is applicable to the Members of the Board and members of the senior management of the company. 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 during the financial year ended 31st March, 2022.

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. 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/wp-content/uploads/2021/08/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf.

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.

INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has laid down adequate internal financial controls with reference to financial statements, commensurate with the size and complexity of its operations. Based on the results of

assessment carried out by the Management, no reportable material weaknesses in the design or operation of internal financial controls was observed. Regular audits and review processes in the company ensures that internal financial control systems are enforced on an ongoing basis.

PREVENSION OF SEXUAL HARASSMENT POLICY

The Company has adopted and put in place anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. The Policy aims to provide protection to women at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment. The Company has constituted an Internal Complaints Committee to enquire into and redress complaints received, if any, regarding sexual harassment. The Committee has not received any complaint of sexual harassment during the financial year 2021-22.

INDUSTRIAL RELATIONS

Your Company is continuously maintaining healthy, cordial and harmonious industrial relations at all levels. Industrial relations and work atmosphere remained cordial throughout the financial year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes have occurred or commitments made after 31st March, 2022, which may affect the financial position of the Company or require disclosure.

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

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was neither any application made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the period under review.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, the Company has not made one-time settlement therefore, the same is not applicable.

RISK MANAGEMENT

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

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

SAFETY, HEALTH AND ENVIRONMENT

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. The Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards. There were no major accidents in the plants during the year. Stringent quality control for all products and raw materials has been incorporated and the Company has well equipped laboratory to ensure quality control.

The Company has accredited with IATF 16949:2016 Certification from TUV SUD. Regular audits are conducted under this Certification.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report which covers the state of the Company's affairs is annexed herewith and forms part of this Report.

CORPORATE GOVERNANCE

According to regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the provisions of Corporate Governance are not applicable to the Company as the paid up capital and net worth of the company are less than the stipulated limits. Also the regulations regarding Para C, D and E of Schedule V of the Listing Regulations are not applicable to the Company. Therefore, the report on corporate governance, Declaration by chief executive officer regarding affirmation of compliance with the code of conduct by the Directors & members of senior management and Certificate regarding compliance of conditions of corporate governance are not annexed with the directors' report/annual report for the year ended 31st March, 2022.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

LISTING OF SHARES

The shares of the Company are listed on BSE Limited. The Annual Listing fee payable to the said stock exchange for the FY 2021-22, has been duly paid.

KEY MANAGERIAL PERSONNEL (KMP)

In terms of the applicable provisions of the Companies Act, 2013, Mr. Rakesh M Kumar, Managing Director, Mr. Sandeep Kumar, Company Secretary and Mr. A.P.S. Grover, Chief Financial Officer of the Company are the Key Managerial Personnel (KMP) of the Company as on 31st March, 2022. There has been no change in the KMP's of the Company during the year under review.

PARTICULARS OF EMPLOYEES

The details pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2021-22 are annexed as **Annexure- 4** to this report.

SUSTAINABILITY INITIATIVE AND BUSINESS RESPONSIBITY REPORT

Your Company is conscious of its responsibility towards preservation of natural resources and continuously takes various initiatives to reduce the consumption of electricity and water. The provisions of Regulation 34(2)(f) of the Listing Regulations regarding Business Responsibility Report are not applicable to the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013 are provided in **Annexure-5** to this Report.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to the bankers, financial institutions, stake-holders, business associates of the company and to the Central and State Government and district level authorities for their co-operation and support and look forward to their continued 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 of the Company.

For and on behalf of the Board

Place: Derabassi Rakesh M. Kumar Ritu Joshi Dated: 13.08.2022 Managing Director Director

(DIN: 00066497) (DIN: 01598873)

MANAGEMENT DISCUSSION AND ANALYSIS

Your directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2022.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Economy picked up growth in Financial Year 2021-22, post the disruption caused by the COVID 19. Though the year started with a severe second wave of the pandemic, the country has since witnessed quarter on quarter improvement across all performance indicators, supported by proactive measures to vaccinate most population to mitigate the impact of third wave of the pandemic. The overall scenario intermittently has posed different challenges for Indian Forging Industry like soaring steel prices, supply chain related issues more particularly delay in procurement of raw material, availability of required manpower etc.

The predicted better monsoons did favor for the agriculture sector, boosting the tractor sales in line with the expectations which has favored the company to get better sale results from its customers into/ related to tractor manufacturing. However, the demand for commercial vehicles continued to be under pressure, with rising fuel prices and subdued manufacturing activity during the year particularly in the first half of FY 2021-22.

OPPORTUNITIES AND THREATS

With Central Government's "Atamanirbhar Bharat" Abhiyan, reduction in Bank's interest, good harvest of rabi crop, initial forecast of consecutive normal monsoon is likely to help to sustain the domestic demand momentum. Further, the Government's continued thrust to enhance farmers' income through various initiatives like improving irrigation facilities, crop insurance, periodic revision in minimum support price (MSP), it is expected that the tractor industry will continue witnessing growth in medium to long term. In this backdrop, the business of the Company being connected to tractor industry to which the company has major supplies is likely to be improved.

The Company is trying to increase its volume of supplies to other customers also and explore new business opportunities in niche segments with special focus on export. Necessary initiatives and steps towards value engineering, cost reductions, products up gradation continue to be the main focus for the company this year too.

The volatility of prices of steel and furnace oil and supply chain related issues are the major concerns before the company. However, no threat is foreseen at present to be a stoppage of the company as going concern.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

OUTLOOK

Considering the improvement in demand in the tractor industry where your company has major presence and new businesses coming from non-tractor segment overseas customers like Railways and construction equipment manufacturers and major focus on exports, it is expected that the

company would be able to make its business grow in coming years. Some sectors have been very bearish especially in the commercial vehicle; however, the Company striving to execute the orders from all its customers in various sectors.

The company has developed many new parts both for domestic as well as export markets and is very confident of growth. The Company has definite plan of capacity expansion in present financial year 2022-23. The company has already in process of commissioning capacity expansion of its crankshaft machining line by another 50% of its installed capacity. Also, company has been offered to machine engine camshafts, which presently is being supplied in raw forging's state thus increasing sales and value addition. In addition, more CNC machines are being planned to strengthen machining capacities.

RISKS AND CONCERNS

Commodity risks, characterized by fluctuations in demand and supply, and price movements pose significant risk in manufacturing industries. In the Forging industry, Alloy steel, being the primary raw material for manufacturing is susceptible to risks arising from fluctuations in global steel price movement. The impact of such risks creates challenges in maintaining competitive advantage in price and strained working capital requirements of the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial year 2021-22 had continued to witness disruptions in operations due to unprecedented economic challenges faced by the Indian economy as the nation faced the severe second wave of COVID-19, followed by a third wave though its intensity was not that grave. The overall scenario intermittently has posed different challenges like increase in price of raw material and other consumables, supply chain related issues more particularly procurement of raw material, availability of required manpower etc. However, the Company by effectively managing all related matters, yet again able to post its highest ever performance.

In the above backdrop, the Company has achieved its highest ever turnover during the financial year ended 31st March, 2022. The net operating revenue for FY 2021-22 stood at Rs. 139.49 crore as against Rs. 117.71 crore of previous year. With continued focus on cost front, the Company has earned profit before tax of Rs. 5.18 crore against the previous year's profit before tax of Rs. 3.01 crore, profit after tax (before other comprehensive income) of Rs. 3.56 crore (previous year: Rs. 2.25 crore) translated into Earning Per Share of Rs. 7.13 (previous year: Rs. 4.50). Total comprehensive income (net of tax) for the year stood at Rs. 3.61 crore as against Rs. 2.39 crore of previous year.

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

The Company believes that its human assets are the most valuable assets, which convert planning into execution and generate results. Hence, the Company always endeavor and attentive on having qualified and talented employees in all divisions. The management always keeps its focus to evaluate the performance of all employees and necessary steps are taken to strengthen the areas that need improvements. More experienced technical manpower is being taken at the senior level to streamline the whole business process and adequate facilities and opportunities are also being provided to the technical and professional staff to update themselves with the latest technologies and different other activities. The company continued to maintain good relationship with workers and staff during the last year.

As on March 31, 2022 the company had 643 permanent employees.

KEY FINANCIAL RATIOS

| Particulars | Financial Year 2021-22 | Financial Year 2020-21 | Change as compared to previous Financial Year |
|--------------------------|---------------------------|------------------------|---|
| Debtors Turnover Ratio | 7.06 | 7.31 | -3.42% |
| Inventory Turnover Ratio | 2.58 | 2.34 | 10.26% |
| Interest Coverage Ratio | 2.18 | 1.58 | 37.97% |
| Current Ratio | 1.16 | 1.16 | 0.00% |
| Debt Equity Ratio | 1.98 | 2.13 | -7.04% |
| Operating Profit Margin% | 11.01 | 11.55 | -4.68 |
| Net Profit Margin% | 2.55 | 1.91 | 33.51% |
| Return on Net Worth% | 15.19 | 11.34 | 33.95% |

Detail and reason of significant changes i.e. change of 25% or more:

- Interest coverage ratio increased due to increase in sales and net profit in comparison of previous year.
- Net profit margin increased as the sales and profitability has increased in the current year in comparison of previous year.
- Return on net worth increased due to increase in sales and net profit in comparison of last year.

CAUTIONARY STATEMENT

This report may contain statements particularly which relate to Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations etc, which the Company believes are or may be considered to be "forward looking statements" within the meaning of applicable laws and regulations. The actual results might differ materially from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in the future on the basis of subsequent developments, information or events.

For and on behalf of the Board

Regd. Office:

Village & P.O. Ghollu Majra, Tehsil Derabassi,

Distt. Mohali, Punjab - 140506 Email: info@samratforgings.com

CIN: L28910PB1981PLC056444 Rakesh M Kumar Ritu Joshi
Date: 13.08.2022 Managing Director Director

Place: Derabassi (DIN: 00066497) (DIN: 01598873)

ANNEXURES TO DIRECTORS REPORT

Annexure: 1

EXTRACT FROM REMUNERATION POLICY

Statutory Requirement

Section 178 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a Nomination and Remuneration Committee (hereinafter referred as "the Committee") and that such Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, senior management and other employees.

Appointment of Director, KMP and Senior Management Personnel

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. Term and Tenure of Director, Independent Director, Managing Director, Whole Time Director and KMP shall be governed by the provisions of Companies Act, 2013 as may be in force and amended from time to time.
- d. Due to reasons for any disqualification mentioned in the Companies Act, 2013 (hereinafter referred to as "the Act") or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or other employee subject to the provisions and compliance of the said Act, rules and regulations.
- e. The Director, KMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel on the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- f. The remuneration/ compensation / commission/ increment etc. to the Directors and KMP will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / Commission/increment etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required under the Companies Act, 2013.
- g. Human Resource Department of the Company in consultation with Chairman/Managing Director of the Company is empowered to appoint the candidates in the Senior Management in terms of the criteria prescribed herein and report their appointment to the Committee. The Committee may also identify and recommend to the Board who may be appointed in senior management in accordance with the criteria laid down.

h. Where any insurance is taken by the Company on behalf of its Whole time Director, Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Director, KMP, Senior Management Personnel and Other Employees

A. Remuneration to Managing Director/Whole-time Director

• Remuneration

The Company strives to provide fair compensation to Directors, KMP, Senior Management Personnel and other employees, taking into consideration following factors –

- Industry benchmark,
- Company's' performance vis a vis industry,
- Scope of duties, roles and responsibilities,
- > Skill, knowledge, performance/track record,
- Core performance requirements and expectations of individuals
- Legal and industrial Obligations

Managing Director/ Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Nomination and Remuneration Committee and the Board of Directors in terms of the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

The break-up of the pay scale and quantum of allowances, perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, car & driver facility etc. shall be decided and approved by the Board on the recommendation of the Nomination & Remuneration Committee. The remuneration may also be paid in the form of Profit linked Commission but with the overall limits as stated above.

Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director in accordance with the Schedule V and other applicable provisions of the Act and if it is not able to comply with such provisions, then with the prior approval of the Central Government.

Provisions for excess remuneration

If any Managing Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

B. Remuneration to Non-Executive Directors and the Independent Directors

Sitting Fees

The Independent Directors and Non Executive Non Independent Directors of the Company shall be paid sitting fees as approved by the Board in terms of the provisions of the Act.

The Company may reimburse reasonable expenditure incurred by the Director for attending Board/committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training organized by the Company for Directors and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

Remuneration

Pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the non-executive directors of the Company (i.e. directors other than the Managing Director and / or the Whole-time Directors) be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013.

Stock Options

Company can issue Stock Options to the directors. However, pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

C. Remuneration to KMP, Senior Management, other Employees

Apart from the Directors, remuneration along with annual increment of all other KMP, Senior Management Personnel and other employees of the Company shall be determined by HR department in consultation with Managing Director/Whole-time Directors of the Company.

The remuneration and increment thereof should be in line with company's philosophy to provide fair compensation to employees based on their experience, roles and responsibilities, performance track record, legal obligation, industry benchmark, job complexity etc.

The various remuneration components such as basic salary, allowances, perquisites, etc may be combined to ensure an appropriate and balance remuneration package.

The Incentive pay shall be decided by HR department of the Company based on the HR policies in relation thereto and considering the balance between performance of the Company and performance of the Key Managerial Personnel, Senior Management Personnel and other employee.

The Committee may recommend to the Board a policy for granting Stock options to KMP, Senior Management Personnel and other employees in line with the provisions of the Act, SEBI regulation and the provision of any other applicable laws.

Annexure - 2

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAMRAT FORGINGS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the SAMRAT FORGINGS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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, 2022 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable during the financial year under review.

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
- f) The erstwhile 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- Not applicable as the company has not issued any debt securities during the financial year under review.
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), being listed on BSE Limited;

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

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

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors; Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- 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:

- 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 during the audit period,

- a. the company, with the approval of the members vide a special resolution passed in the 40th Annual General Meeting, filed an application for shifting of the registered office of the company from the Union Territory of Chandigarh to the state of Punjab. Pursuant to the company's application, the office of Regional Director, Northern Region, Ministry of Corporate affairs vide order dated 13.06.2022, approved the proposed shifting of the registered office of the company and the consequent alteration of the Memorandum of Association of the company. Accordingly, the company shifted its registered office from the Union Territory of Chandigarh to the State of Punjab with effect from 01.07.2022.
- the company has been advised to maintain a structural digital database of the designated personnel as prescribed under the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

- 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: Shimla Date: 09.08.2022

UDIN: A046547D000765364

For ANIL NEGI & COMPANY
Company Secretaries

ANIL NEGI (Proprietor) ACS No. 46547

C P No.: 17213

Peer Review Cert No. 2383/2022

Further, this report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure-A"

To,

The Members.

Samrat Forgings Limited

Village & P.O. Ghollu Majra,

Tehsil: Derabassi, Mohali, Punjab.

My report of even date is to be read along with this letter.

- 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.
- 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.
- 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.
- 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: Shimla Date: 09.08.2022

UDIN: A046547D000765364

For ANIL NEGI & COMPANY
Company Secretaries

ANIL NEGI (Proprietor) ACS No. 46547

C P No.: 17213

Peer Review Cert No. 2383/2022

Annexure - 3

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into during the Financial Year 2021-22 by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars | Details |
|---------|--|---------------------|
| a) | Name (s) of the related party & nature of relationship | There were no |
| b) | Nature of contracts/arrangements/transaction | contracts or |
| c) | Duration of the contracts/arrangements/transaction | arrangements or |
| d) | Salient terms of the contracts or arrangements or | transactions |
| | transaction including the value, if any | entered into during |
| e) | Justification for entering into such contracts or | the year ended |
| | arrangements or transactions | March 31, 2022, |
| f) | Date of approval by the Board | which were not at |
| g) | Amount paid as advances, if any | arm's length basis. |
| h) | Date on which the special resolution was passed in General | |
| | meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangements or transactions at Arm's length basis.

| a) | Name (s) of the related party & nature of relationship | There were no |
|----|--|---------------------|
| b) | Nature of contracts /arrangements/ transactions | material contracts |
| c) | Duration of the contracts/ arrangements/ transaction | or arrangements or |
| d) | Salient terms of the contracts or arrangements or | transactions |
| | transaction including the value, if any | entered into during |
| e) | Date of approval by the Board | the year ended |
| f) | Amount paid as advances, if any | March 31, 2022. |

For and on behalf of the Board

Place: Derabassi Rakesh M. Kumar Ritu Joshi Dated: 13.08.2022 Managing Director Director

(DIN: 00066497) (DIN: 01598873)

Annexure: 4

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| (i) | The Ratio of the remuneration of each director to the median remuneration of | Director's Name | Ratio to median remuneration | |
|-------|--|--|------------------------------|--|
| | the employees of the company for the | Mr. Rakesh M Kumar | 95.46 | |
| | financial year 2021-22 | Mrs. Bindu Chowdhary | 0.32 | |
| • | | Mrs. Ritu Joshi | 0.34 | |
| | | Mr. Ajay Arora | 0.42 | |
| | | Ms. Niveta Sharma | 0.42 | |
| | | Mr. Ashok Lakhanpal | 0.18 | |
| (ii) | The percentage increase in | Mr. Rakesh M Kumar, MD | Nil | |
| | remuneration of each Director, | Mr. Sandeep Kumar, CS | 11.58% | |
| | Company Secretary and Chief Financial Officer, during the financial year 2021-22 | Mr. A.P.S. Grover, CFO | 7.74% | |
| (iii) | Percentage increase in the median remuneration of employees in the financial year | | | |
| (iv) | Number of permanent employees on the rolls of company | 643 as on 31.03.2022 | | |
| (v) | Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration | employees other than the managerial personnel in the financial year under review was 7.68%. Whereas there was no increase/decrease in the managerial remuneration during the financial year under review. | | |
| (vi) | Affirmation that the remuneration is as per the remuneration policy of the company | 1 , , , | | |
| (vii) | The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. | The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules read with Section 197(12) of the Act is given in Annexure 4(A), which forms part of this report. | | |

Note: The Median salary is arrived by taking into account the gross salary of the employees who were employed through the year. The employees who jointed or left in any part of the year have not been considered for computing the median.

Annexure 4 (A)

Statement showing the detail of employees drawing remuneration exceeding one crore and two lakh rupees as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Employee name, designation and age | Qualification and experience (in years) | Remuneration (in Rs.) | Nature of employment | Date of commencement of employment | Previous employment and designation | %age of shares held | Relation with any other director |
|---|--|-----------------------|-------------------------|------------------------------------|--|---------------------------|--|
| Rakesh M Kumar – Managing Director 56 years | B.E., MBA 31 years | 1,20,21,600 | Permanent | 01.06.1994 | Nil | 23.60 | Brother of Mrs. Ritu Joshi |

Detail of top ten employees in terms of remuneration drawn during the year

| Sr. No. | Name of employee | Designation | Remuneration (in Rs.) | Qualification and experience (in years) | Nature of employment | Date of commencement of employment | Age of employee (in years) | Last employment before joining the company |
|------------|-------------------|----------------------------------|-----------------------|---|----------------------|------------------------------------|----------------------------|--|
| 1 | Rakesh M Kumar | Managing Director | 1,20,21,600 | B.E., MBA 31 years | Permanent | 01.06.1994 | 56 | Nil |
| 2 | Prem Lal | Vice President | 23,76,000 | B,Sc. Engg, LLB 40 years | Permanent | 28.04.2008 | 65 | Punjab Tractors Ltd |
| 3 | APS Grover | Chief Financial Officer | 22,16,000 | B.Com., FCA 40 years | Permanent | 02.08.2006 | 65 | Him Teknoforge Ltd |
| 4 | Sanjay Jain | DGM- Marketing | 16,55,200 | B.A. 33 years | Permanent | 21.01.1989 | 55 | Nil |
| 5 | Naveen Kumar | Asst. General Manager | 12,34,000 | Mech. Engg. 23 years | Permanent | 02.07.2012 | 49 | Harig Crankshafts Ltd |
| 6 | Faquir Chand | Manager- Maintenance | 10,93,720 | Diploma in Mechanical 33 years | Permanent | 21.06.2010 | 57 | Jai Parvati Forge Ltd |
| 7 | Daljit Sharma | Manager- Tool Room | 9,50,280 | Diploma in Mechanical 31 years | Permanent | 30.08.1991 | 54 | Nil |
| 8 | Rajinder Singh | Manager- Production | 8,59,632 | Graduation, ITI, 16 years | Permanent | 07.11.2007 | 41 | Nil |
| 9 | Parveen Kumar | Manager- Forge Shop | 8,55,200 | M.A. 27 years | Permanent | 22.12.1995 | 50 | Nil |
| 10 | Sanjay Singh | Asst. Manager- Maintenance | 7,47,600 | Diploma in Electronic & Communication 12 years | Permanent | 01.12.2016 | 43 | Electronica Hitech Machines Pvt Ltd |

Note:

- 1. The above information is as on 31.03.2022
- 2. During the Financial Year under review, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees except Mr. Rakesh M Kumar, Managing Director, detail whereof is provided above.

- 3. During the Financial Year under review, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month.
- 4. During the Financial Year under review, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
- 5. None of the above employees is related to any of the Directors except Mr. Rakesh M Kumar who is brother of Mrs. Ritu Joshi, Director.

For and on behalf of the Board

Place: Derabassi Dated: 13.08.2022 Rakesh M. Kumar Managing Director Ritu Joshi Director

(DIN: 00066497) (DIN: 01598873)

Annexure - 5

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 Punjab State Power Corporation Limited and by close watch and regular inspection of the installed equipment and maintenance of the same.

(ii) Steps taken by the company for utilizing alternate sources of energy;

Appropriate actions have been taken to improve efficiency of own generation by usage of diesel generators only for emergencies and as stand by. Also, an intensified vigil on wastage/leakage control has been kept by the company to mitigate the wastage of resources. The company plans to replace its existing oil-fired furnaces with Electric Induction Billet heaters thus saving energy and input material cost and also creating clean, smoke free working environment.

(iii) Capital investment on energy conservation equipment;

The company has invested 83.74 lakh during the year by installation of Induction Heater of 200 KW at its machining division. Also, adequate steps have been taken to keep the installed energy conservation equipment in prompt conditions, however exact expenditure incurred in this process is not ascertainable.

Disclosure of particulars with respect to conservation of energy:

| | Power & Fuel consumption | | Year Ended 31.03.2022 | Year Ended 31.03.2021 |
|---|-------------------------------|---------------|-----------------------|-----------------------|
| 1 | Electricity | | | |
| | | | | |
| | a. Purchase | Unit in lakhs | 69.40 | 65.10 |
| | Total Amount | Rs. in lakhs | 491.75 | 470.04 |
| | Average Cost per unit | Rs. | 7.09 | 7.22 |
| | b. Own Generation | Unit in lakhs | 2.80 | 1.50 |
| | (Through diesel generation) | | | |
| | Unit per Ltr. of Diesel | Units | 3.27 | 2.98 |
| | Cost per Unit | Rs. | 27.24 | 24.91 |
| 2 | Furnace Oil / R.F.O./ L.D.O. | | | |
| | Quantity | KL | 1,899 | 1,749 |
| | Amount | Rs. in lakhs | 812.14 | 524.72 |
| | Average Rates per Ltr. | Rs. | 42.77 | 30.00 |
| 3 | Consumption per unit of prod. | | | |
| | Electricity Purchased | Units | 718.06 | 659.84 |
| | 2. Electricity Generated | Units | 28.98 | 15.17 |
| | 3. Furnace Oil/ R.F.O./L.D.O. | Ltrs. | 196.45 | 177.25 |
| | 4. Production | MT | 9,665 | 9,867 |

B. TECHNOLOGY ABSORPTION

Disclosure of particulars with respect to technology absorption: -

Efforts made towards technology absorption

The Company is committed to absorb new technology time to time to improve working efficiency of plants. Efforts have been made towards development of products of superior quality and implementation of total Quality Assurance System for this purpose.

Benefits derived

The above steps enabled the Company to carry on its operations in an efficient and cost-effective manner which in turn helps the Company offer its products and services in a most competitive manner.

Imported technology

No technology has been imported during the last three years.

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

| | 2021-22 (Rs in lakhs) | 2020-21 (Rs in lakhs) |
|--|--------------------------|--------------------------|
| Earnings - on account of exports | 817.11 | 374.89 |
| Outgo - on account of import & expenditure | 72.92 | 2.71 |

For and on behalf of the Board

Place: Derabassi Rakesh M. Kumar Ritu Joshi Dated: 13.08.2022 Managing Director Director

(DIN: 00066497) (DIN: 01598873)

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, 2022, 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, 2022, 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, 2022, 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.

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. Each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the

matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements:

| S.No. | Key Audit Matter | Auditor's Response |
|-------|---|---|
| 1. | Accuracy of recognition, measurement, presentation and disclosures of rev- | Principal Audit Procedures |
| | enues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) 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. | We assessed the company'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 fol- |
| | | 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: |
| | | Read, analyzed and identified the distinct performance obligations in these contracts. |
| | | b) Compared these performance obli- gations with that identified and re- corded by the company. |
| | | 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 re- corded for time and material con- tracts were tested using a combina- |

| tion of approved time sheets includ- |
|--------------------------------------|
| ing customer acceptances, subse- |
| quent invoicing and historical trend |
| of collections and disputes. |

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.

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.

Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2022 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.

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.

Responsibility of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS 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.

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 frau d 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Reporting "Annexure A". Our report expresses an unmodified opinion on the adequacy

- and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 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.
- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For JAIN & ASSOCIATES

Chartered Accountants (Regd No.:001361N)

KRISHAN MANGAWA Partner

(Membership No.: 513236)

Date:18/05/2022 Place: PANCHKULA

UDIN:22513236AJTIRE9438

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, 2022 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion 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 31st, 2022, 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)

Date:18/05/2022 Place: PANCHKULA

UDIN:22513236AJTIRE9438

KRISHAN MANGAWA Partner

(Membership No.: 513236)

Annexure "B" to the Independent Auditors' 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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- 1) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - 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.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2) (a) As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.
 - (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year and hence reporting under clause 3(iii) of the Order is not applicable.
- 4) The Company has not advanced any loans, investments, guarantees, and security and therefore reporting under clause 3(iv) of the Order is not applicable.
- 5) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- 6) The maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the company and the company is adequately maintaining the same.
- 7) In respect of statutory dues:
 - (a) The Company is generally 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.

- (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.
- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or anygovernment authority.
- (c) The term loans were applied for the purpose for which the loans were obtained;.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix) (e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix) (f) of the Order is not applicable to the Company.
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertibledebentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- 11) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) According to the information & explanations and representation made by the management, no whistle- blower complaints have been received during the year (and up to the date of the report) by the Company.
- 12) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- 13) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 14) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered the internal audit reports for the year under audit, issued to the

Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- 15) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
 - (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies(Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) The company does not fulfill the conditions of section 135(i) of the Companies Act, 2013 and does not qualify for CSR expenditure Accordingly, provisions of clause (xx)(a) & (b) of the Order are not applicable to the Company..

For JAIN & ASSOCIATES

Chartered Accountants (Regd No.:001361N)

KRISHAN MANGAWA Partner

Place: PANCHKULA (Membership No.: 513236)

Date: 18/05/2022

UDIN:22513236AJTIRE9438

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BALANCE SHEET AS ON 31.03.2022

| S.No. | Pai | ticulars | Note | As at 31.03.2022 | (Amount in Rs. As at 31.03.202) |
|---------|------------|--|-------------|--|---|
| A) AS | SSET | S | | | |
| 1 | | -Current assets | | | |
| | | Gross Block | | 625,971,243 | 550,493,19 |
| | | Less: Depreciation | | 308,982,815 | 282,395,52 |
| | (a) | Property Plant & Equipment | 3 | 316,988,428 | 268,097,67 |
| | | Capital Work in Progress | • | - | |
| | (c) | Right of Use Asset | 29 | 22,675,749 | 24,737,18 |
| | (d) | Financial assets | | ,, - | , - , |
| | (') | (i) Investments | | - | |
| | | (ii) Other Financial Assets | 4 | 12,776,930 | 19,127,03 |
| | ` ' | Other non current assets | | | |
| | | al non-current assets | | <u>352,441,107</u> | 311,961,88 |
| 2 | | rent assets | 5 | 477 624 817 | 422 702 O |
| | ٠, | Inventories Financial assets | 5 | 477,634,817 | 433,782,8 |
| | | Trade receivables | 6 | 194 067 306 | 210 422 14 |
| | (i) | | 7 | 184,967,306 | 210,422,10 |
| | (ii) | Cash & Cash Equivalents | = | 474,855 | 1,220,64 |
| | | Other Bank Balances Other financial assets | 8 9 | 7,705,576 | 6,835,94 635,9 |
| | (iv) | | - | 152,824 | * |
| | (c) | Other current assets | 10 | 25,616,840 | 16,998,46 |
| | | al current assets | | 696,552,218 | 669,895,9 |
| | | al assets | | 1,048,993,325 | 981,857,8 |
| B) | | JITY AND LIABILITIES | | | |
| ı | Equ (a) | Equity Share Capital | 11 | 50.000.000 | 50,000,00 |
| | (b) | Other Equity | 12 | 184,519,952 | 148,429,78 |
| | Tota | al equity | | 234,519,952 | 198,429,78 |
| 2 | | current Liabilities | | | |
| | (a) | Financial liabilities Borrowings | 13 | 156,281,966 | 146,995,6 |
| | ٠, | Lease Liabilities | 29 | 23,177,819 | 24,745,62 |
| | `. '. | Provisions | 14 | 11,403,813 | 11,649,84 |
| | (c) | Deferred tax liabilities (Net) | 15 | 24,405,229 | 21,131,24 |
| | Tota | al non-current liabilities | | 215,268,827 | 204,522,39 |
| 3 | | rent Liabilities | | | |
| | (a) | Financial liabilities (i) Borrowings | 16 | 307,625,278 | 275,936,47 |
| | | (ii) Trade Payables | 17 | 00.,020,2.0 | _, 0,000, |
| | | - Total outstanding dues of Mic | | 1,330,497 | 1,926,34 |
| | | and Small Scale Industrial Er | | | |
| | | - Total outstanding dues of Cre | | 261,154,740 | 263,090,07 |
| | | other than Micro and Small S Industrial Enterprises | cale | | |
| | | (iii) Lease Liabilities | 29 | 1,567,806 | 1,465,23 |
| | | (iv) Other financial liabilities | 18 | 21,231,633 | 20,659,7 |
| | (b) | Current Tax Liabilities (Net) | 19 | 4,884,058 | 3,333,08 |
| | (c) | Other current Liabilities (| 20 | 1,410,534 | 12,494,74 |
| | | Total current liabilities | | 599,204,546 | 578,905,6 |
| | | TOTAL EQUITY AND LIABILITIES | 3 | 1,048,993,325 | 981,857,8 |
| es fro | om 1 | to 39 form integral part of Finan | cial Statem | ients. | |
| | | ROVER) (SANDEEP KUN | | | BINDU CHOWDHAF |
| • | | cial Officer Company Secre | , , | Managing Director | Director |
| iei ri | IIIaiii | M. No. F907 | | DIN 00066497 | DIN 01154263 |
| | | W. NO. F907 | J | ווע 00000437 | DIN 01134203 |
| | | | | AUDITORS' REPORT | |
| | | | | As per our separate r | eport of even date |
| | | | | FOR JAIN & ASSOCIA | • |
| | | | | (Firm Regn. No.: 00136 | |
| | | | | (i iiiii riegii. No 00130 | JIIN) |
| No | . D | rahaasi | | (KRISHAN MANGAWA |) |
| | | rabassi | | PARTNER | , |
| | _ | 05/2022 :12226A ITIDE0428 | | Membership No. 5132 | 236 |
| TI VINI | \cdot | 30000CA LILLICATO | | TRICE TO THE PROPERTY OF THE P | - 1 / 1 / |

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UDIN: 22513236AJTIRE9438

Membership No. 513236

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(Amount in Rs.)

| | | | | (Amount in Rs.) |
|---|--|-------------|---|---------------------------------|
| Particulars | | Note | As at 31.03.2022 | As at 31.03.2021 |
| Revenue from operations | S | 21 | 1,394,861,734 | 1,177,139,429 |
| Other Income | | 22 | 4,878,343 | 2,121,260 |
| Total Income | | | 1,399,740,077 | 1,179,260,689 |
| Expenses: | | | <u> </u> | <u> </u> |
| Cost of materials consur | ned | 23 | 729,819,806 | 629,044,336 |
| Change in F.G, WIP, and | Stock-in-Trade | 24 | (656,249) | 4,862,202 |
| Employee Benefit Expen | | 25 | 170,000,828 | 146,584,968 |
| Finance costs | | 26 | 48,663,906 | 56,104,190 |
| Depreciation and amortiz | ration expense | 27 | 28,682,595 | 29,647,360 |
| Other expenses | аноп охропоо | 28 | 371,415,866 | 282,923,046 |
| Total expenses | | 20 | 1,347,926,751 | 1,149,166,102 |
| Profit before exceptional | itams and tax | | 51,813,327 | 30,094,587 |
| | nems and tax | | 31,613,321 | 30,094,387 |
| Exceptional items Profit on Sale/transfer of | Fixed Asset | | 33870 | - |
| | Fixed Asset | | | |
| Profit before tax | | | 51,847,197 | 30,094,587 |
| Tax expense: | | | 40.000 =00 | 0.450.040 |
| (1) Current tax | | | 12,099,738 | 8,459,816 |
| (2) Deferred tax | | | 3,273,984 | (868,999) |
| Income tax of Previous | Year | | 846,707 | 4,580 |
| Profit after tax Other comprehensive inc | | | 35,626,767 | 22,499,190 |
| (i) Items that will not Remeasurements of Income tax relating treclassified to profit | defined benefit ob o items that will n | ligation (ı | or loss: net) 463,404 | 1,394,072 |
| (ii) Items that may be Income tax relating reclassified to profit Remeasurements of | re-classified to p to items that may or loss | / be | loss: | - |
| | • | | 462 404 | 1 204 072 |
| Total other comprehen | • | or tax) | 463,404 | 1,394,072 |
| Total comprehensive in | come | | <u>36,090,171</u> | 23,893,262 |
| Earnings per equity shar | e-hasic | | 7.13 | 4.50 |
| Earnings per equity shar | | | 7.13 | 4.50 |
| Nominal Value of each s | | | 10.00 | 10.00 |
| | | | | 10.00 |
| es from 1 to 39 form integ | | | | |
| • | SANDEEP KUMA | , , | KESH M. KUMAR) | (BINDU CHOWDHAR |
| ief Financial Officer | Company Secreta | ry N | Managing Director | Director |
| | M. No. F9075 | | DIN 00066497 | DIN 01154263 |
| | | | AUDITORS' REPOR As per our separat FOR JAIN & ASSO (Firm Regn. No.: 00 | e report of even date CIATES |
| Place: Derabassi | | | (KRISHAN MANGA PARTNER | • |

Membership No. 513236

Date: 18/05/2022

UDIN: 22513236AJTIRE9438

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022

(Amount in Rs.)

| | | (/ iiiiouiii iii iiioi) |
|--|--------------------------|--------------------------|
| PARTICULARS | Year Ended 31.03.2022 | Year Ended 31.03.2021 |
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Total comprehensive income | 36,090,171 | 23,893,262 |
| ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX | | |
| TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| INCOME TAX CHARGED IN PROFIT AND LOSS A/C | 16,220,430 | 7,595,397 |
| DEPRECIATION AND AMORTIZATION | 28,682,595 | 29,647,360 |
| FINANCE COSTS | 48,663,906 | 56,104,190 |
| PROFIT/LOSS ON SALE OF FIXED ASSETS | 33,870 | - |
| INTEREST INCOME RECEIVED | (2,378,903) | (1,537,859) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 127,312,068 | 115,702,350 |
| CHANGES IN OPERATING ASSETS AND LIABILITIES: | | |
| TRADE RECEIVABLES | 25,454,863 | (98,732,924) |
| OTHER RECEIVABLES | (6,340,472) | (7,367,562) |
| INVENTORY | (43,851,999) | (29,658,907) |
| PROVISIONS | (246,034) | (155,899) |
| TRADE AND OTHER PAYABLES | 17,180,089 | 62,963,311 |
| CASH GENERATED FROM OPERATIONS | 119,508,516 | 42,750,369 |
| INCOME TAX PAID (NET) | 6,840,180 | 493,456 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) CASH FLOW FROM INVESTING ACTIVITIES: | 112,668,336 | 42,256,913 |
| NET PURCHASE OF FIXED ASSETS | (75,545,787) | (5,467,084) |
| CHANGE IN CAPITAL WIP | - | - |
| CHANGE IN INVESTMENTS | _ | - |
| INTEREST INCOME RECEIVED | 2,378,903 | 1,537,859 |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | (73,166,884) | (3,929,225) |
| CASH FLOW FROM FINANCING ACTIVITIES: | , , , | , , , , |
| PROCEEDS FROM LONG-TERM BORROWINGS | 9,286,289 | 18,399,883 |
| FINANCE COST | (48,663,906) | (56,104,190) |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | (39,377,617) | (37,704,307) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 123,836 | 623,381 |
| OPENING CASH AND CASH EQUIVALENTS | 8,056,595 | 7,433,214 |
| CLOSING CASH AND CASH EQUIVALENTS | 8,180,431 | 8,056,595 |

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.

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

| (A P S GROVER) Chief Financial Officer | (SANDEEP KUMAR) Company Secretary M. No. F9075 | (RAKESH M. KUMAR) Managing Director DIN 00066497 | (BINDU CHOWDHARY) Director DIN 01154263 |
|---|--|---|---|
| | | AUDITORS' REPOR As per our separat FOR JAIN & ASSO (Firm Regn. No.: 00 | e report of even date CIATES |
| Place: Derabassi Date : 18/05/2022 | | (KRISHAN MANGA' PARTNER Membership No. 5 | , |

Statement of Changes in Equity

A. Equity share capital

(Also refer Note 11)

| Particulars | Amount in Rs. |
|------------------------------|---------------|
| As on 1st April 2020 | 50,066,125 |
| Changes during the year | (66,125) |
| Balance as at March 31, 2021 | 50,000,000 |
| Balance as at April 1, 2021 | 50,000,000 |
| Changes during the year | - |
| Balance as at March 31, 2022 | 50,000,000 |

B. Other Equity

(Also refer Note 12)

| | | SURPLUS | | OTHER RESERVES | |
|----------------------------------|---------------------------------|--------------------|----------------------|--|-------------|
| PARTICULARS | Capital Incentive Reserve | Capital Reserve | Retained Earnings | Remeasurement of Defined Benefit Obligations | Total |
| As at 1st April 2020 | 1,500,000 | | 119,489,060 | 3,481,333 | 124,470,393 |
| Cancellation of Forfeited Shares | 1,500,000 | 66,125 | 119,409,000 | 3,461,333 | 66,125 |
| Profit for the period | _ | - 00,125 | 22,499,190 | _ | 22,499,190 |
| Other Comprehensive Income | | - | ,, | 1,394,072 | 1,394,072 |
| As At 31st March 2021 | 1,500,000 | 66,125 | 141,988,251 | 4,875,405 | 148,429,781 |
| | | | | | |
| As at 1st April 2021 | 1,500,000 | 66,125 | 141,988,251 | 4,875,405 | 148,429,781 |
| Profit for the period | - | - | 35,626,767 | | 35,626,767 |
| Other Comprehensive Income | - | - | - | 463,404 | 463,404 |
| As At 31st March 2022 | 1,500,000 | 66,125 | 177,615,018 | 5,338,809 | 184,519,952 |

NATURE AND PURPOSE OF RESERVES

- 1 Capital Incentive Reserve
 - Capital Incentive Reserve represents the amount of Government Grant received by the Company.
- 2 Capital Reserve
 - Capital Reserve represents the profit/(loss) on cancellation of forfeited shares of the Company.
- 3 Retained Earnings
 - Retained earnings is the amount of net income retained by the Company after it has paid out dividends(if any) to its shareholders.
- 4 Remeasurement of Defined Benefit Obligations

Remeasurements of the defined benefit plans comprises of actuarial gains and losses on calculation of defined benefit obligations and differences between the fair value of plan assets, return on plan assets and actual interest income on plan assets. These remeasurements are recognised in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

(A P S GROVER) Chief Financial Officer (SANDEEP KUMAR) Company Secretary M. No. F9075 (RAKESH M. KUMAR) Managing Director DIN 00066497 (BINDU CHOWDHARY)
Director
DIN 01154263

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

(KRISHAN MANGAWA) PARTNER

Place: Derabassi Date: 18/05/2022

Membership No. 513236

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31.03.2022

1 Background

Samrat Forgings Limited ("Company") is public limited company domiciled in India and is listed on the BSE Limited. The Company is one of the largest suppliers of quality forgings in the country and accredited with IATF 16949-2016 certification from one of the renowned international agency. The company has highly sophisticated specialized CNC machines and also supplying fully machined components to renowned OEM's.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation

(a) Statement of Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(b) Basis of Measurement

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy 2.9 on financial instruments)
- ii) Defined benefit and other long-term employee benefits

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of estimates

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years if the revision effects such periods.

Also key sources of estimation uncertainty is mentioned below:

i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policy, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) The fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 input are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs, used in determining the fair value of various assets, liabilities are disclosed in notes to standalone financial statements.

iii) Actuarial valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the statement of profit or loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to standalone financial statements.

2.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, and expenses incidental to acquisition and installation. Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation methods, estimated useful lives

Depreciation on Property, plant and equipment is provided when the assets are ready for use on the straight line method, on a pro rata basis, over the estimated useful lives of assets, in order to reflect the period over which the depreciable asset is expected to be used by the Company. Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment measured as the difference between amount realized and net carrying value which are carried at cost are recognized in the Statement of Profit and Loss. under 'Other Income/ Other Expenses'. Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as change in accounting estimates. Estimated residual lives and residual value of the assets is given below.

i) Estimated Useful Lives:

| Asset | Useful |
|-------------------------|------------|
| FACTORY BUILDING | 30 Years |
| ADMINISTRATIVE BUILDING | 30 Years |
| PLANT & MACHINERY | 15 Years |
| FURNITURE & FIXTURE | 10 Years |
| AIR CONDITIONERS | 5 Years |
| COMPUTERS | 3 Years |
| OFFICE EQUIPMENTS | 5 Years |
| VEHICLES | 8-10 Years |

ii) Estimated residual value:

The Estimated residual value of assets other than Land is taken as 5% of its original cost. Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

2.3 Impairment of Financial Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Statement to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exists or may have decreased.

2.4 Employee Benefits

(a) Short Term Obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

(b) Long Term Defined Benefit Obligation

Gratuity: The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income (OCI) as income or expense (net of taxes).

<u>Compensated absences</u>: The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Leave encashment vests with employees on an annual basis for leave balance above the upper limit as per the Company's policy. At the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance subject to an upper limit as per the Company's policy. Liability for such benefit is provided on thebasis of actuarial valuation, as at the Balance Sheetdate, carried out by an independent actuary. The actuarial valuation method used by independentactuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Profit and Loss Statement as income or expense.

(c) Long Term Defined Contribution Plan

The Company has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance and Labour Welfare Fund which are administered through Government of India and/or Life Insurance Corporation of India (LIC).

2.5 Fair Value Measurement

The Company measures financial instruments, such as, investments at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The management determines the policies and procedures for both recurring fair value measurement and disclosure. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.6 Inventories

Inventories of Raw Material, Stores and Spares are valued at lower of cost (determined on weighted average basis) and net realisable value. Finished Goods are valued at weighted average cost / net realizable value whichever is less and all expenses attributable to production. Work-in-Progress is valued at estimated cost plus expenses attributable to production or net realizable value whichever is less. Tools Dies and Die Blocks are valued at cost less depreciation/estimated consumption. Scrap is valued at estimated net realisable value.

2.7 Taxes

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws.

(a) Current Income Tax

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid. Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amount and there is an intention to settle the asset and liability on a net basis.

(a) Deferred Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent their is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.8 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.9 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the standalone financial statements.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the requirements for revenue recognition.

2.10 Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payables are recognized net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non derivative financial assets comprising amortized cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and non derivative financial liabilities at amortized cost or FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

(a) Non-derivative financial assets

(i) Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss. Amortized cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and noncurrent assets.

(ii) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

(b) Non-derivative financial liabilities

(i) Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

(ii) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration (if any) are measured at fair value with all changes recognized in the statement of profit and loss.

2.11 Earnings per Share

Basic earnings per share (EPS) are calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares.

The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

2.12 Rounding off Amounts

All amounts disclosed in standalone financial statements and notes have been rounded off to the nearest Lakhs as permitted in Schedule III of the Act, unless otherwise stated.

Note 3 Property, Plant & Equipment

| | | | | | | | | | (A | (AMOUNT IN KS.) |
|---|-----------|---------------------------------|--|-----------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|----------------------------------|
| | Land | Building | Plant & Machinery | Building(Office Flat) | Furniture & Fixture | Office Equipment | Vehicle | Air Conditioner | Computer | Total |
| Gross carrying Amount Deemed cost at April 1,2020 Additions | 2,077,432 | 61,417,792 | 441,482,002 5,165,025 | 6,589,432 | 3,781,019 | 2,833,155 155,741 | 20,957,721 | 1,034,813 129,318 | 4,852,746 17,000 | 545,026,112 5,467,084 |
| Usposais Balance as at March 31,2021 Additions Disnosais | 2,077,432 | 61,417,792 15,252,123 | 446,647,027 63,023,680 (3,200,000) | 6,589,432 | 3,781,019 31,610 | 2,988,896 21,045 | 20,957,721 | 1,164,131 31,245 | 4,869,746 318,344 | 550,493,196 78,678,047 |
| Balance as at March 31,2022 | 2,077,432 | 76,669,915 | 506,470,707 | 6,589,432 | 3,812,629 | 3,009,940 | 20,957,721 | 1,195,376 | 5,188,090 | 625,971,243 |
| Accumulated Depreciation As at April 1,2020 Depreciation charged for the year | 1 1 1 | 20,843,245 1,747,647 | 207,118,534 23,971,090 | 2,864,404 194,770 | 2,720,988 140,373 | 2,308,116 111,834 | 13,808,876 1,276,080 | 735,927 26,439 | 4,409,504 117,697 | 254,809,593 27,585,929 |
| Balance as at March 31,2021 | | 22,590,891 | 231,089,624 | 3,059,174 | 2,861,360 | 2,419,950 | 15,084,956 | 762,366 | 4,527,201 | 282,395,522 |
| Depreciation charged for the year Disposals | 1 1 | 1,711,094 | 23,053,530 | 194,770 | 98,318 | 116,614 | 1,261,293 | 24,849 | 160,696 | 26,621,163 |
| Balance as at March 31,2022 | | 24,301,985 | 254,109,285 | 1,253,943 | 2,959,678 | 2,536,564 | 16,346,248 | 787,215 | 4,687,896 | 308,982,815 |
| Net Carrying Amount As at March 31,2022 As at March 31, 2021 | 2,077,432 | 52,367,930 38,826,901 | 252,361,422 215,557,403 | 3,335,488 3,530,258 | 852,951 919,659 | 473,377 568,946 | 4,611,473 5,872,765 | 408,162 | 500,194 342,546 | 316,988,428 268,097,675 |

| as under: |
|--------------------|
| is as u |
| 31.03.2022 is |
| s on |
| work-in-progress a |
| r capital |
| unde |
| etails of |
| 3(A) De |
| Note |

| | | | | | | | | | | (Amount in Ks. |
|--|------|----------|----------------------------|---|---------------------|---------------------|---------|--------------------------|----------|----------------|
| PARTICULARS | Land | Building | Plant & Machinery | Building(Office Furniture & Flat) Fixture | Furniture & Fixture | Office Equipment | Vehicle | Air Conditioner Computer | Computer | |
| Opening Balance of Capital Work in Progress as at 1st April 2020 (+) Additions (-) Transfers (-) Disposals | | | 3,398,100 (3,398,100) | | | | | | | |
| Closing Balance of Capital Work in Progress as at 31st March 2021 | ' | | | | ' | | | | ' | |
| (+) Additions (-) Transfers (-) Disposals | | | 53,165,672 (53,165,672) | 15,282,429 (15,282,429) | | | | | | |
| Closing Balance of Capital Work in Progress as at 31st March 2022 | ' | | | 1 | | 1 | | | | |

(Amount in Rs.)

| NOTE 4 OTHER FINANCIAL ASSETS | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Unsecured, considered good Security Deposit | 12,776,930 | 19,127,032 |
| TOTAL | 12,776,930 | 19,127,032 |

| NOTE 5 INVENTORIES | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| (As per inventories taken, valued & certified by the management) | | |
| Raw Materials | 86,062,046 | 50,941,501 |
| Work In Progress | 290,462,222 | 281,263,638 |
| Finished Goods | 22,012,694 | 31,997,326 |
| Stores & Spares | 13,073,765 | 13,445,376 |
| Tools & Dies | 63,712,556 | 55,265,740 |
| Scrap | 2,311,534 | 869,237 |
| TOTAL | 477,634,817 | 433,782,818 |

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

(Amount in Rs.)

| NOT | E 6 TRADE RECEIVABLES A | s at 31.03.2021 | As at 31.03.2020 |
|-------|---|-----------------|------------------|
| (i) | Undisputed Trade receivables- considered good | 183,240,780 | 208,695,643 |
| | a) Less Than 6 Months | 183,194,778 | 208,135,156 |
| | b) 6 months - 1 Year | - | 313,785 |
| | c) 1- 2 Yrs | 46,002 | 246,702 |
| | d) 2-3 Yrs | - | - |
| | e) More Than 3 Yrs | - | - |
| (ii) | Undisputed Trade Receivables- Considered Dou | ubtful - | - |
| | a) Less Than 6 Months | - | - |
| | b) 6 months - 1 Year | - | - |
| | c) 1- 2 Yrs | - | - |
| | d) 2-3 Yrs | - | - |
| | e) More Than 3 Yrs | - | - |
| (iii) | Disputed Trade Receivables considered good | 1,726,526 | 1,726,526 |
| | a) Less Than 6 Months | - | - |
| | b) 6 months - 1 Year | - | - |
| | c) 1- 2 Yrs | - | 893,979 |
| | d) 2-3 Yrs | 893,979 | - |
| | e) More Than 3 Yrs | 832,547 | 832,547 |
| (iv) | Disputed Trade Receivables considered doubtfo | ul - | - |
| | a) Less Than 6 Months | - | - |
| | b) 6 months - 1 Year | - | - |
| | c) 1- 2 Yrs | - | - |
| | d) 2-3 Yrs | - | - |
| | e) More Than 3 Yrs | | - |
| | TOTAL | 184,967,306 | 210,422,169 |

| NOT | E 7 CASH & CASH EQUIVALENTS | As at 31.03.2022 | As at 31.03.2021 |
|-----|--|------------------|------------------|
| (a) | Cash & Cash Equivalents - Cash in Hand | 119,371 | 56,087 |
| (b) | Balance with Banks - in Current Accounts | 355,484 | 1,164,559 |
| | TOTAL | 474,855 | 1,220,646 |

(Amount in Rs.)

| NOTE 8 OTHER BANK BALANCES | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| (a) Fixed Deposits Maturing within 12 Months | 7,705,576 | 6,835,949 |
| TOTAL | 7,705,576 | 6,835,949 |
| | | |
| NOTE 9 OTHER FINANCIAL ASSETS | As at 31.03.2022 | As at 31.03.2021 |
| Considered Good | | |
| Interest accrued on deposits | 152,824 | 635,917 |
| TOTAL | 152,824 | 635,917 |
| | | |
| NOTE 10 OTHER CURRENT ASSETS | As at 31.03.2022 | As at 31.03.2021 |
| (Unsecured considered good unless otherwise s | stated) | |
| Advances other than Capital Advances Advance to Vendors | 18,356,904 | 10,044,343 |
| Security Deposits | 376,190 | 740,030 |
| Prepaid expenses | 3,262,357 | 3,391,147 |
| Balance with Government Authorities | 1,833,738 | 551,558 |
| Others | 1,787,651 | 2,271,385 |
| TOTAL | 25,616,840 | 16,998,464 |

(Amount in Rs.)

| NOTE | 11 EQUITY SHARE CAPITAL | As at 31.03.2022 | As at 31.03.2021 |
|------|---|------------------|------------------|
| | | | |
| A) | AUTHORISED | | |
| | 10000000 Equity shares of Rs. 10/- each | 100,000,000 | 100,000,000 |
| В) | ISSUED: | | |
| | 5000000 Equity Shares of Rs. 10/- each | 50,000,000 | 50,000,000 |
| C) | ISSUED SUBSCRIBED & PAID UP | | |
| | Fully called up and paid up. | 50,000,000 | 50,000,000 |
| | | | |
| | | 50,000,000 | 50,000,000 |

D) 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.

E) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

| | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------|-----------------------|--------------------|
| | No.of Shares held | No. of Shares held |
| 1. Jandwani Poly Products Pv | rt Ltd 1,361,200 | 1,361,200 |
| 2. Susoka Enterprises Pvt. Ltd | d. 820,000 | 820,000 |
| (Formerly Natrajan Investment | ts & Finance Pvt Ltd) | |
| 3. Jitya Enterprises Pvt Ltd | 280,000 | 280,000 |
| (Formerly Jay Dee Holdings F | Pvt Ltd) | |
| 4. Prem Lal | 500,000 | 500,000 |
| 5. Rakesh M Kumar | 1,180,100 | 1,180,100 |

F) RECONCILIATION OF NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD:

| | No.of Shares | No. of Shares |
|--|------------------|------------------|
| Subscribed and fully paid up Equity Shares: | As at 31.03.2022 | As at 31.03.2021 |
| Opening Balance | 5,000,000 | 5,000,000 |
| Closing Balance | 5,000,000 | 5,000,000 |

^{*} There is no change in the number of shares outstanding at the beginning and at the end of the financial year.

G) DETAILS OF SHAREHOLDING OF PROMOTERS

| | Promoter Name | No. of Shares Held | Percentage of Total Shares | Percentage of Change During The Year* |
|---|--|-----------------------|-------------------------------|---|
| 1 | Rakesh Mohan Kumar | 1,180,100 | 23.60 | - |
| 2 | Ritu Joshi | 20 | 0.00 | - |
| 3 | Bindu Chowdhary | 20 | 0.00 | - |
| 4 | Rajinder Nath Sood | 10 | 0.00 | - |
| 5 | Kiran Mohini Kumar | 90,000 | 1.80 | - |
| 6 | Jandwani Poly Products Pvt Ltd | 1,361,200 | 27.22 | - |
| 7 | Jitya Enterprises Pvt Ltd (Formerly Jay Dee Holdings Pvt Ltd) | 280,000 | 5.60 | - |
| 8 | Susoka Enterprises Pvt Ltd (Formerly Natrajan Investments And Finance Pvt Ltd) | 820,000 | 16.40 | - |
| 9 | Kanjam Enterprises Private Limited (Formerly R Kumar Investment & Finance Pvt Ltd) | 17,701 | 0.35 | - |
| | TOTAL | 3,749,051 | 74.98 | - |

^{*}There is no change in promoters shareholding during the financial year 2021-22

(Amount in Rs.)

| NOTE 12 OTHER EQUITY | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| A) CAPITAL INCENTIVE | 1,500,000 | 1,500,000 |
| | | |
| B) PROFIT & LOSS ACCOUNT | | |
| As Per Last Balance Sheet | 141,988,251 | 119,489,061 |
| Net Profit during the year | 35,626,767 | 22,499,190 |
| | 177,615,018 | 141,988,251 |
| C) CAPITAL RESERVE | 66,125 | 66,125 |
| D) <u>OTHER RESERVE</u> | | |
| Remeasurement of Defined Benefit Obligat | ion 5,338,809 | 4,875,405 |
| | | |
| Total (A+B+C+D) | 184,519,952 | 148,429,781 |

| | | | (Amount in Rs.) |
|---------|--|------------------|------------------|
| NOTE 13 | LONG TERM BORROWINGS (AT AMORTIZED COST) | As at 31.03.2022 | As at 31.03.2021 |
| I. S | ecured | | |
| | . LOANS & ADVANCES | | |
| | RM LOANS FROM BANKS | 90,560,086 | 77,644,367 |
| ` | Secured against Hypothecation of | | |
| | spective vehicle under hire-purchase reement / Machinery & personal | | |
| _ | arantee of directors) | | |
| _ | RM LOANS FROM OTHER PARTIES | 13,050,466 | 14,620,955 |
| Fre | om Non-Banking Financial Companies | , , | , , |
| (S | ecured against hypothecation of respective | | |
| Ma | achinery/Vehicle and personal guarantee | | |
| | directors) | | |
| TC | OTAL SECURED LOANS | 103,610,552 | 92,265,322 |
| | secured | | |
| | DAN & ADVANCES FROM BANKS | 5,107,098 | 6,322,907 |
| | DAN & ADVANCES FROM RELATED ARTIES (Refer Note - 38C) | 7,747,723 | 5,314,519 |
| | rom Promoters & Directors) | | |
| | | | |
| | FHER LOANS & ADVANCES gainst personal guarantee of directors) | 39,816,593 | 43,092,929 |
| (7.5) | gamst personal guarantee of directors) | | |
| TC | TAL UNSECURED LOANS | 52,671,414 | 54,730,355 |
| TC | TAL LONG-TERM BORROWINGS | 156,281,966 | 146,995,677 |
| | | | |
| NOTE | 14 LONG TERM PROVISIONS | As at 31.03.2022 | As at 31.03.2021 |
| Pr | ovision For Employees Benefit | | |
| | Gratuity | 10,443,918 | 10,299,367 |
| - | Leave Encashment | 959,895 | 1,350,480 |
| TO | DTAL | 11,403,813 | 11,649,847 |
| | | | |
| NOTE | 15 DEFERRED TAX (NET) | As at 31.03.2022 | As at 31.03.2021 |
| | A. Deferred Tax Liability | 36,842,992 | 34,612,684 |
| | B. Deferred Tax Asset | 12,437,764 | 13,481,439 |
| | C. MAT Credit Entitlement | . , - | - |
| | Net Deferred Tax Liability (A-B-C) | 24,405,229 | 21,131,245 |
| | The Desired fax aldering (A D e) | | 21,101,240 |

| | | | (Amount in Rs.) |
|------|---|--------------------------|--------------------------|
| NOTE | E 16 SHORT TERM BORROWINGS (AT AMORTIZED COST) | As at 31.03.2022 | As at 31.03.2021 |
| l. | SECURED LOANS A. LOANS REPAYABLE ON DEMAND FROM BANKS | 210,049,598 | 203,382,305 |
| | The Jammu & Kashmir Bank Ltd (Cash Credifacility) (Secured against hypothecation of stock in trade, Book Debts, Stores & Spares, Tools Implements, Die Blocks. Further, the above loans are secured by the first mortgage of Land, Building and Machinery of the Company and personal guarantees of the Promotor Directors of the Company.) | (, , , - | |
| | B FROM OTHERS | 18,511,374 | 13,395,428 |
| | The National Small Industries Corp. Ltd. (Against Bank guarantee) | | |
| II. | UNSECURED LOANS FROM RELATED PARTI | ES 21,751,538 | 20,637,133 |
| | (From Promoters & Directors) | | |
| III. | CURRENT MATURITIES OF LONG TERM DEB | STS | |
| | Against Secured Loans Against Unsecured Loans | 37,925,611 19,387,156 | 16,267,810 22,253,799 |
| | TOTAL | 307,625,278 | 275,936,475 |

(Amount in Rs.) NOTE 17 TRADE PAYABLES As at 31.03.2021 As at 31.03.2020 **Sundry Creditors** (i) Total outstanding dues of Micro and **Small Scale Industrial Enterprises** 1,330,497 1,926,344 Less Than 1 Year 1,330,497 1,926,344 1-2 Years 2-3 Years More than 3 Years Total outstanding dues of Creditors other than Micro and Small Scale Industrial Enterprises 260,052,021 262,855,676 Less Than 1 Year 259,893,677 256,966,830 1-2 Years 158,344 4,373,963 2-3 Years 492,519 More than 3 Years 1,022,364 (iii) Total outstanding dues of Micro and Small Scale Industrial Enterprises - Disputed Less Than 1 Year 1-2 Years 2-3 Years More than 3 Years Total outstanding dues of Creditors other than (iv) Micro and Small Scale Industrial 1,102,719 234,398 **Enterprises- Disputed** Less Than 1 Year 1-2 Years 234,398 2-3 Years 234,398 More than 3 Years 868,321 **TOTAL** 265,016,418 262,485,237

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, 2022, is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in Rs.)

| | | As at 31.03.2022 | As at 31.03.2021 |
|-----|---|--------------------|------------------|
| (a) | Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: | | |
| | Principal Interest | 1,330,497 - | 1,926,344 - |
| (b) | The amount of interest paid by the buyer in term of section 16, of the MSMED Act, 2006 along we the amounts of the payment made to the supplication beyond the appointed day during each accounting year: Principal Interest | ith ier | - - |
| (c) | The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | ve - he | - |
| (d) | The amount of interest accrued and remaining upaid at the end of each accounting year. | in- - | - |
| (e) | The amount of further interest remaining due at payable even in the succeeding years, until su date when the interest dues as above are actual paid to the small enterprise for the purpose disallowance as a deductible expenditure und section 23 of the MSMED Act, 2006. | ch - Illy of | - |

| NOTE 18 OTHER FINANCIAL LIABILITIES | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Expenses Payable | 18,481,660 | 18,859,287 |
| Interest accrued but not due on borrowings | 1,664,315 | 704,153 |
| Director Remuneration & Fee payable | 1,085,658 | 1,096,277 |
| TOTAL | 21,231,633 | 20,659,717 |

(Amount in Rs.)

| | | (Amount in As.) |
|--|------------------|------------------|
| NOTE 19 CURRENT TAX LIABILITY (NET) | As at 31.03.2022 | As at 31.03.2021 |
| Current Tax Payable for the year | 12,099,738 | 5,993,472 |
| Less: Tax Paid during the year | (7,215,680) | (2,660,389) |
| TOTAL | 4,884,058 | 3,333,083 |
| NOTE 20 OTHER CURRENT LIABILITIES | As at 31.03.2022 | As at 31.03.2021 |
| Statutory Dues | 1,310,918 | 6,117,190 |
| Advance received from customers | 99,616 | 6,377,552 |
| TOTAL | 1,410,534 | 12,494,742 |
| NOTE 21 DETAIL OF REVENUE | As at 31.03.2022 | As at 31.03.2021 |
| FROM OPERATIONS | | |
| Revenue from sale of products Gross Sales | 1,393,274,827 | 1,175,902,212 |
| Sale of Services Conversion/Job Work Charges | 1,586,907 | 1,237,217 |
| TOTAL | 1,394,861,734 | 1,177,139,429 |
| NOTE 22 OTHER INCOME | As at 31.03.2022 | As at 31.03.2021 |
| Interest Income | 2,378,903 | 1,537,859 |
| Other non-operative Income Duty Draw Back Received | 1,393,983 | 292,572 |
| Foreign Fluctuation Gain | 673,616 | 250,553 |
| Misc Income | 431,842 | 40,276 |
| TOTAL | 4,878,343 | 2,121,260 |
| NOTE 23 COST OF RAW MATERIAL CONSUMED | As at 31.03.2022 | As at 31.03.2021 |
| Opening Stock of Raw Materials | 50,941,501 | 21,327,220 |
| Add Purchases during the year | 764,940,351 | 658,658,617 |
| Less Closing Stock | 86,062,046 | 50,941,501 |
| TOTAL | 729,819,806 | 629,044,336 |
| | | |

| | | (Amount in Rs. |
|--|-------------------------------|---------------------------------|
| NOTE 24 CHANGES IN FINISHED GOODS, | As at 31.03.2022 | As at 31.03.2021 |
| WIP, STOCK IN TRADE | | |
| Opening Stock Work In Progress | 281,263,638 | 296,718,067 |
| Finished Goods | 31,997,326 | 20,943,831 |
| Scrap | 869,237 | 1,330,505 |
| TOTAL 'A' | 314,130,201 | 318,992,403 |
| Closing Stock Work In Progress | 290,462,222 | 281,263,638 |
| Finished Goods Stock | 22,012,694 | 31,997,326 |
| Scrap | 2,311,534 | 869,237 |
| TOTAL 'B' | 314,786,450 | 314,130,201 |
| TOTAL (A - B) | (656,249) | 4,862,202 |
| NOTE 25 EMPLOYEE BENEFIT EXPENSES | As at 31.03.2022 | As at 31.03.2021 |
| Salaries & Wages | 148,475,618 | 125,316,986 |
| Remuneration to Director | 12,000,000 | 11,200,000 |
| Contribution to Provident Fund & Other Funds | 4,519,710 | 3,661,191 |
| Staff Welfare | 4,983,900 | 6,386,091 |
| Provident Fund - Directors | 21,600 | 20,700 |
| TOTAL | 170,000,828 | 146,584,968 |
| NOTE 26 FINANCE COST | As at 31.03.2022 | As at 31.03.2021 |
| Interest Expense | | |
| Interest on Financial Liabilities other | 44,118,659 | 52,184,709 |
| than Lease Liabilities Interest on Lease Liabilities (Refer Note 29) | 1,834,761 | 1,930,617 |
| Other Borrowing Cost | 0.710.496 | 1 000 060 |
| Bank Charges TOTAL | 2,710,486 48,663906 | 1,988,863 56,104,19 0 |
| TOTAL | 40,000900 | 30,104,130 |
| NOTE 27 DEPRECIATION AND | As at 31.03.2022 | As at 31.03.2021 |
| AMORTIZATION EXPENSE | | |
| Depreciation of Tangible Assets (Refer Note 3) | 26,621,163 | 27,585,929 |
| Depreciation of Right-of-use Assets | 2,061,432 | 2,061,432 |
| (Refer Note 29) | | |
| TOTAL | 28,682,595 | 29,647,360 |

| | | | (Amount in Rs.) |
|------------------|---|---------------------------------------|--------------------------------------|
| NOTE 28 | OTHER EXPENSES | As at 31.03.2022 | As at 31.03.2021 |
| | facturing Expenses | 59,781,584 | 52,357,010 |
| | & Dies Consumed | 6,539,850 | 5,029,440 |
| | s & Consumables | 201,073,975 | 146,582,437 |
| | ction/Job Work Expenses | 42,529,113 | 27,578,202 |
| | r & Maintenance Machinery | 13,099,003 | 9,538,380 |
| Total | • | 323,023,525 | 241,085,469 |
| | g Expenses | 323,023,323 | 241,003,409 |
| Freigh Busine | t & Forwarding ess Promotion es & Discounts | 11,348,832 1,700,115 19,420,816 | 6,894,235 1,472,810 14,815,236 |
| | | | |
| n ∝ ⊮ Total | 1 Vehicles (LCV) | 4,973,006 37,442,768 | 4,366,388 27,548,669 |
| | nistrative & Other Expenses | | 27,540,003 |
| | lling & Conveyance | | |
| i) Dire | ectors | 252,367 | 334,118 |
| ii) Oth | ers | 1,351,981 | 947,923 |
| Profes | ssional & Legal Expenses | 1,646,281 | 2,631,760 |
| Teleph | none & Postage | 197,355 | 300,867 |
| Printir | ng & Stationary | 863,557 | 477,913 |
| Runni | ng & Maintenance-Vehicles | 1,463,296 | 1,105,363 |
| Reval | uation of Security Deposits | - | 1,140 |
| Misce | llaneous Expenses | 390,504 | 280,651 |
| • | rs & Maintainance & M - Building | 853,199 | 2,262,040 |
| R | & M - General | 413,113 | 384,548 |
| Subsc | ription & Membership Fee | 31,099 | 35,064 |
| Rates | , Fee & Taxes | 1,697,513 | 1,515,809 |
| Insura | nce | 982,081 | 767,714 |
| | ors' Remuneration | | |
| , | ıdit Fee | 150,000 | 150,000 |
| • | x Audit Fee | 40,000 | 40,000 |
| , | x Matters Fee | 30,000 | 30,000 |
| • | rtification work Fee | 10,000 | 10,000 |
| | tisement | 85,627 | 58,592 |
| Rent | | 281,600 | 256,000 |
| Sitting | | 210,000 | 260,000 |
| | y Balances Written off | - | 2,439,407 |
| Total | | 10,949,572 | 14,288,907 |
| Grand | l Total (A+B+C) | <u>371,415,866</u> | 282,923,046 |

NOTE 29 RIGHT OF USE ASSETS & LEASE LIABILITY

The right-of-use assets are initially recognized at cost , which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Companychanges its assessment if whether it will exercise an extension or a termination option.

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

| | | (Amount in Rs.) |
|---|------------|-----------------|
| Particulars: Land | 2021-22 | 2020-21 |
| Opening Balance | 28,860,044 | 28,860,044 |
| Additions | - | - |
| Disposals | - | - |
| Original Cost as on 31st March 2022 (31st March 2021) | 28,860,044 | 28,860,044 |
| Accumulated Depreciation | | |
| Opening Balance | 4,122,853 | 2,061,432 |
| Additions | 2,061,432 | 2,061,432 |
| Disposals | - | - |
| Acc. Depreciation as on 31st March 2022 (31st March 2021) | 6,184,295 | 4,122,863 |
| WDV of ROU Asset as on 31st March 2022 (31st March 2021) | 22,675,749 | 24,737,181 |

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

| tne perioa: | (Amount in As | |
|--|---------------|------------|
| Particulars | 2021-22 | 2020-21 |
| Opening Balance | 26,210,865 | 27,580,247 |
| Add : Accretion of interest | 1,834,761 | 1,930,617 |
| Less : Payments | 3,300,000 | 3,300,000 |
| Less : Termination | - | - |
| Balance as at 31st March 2021 (31st March 2020) | 24,745,625 | 26,210,865 |
| Current | 1,567,806 | 1,465,239 |
| Non Current | 23,177,819 | 24,745,625 |

The effective interest rate for lease liabilities is 7%.

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

| Particulars | 2021-22 | 2020-21 |
|---|-----------|-----------|
| Depreciation expense of right-of-use assets | 2,061,432 | 2,061,432 |
| Interest expense on lease liabilities | 1,834,761 | 1,930,617 |
| Expense relating to short-term leases and low | 281,600 | 256,000 |
| value leases (included in other expenses) | | |
| Total amount recognised in profit or loss | 4,177,792 | 4,248,049 |

- D. The Company had total cash outflows for leases of INR 35.816 lacs in March 31, 2022 There are no non-cash additions to right-of-use assets and lease liabilities .
- E. The maturity analysis of lease liabilities based on contractual undiscounted payment is as follows:

| Particulars | 2021-22 | 2020-21 |
|-------------------|------------|------------|
| On Demand | - | - |
| 0-12 months | 3,300,000 | 3,300,000 |
| 1 - 5 years | 16,500,000 | 16,500,000 |
| More than 5 years | 16,500,000 | 19,800,000 |
| Total | 36,300,000 | 39,600,000 |

NOTE 30 Employee Benefits

A Short-term employee benefits

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

B Defined contribution plan

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

(Amount in Rs.)

Particulars As at 31.03.2022 As at 31.03.2021

Employer's contribution to provident fund/pension scheme

3,681,891

C Defined benefit plan

Gratuity (funded)

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

4,541,310

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

The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The plan assets are also managed by the Life Insurance Corporation (LIC).

D Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried outby an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan is based on the market yields as at the balance sheet date on Government securities, having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur.

To the extent the Company does not have an unconditional right to defer the utilization or encashment of the accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

| (i) | С | omponents of Expense recognised | (Amount in Rs.) | | |
|-----|------------------------|--|------------------|------------------|--|
| | Particulars | | For Year Ended | For Year Ended | |
| | | | 31st March, 2022 | 31st March, 2021 | |
| | Re | ecognised in the Statement of Profit and Lo | oss | | |
| | 1 Current Service Cost | | 3,627,329 | 3,091,515 | |
| | 2 | Past Service Cost | - | - | |
| | 3 | Net Interest Cost | 1,102,278 | 942,890 | |
| | 4 | Actuarial Gain/Loss of obligations | (1,634,211) | (409,834) | |
| | 5 | Actuarial Gain/Loss of Plan Assets | 252,637 | 115,119 | |
| | 6 | Direct Benefit Payments | (245,502) | (233,243) | |
| | 7 | Expected Return on Plan Assets | 252,637 | (205,031) | |
| | 8 | Total Expense Recognised in | 2,849,894 | 3,301,416 | |
| | | Profit and Loss Account | | | |
| | | | | | |
| | | Re-measurements recognised in | | | |
| | | Other Comprehensive Income | | | |
| | 9 | Return on plan assets | | | |
| | | (excluding amounts included in Net interest of | cost) 466,121 | 103,429 | |
| | 10 | Effect of changes in demographic assumption | ns - | - | |
| | 11 | Effect of changes in financial assumptions | - | - | |
| | 12 | Changes in asset ceiling(excluding interest i | income) - | - | |
| | 13 | Effect of experience adjustments | (929,525) | (1,347,501) | |
| | 14 | Total re-measurements included in | (463,404) | (1,244,072) | |
| | | Other Comprehensive Income | | | |
| | 15 | Total defined benefit cost recognised | 2,386,490 | 2,057,344 | |
| | | in the Statement of Profit and Loss and | | | |
| | | Other Comprehensive Income (8+14) | | | |
| | | | | | |

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

| ı | Defined Benefit Obligation Liability | | (Amount in Rs.) |
|----|---|-----------------------|------------------|
| | Particulars | As at | As at |
| | | 31st March, 2022 | 31st March, 2021 |
| 1 | Present Value of DBO at the beginning of the year | 21,935,649 | 20,748,027 |
| 2 | Current Service Cost | 3,627,329 | 3,091,515 |
| 3 | Past Service Cost | - | - |
| 4 | Interest Cost | 1,568,399 | 1,296,752 |
| 5 | Remeasurement gains/(losses) a. Effect of changes in demographic assump | tions - | - |
| | b. Effect of changes in financial assumptions | - | - |
| | c. Changes in asset ceiling | - | - |
| | (excluding interest income) | | |
| | d. Effect of experience adjustments | (929,525) | (1,347,501) |
| 6 | Curtailment Cost/ (Credits) | - | - |
| 7 | Settlement Cost/ (Credits) | - | - |
| 8 | Liabilities assumed in business combination | - | - |
| 9 | Actuarial Gain/Loss on Obligations | (1,634,211) | (409,834) |
| 10 | Effect of transfer In / (out) | - | - |
| 11 | Benefits Paid | (1,947,505) | (1,443,310) |
| 12 | Present Value of DBO at the end of the year (TOTAL I) | 22,620,136 | 21,935,649 |
| II | Change in Fair Value of Assets | | |
| | | As at | As at |
| | Particulars | 31st March, 2022 | 31st March, 2021 |
| | 1 Plan Assets at the beginning of the year | 9,769,939 | 8,942,281 |
| | 2 Asset acquired in Business Combination | - | - |
| | 3 Interest Income | 558,893 | |
| | 4 Remeasurement Gains/ (Losses) on plan a | assets - | (218,548) |
| | 5 Actual Company Contributions Benefits Pa | d 2,865,767 | 1,980,000 |
| | 6 Benefits Paid | (1,702,003) | (1,492,687) |
| | 7 Effects of transfer In/(Out) | <u>-</u> | - |
| | 8 Plan Assets at the end of the year (TOTA) | II) 11,216,323 | 9,769,939 |

| Net Liability/(Asset) | (Amount in Rs.) |
|-----------------------|-----------------|
| | |

| Particulars | | As at 31st March, 2022 As at 31st March, 2021 | | |
|-------------|--------------------------------------|---|------------|--|
| Ш | Present Value of Defined Benefit | 22,620,136 | 21,935,649 | |
| | Obligations (Total I) | | | |
| IV | Fair Value of Plan Assets (Total II) | 11,216,323 | 9,769,939 | |
| | Net Liability/(Asset) (III-IV) | 11,403,813 | 12,165,710 | |

(iii) Investment details of plan assets As at 31st March, 2022 As at March 31, 2021 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 31st March, 2022 | As at March 31, 2021 |
|---|------------------------|----------------------|
| Discount rate | 7.15% | 6.25% |
| Withdrawal Rate | 10.00% | 10.00% |
| Estimated rate of return on plan assets | 7.15% | 6.25% |
| Estimated future salary growth | 6.00% | 5.00% |

(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 depend-

ing 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.

(Amount in Rs.)

| NOTE 3 | 1 COMMITMENTS AND CONTINGENCIES | As at 31st March 2022 | As at 31st March 2021 |
|----------------|--|--------------------------|--------------------------|
| Estin to be | mitments: nated value of contracts remaining executed on Capital ount and not provided for | 90,981,680 | 13,997,000 |
| Cont | ingent liabilities : | | |
| (a) | Claims against companies not acknowledged as debt* * Includes claims from revenue dep | NIL | NIL |
| (b) | and other claims In respect of unassessed cases of Income Tax, Goods and Services Tax, Excise Duty & Service Tax | Undeterminable | Undeterminable |

NOTE 32 IMPAIRMENT OF ASSETS

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

| NOTE 33 DISCLOSURE AS PER IND AS-33 EARNING PER SHARE | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|------------------------------------|
| Basic EPS amounts are calculated by dividin equity holders of the company by weighted a during the year. | • . | attributable to shares outstanding |
| Profit attributable to the equity holders of the Company | 35,626,767 | 22,499,190 |
| Weighed average number of equity shares | 5,000,000 | 5,000,000 |
| Basic earnings per share (Face value of INR 10/- per share) | 7.13 | 4.50 |

NOTE 34 DISCLOSURE AS PER IND AS-108 SEGMENT REPORTING

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

NOTE 35 REGROUPING OF FIGURES

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

NOTE 36 Financial Instruments and Related Disclosures

1 CAPITAL MANAGEMENT

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

2. CATEGORIES OF FINANCIAL INSTRUMENTS

(Amount in Rs.)

| | Particulars | Fair Value | As at March 31, 2022 | | As at March | 31, 2021 |
|-----|---------------------------|------------|----------------------|-------------|----------------|-------------|
| | | Hierarchy | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Α | Financial Asset | | | | | |
| (i) | Measured at Amortis | ed Cost | | | | |
| | Non Current | | | | | |
| | Security Deposits | 3 | 12,776,930 | 12,776,930 | 19,127,032 | 19,127,032 |
| | Current | | | | | |
| | Trade receivables | 3 | 184,967,306 | 184,967,306 | 210,422,169 | 210,422,169 |
| | Cash & Cash Equivale | nts 3 | 474,855 | 474,855 | 1,220,646 | 1,220,646 |
| | Other Bank Balances | 3 | 7,705,576 | 7,705,576 | 6,835,949 | 6,835,949 |
| | Other financial assets | 3 | 152,824 | 152,824 | 635,917 | 635,917 |
| | Total Financial Asset | ts | 206,077,491 | 206,077,491 | 238,241,713 | 238,241,713 |
| В | Financial Liabilities | | | | | |
| (i) | Measured at Amortis | ed Cost | | | | |
| | Non Current | | | | | |
| | Borrowings | 3 | 156,281,966 | 156,281,966 | 146,995,677 | 146,995,677 |
| | Lease Liabilities | 3 | 23,177,819 | 23,177,819 | 24,745,625 | 24,745,625 |
| | Current | | | | | |
| | Borrowings | 3 | 307,625,278 | 307,625,278 | 237,414,867 | 237,414,867 |
| | Trade Payables | 3 | 262,485,237 | 262,485,237 | 265,016,418 | 265,016,418 |
| | Lease Liabilities | 3 | 1,567,806 | 1,567,806 | 1,465,239 | 1,465,239 |
| | Other Financial Liabiliti | ies 3 | 21,231,633 | 21,231,633 | 59,181,326 | 59,181,326 |
| | Total Financial Liabil | ities | 772,369,739 | 772,369,739 | 734,819,153 | 734,819,153 |

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.

(Amount in Rs.)

| NOTE 37 Income Tax Expense | | As at 31.03.2022 | As at 31.03.2021 | |
|----------------------------|---|------------------|------------------|--|
| Α | Income Tax Expense | | | |
| | Current Tax | | | |
| | Current Tax on Profits for the Year | 12,099,738 | 8,459,816 | |
| | Adjustments for current tax of prior year | 846,707 | 4,580 | |
| | Deffered Tax | | | |
| | Deferred Tax Charge/(Income) | 3,273,984 | (868,999) | |
| | Total Tax Expense | 16,220,430 | 7,595,397 | |

B Reconciliation of Tax Expense and Accounting Profit Multiplied as per applicable Tax Rate for the year ended March 31, 2022 and March 31, 2021

| Accounting Profit Before Tax | 51,847,197 | 30,094,587 |
|--|------------|------------|
| Income Tax calculated on Accounting Profit | 14,423,890 | 8,372,314 |

NOTE 38 DISCLOSURE AS PER IND AS-24 RELATED PARTY

(A) List of Related Parties and Relationships:

1) Key Management Personnel & Their Relatives

Mr. Rakesh M. Kumar, Managing Director

Mrs. Bindu Chowdhary, Non-Executive Director

Mrs. Ritu Joshi, Non-Executive Director

Mr. Ajay Arora, Non-Executive Independent Director

Mr. Ashok Lakhanpal, Non-Executive Independent Director

Ms. Niveta Sharma, Non-Executive Independent Director

Mr. Sandeep Kumar, Company Secretary

Mr. A.P.S Grover, Chief Financial Officer

Mr. Siddharth Joshi, Relative of Director

2) Entities in which Directors are interested

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)

| | | (Amount in Rs.) |
|---|-----------------|-----------------|
| (B) Related Party Transactions: | As at 31st | As at 31st |
| | March 2022 | March 2021 |
| Remuneration to Key | | |
| Managerial Personnel | | |
| Mr. Rakesh M. Kumar (Managing Director) | 12,021,600 | 11,220,700 |
| Mr. A.P.S. Grover (Chief Financial Officer) | 2,216,000 | 295,429 |
| Mr. Sandeep Kumar (Company Secretary) | 676,600 | 541,420 |
| Total remuneration to key | 14,914,200 | 12,057,549 |
| managerial personnel | | |
| Sitting Fees | | |
| Mrs. Ritu Joshi, Non-Executive Director | 42,500 | 37,500 |
| Mrs. Bindu Chowdhary, Non-Executive Director | 40,000 | 62,500 |
| Mr. Ajay Arora, Non-Executive Independent Direc | ctor 52,500 | 80,000 |
| Mr. Ashok Lakhanpal, Non-Executive Independent | Director 22,500 | 7,500 |
| Ms. Niveta Sharma, Non-Executive Independent | Director 52,500 | 72,500 |
| Interest & Expense | | |
| Jandwani Poly Products Pvt. Ltd. | 1,238,228 | 1,173,120 |
| Mr. Rakesh M. Kumar, Managing Director | 145,360 | 123,728 |
| Mrs. Bindu Chowdhary, Director | 175,978 | 131,276 |
| Rent | | |
| Jandwani Poly Products Pvt. Ltd. | 3,300,000 | 3,300,000 |
| Professional Expenses | | |
| Mr. Siddharth Joshi | 900,000 | |
| (C) Balance outstanding | As at 31st | As at 31s |
| with related parties | March 2022 | March 202 |
| Mr. Rakesh M. Kumar -Loan | 3,141,987 | 2,411,163 |
| Mrs. Bindu Chowdhary -Loan | 4,605,736 | 2,903,356 |
| Jandwani Poly Products Pvt. LtdLoan | 21,751,538 | 20,637,133 |
| Jandwani Poly Products Pvt. LtdRent payable | 2,970,000 | 4,723,62 |
| Mrs. Bindu Chowdhary -Sitting Fee payable | 22,500 | 57,80 |
| Mrs. Ritu Joshi, Director -Siiting Fee payable | 24,750 | 18,50 |
| Mr. Siddharth Joshi -Professional Fee payable | 90,000 | , |

NOTE 39 DISCLOSURE OF RATIOS

| PARTICULARS | As at 31.03.2022 | As at 31.03.2021 | Percentage Change | Reasons for more than 25% change |
|--|------------------|------------------|----------------------|---|
| Current Ratio = Current Assets / Current Liabilities | 1.16 | 1.16 | 0% | |
| Debt Equity Ratio =Total Debt / Total Equity | 1.98 | 2.13 | -7% | |
| Debt Service Coverage Ratio = Earnings before Interest, Depreciation and | 1.04 | 1.29 | -20% | |
| Amortization but after Tax / (Interest + Principal Repayment) | | | | |
| Return on Equity Ratio = Profit After Tax / Shareholders' Equity | 15.19% | 11.34% | 34% | Due to increase in sales and net profit |
| Inventory Turnover Ratio = Cost Of Goods Sold (Cost of material | 2.58 | 2.34 | 10% | |
| consumed+Purchases+Changes in Inventory+Manufacturing Expenses) / | | | | |
| Average Inventory | | | | |
| Trade Receivables Turnover Ratio = Revenue From Operations | 7.06 | 7.31 | -3% | |
| / Average Trade Receivables | | | | |
| Trade Payables Turnover Ratio = Purchases / Average Trade Payables | 3.72 | 3.27 | 14% | |
| Net Capital Turnover Ratio = Revenue from Operations / Working Capital | 14.33 | 12.94 | 11% | |
| Net Profit Ratio = Net Profit / Revenue from Operations | 2.55% | 1.91% | 34% | Due to increase in sales and net profit |
| Return on Capital Employed = Profit Before Interest & Tax / | 24.56% | 23.82% | 3% | |
| Capital Employed | | | | |
| Return on Investment = Net Profit / Capital Employed | 9.12% | 6.51% | 40% | Due to increase in sales and net profit |

(A P S GROVER)

(SANDEEP KUMAR) Chief Financial Officer Company Secretary M. No. F9075

(RAKESH M. KUMAR) (BINDU CHOWDHARY) Managing Director DIN 00066497

Director DIN 01154263

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

Place: Derabassi Dated: 18/05/2022

PARTNER Membership No. 513236

(KRISHAN MANGAWA)

CIN: L28910PB1981PLC056444



REGISTERED OFFICE:

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