

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Corporate Social Responsibility (CSR) provisions became applicable to the Company first time in the year 2022-23.

1. A brief outline on CSR Policy of the Company is given below:

The Company firmly believes in Corporate Social Responsibilities (CSR) and commits to take initiatives to contribute to harmonious and suitable development of the society and its inhabitants. All CSR projects will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013. It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefiting only the employees of the Company, or contributions of any amount directly or indirectly to any political party.

2. Composition of CSR Committee:

Financial year 2022-23 was the first year when CSR provisions became applicable to the Company as its net profit for the year ended 31st March, 2022 crossed the prescribed limit under section 135(1). Since, the amount required to be spent is less than rupees fifty lakh, therefore pursuant to the provisions of the Companies Act, 2013 (Act), constitution of Corporate Social Responsibility Committee provisions are not mandatorily required to the Company. Hence, the said committee has not yet constituted and the Board is discharging the functions of such committee according to the provisions of the Act.

3. The web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

As stated above, constitution of Corporate Social Responsibility Committee provisions are not mandatorily required to the Company. Hence, the said committee has not yet constituted and the Board is discharging the functions of such committee according to the provisions of the Companies Act, 2013. The CSR policy and projects approved by the board can be viewed at the website of the Company at web link <https://samratforgings.com/wp-content/uploads/2023/08/Corporate-Social-Responsibility-Policy.pdf>

4. The executive summary along with the web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135 : Rs. 283.20 Lakhs
- (b) Two per cent of average net profit of the company as per sub-section (5) of section 135 : Rs. 5.66 Lakhs
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (d) Amount required to be set off for the financial year, if any : Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : Rs. 5.66 Lakhs
6. (a) Amount spent on CSR project (both ongoing project and other than ongoing project) : Nil
- (b) Amount spent in administrative overheads : Nil
- (c) Amount spent on impact assessment, if applicable : Not Applicable
- (d) Total amount spent for the financial year [(a)+(b)+(c)] : Nil
- (e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (Rs. in Lakhs) | Amount Unspent (Rs. in Lakhs) | | | | |
|--|---|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Sub-Section (6) of Section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135 | | |
| | Amount | Date of Transfer | Name of Fund | Amount | Date of Transfer |
| Nil | Nil | | Rs. 5.66 lakhs will be transferred to Prime Minister's National Relief Fund before 30 th September, 2023. | | |

(b) Excess amount for set off, if any: Nil

| Sr. No. | Particulars | Amount (Rs. in lakhs) |
|---------|---|-----------------------|
| (i) | Two percent of average net profit of the Company as per sub-section (5) of section 135 | 5.66 |
| (ii) | Total amount spent for the Financial Year | Nil |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 | Amount spent in the Financial Year | Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any | Amount remaining to be spent in succeeding financial years | Deficiency, if any |
|---------|-----------------------------|--|------------------------------------|--|--|--------------------|
| | | | | Amount | Date of Transfer | |
| 1 | 2019-20 | | | Not applicable | | |
| 2 | 2020-21 | | | Not applicable | | |
| 3 | 2021-22 | | | Not applicable | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

9. Specify the reason(s), if any company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:

Corporate Social Responsibility provisions became applicable to the Company first time in the Financial Year 2022-23. The Company was not familiar with the provisions of CSR. After, it came to know about this liability, the Company started looking into appropriate and eligible projects as per Schedule VII of the Act. However, no such projects could be identified in time to utilize the CSR obligation for the year, and owing to the lack of any earlier experience and expertise in CSR activities, the management found it appropriate that, instead of retaining the funds without concrete action plan, pursuant to the second proviso of sub section (5) of Section 135 of the Act, the unspent CSR amount this time shall be transferred to any of the funds prescribed under Schedule VII of the Act within six months from the end of the financial year.

For Samrat Forgings Limited

Date: 12.08.2023
Place: Derabassi

Rakesh M Kumar
Managing Director
(DIN: 00066497)

Ritu Joshi
Director
(DIN: 01598873)

A.P.S. Grover
Chief Financial Officer