



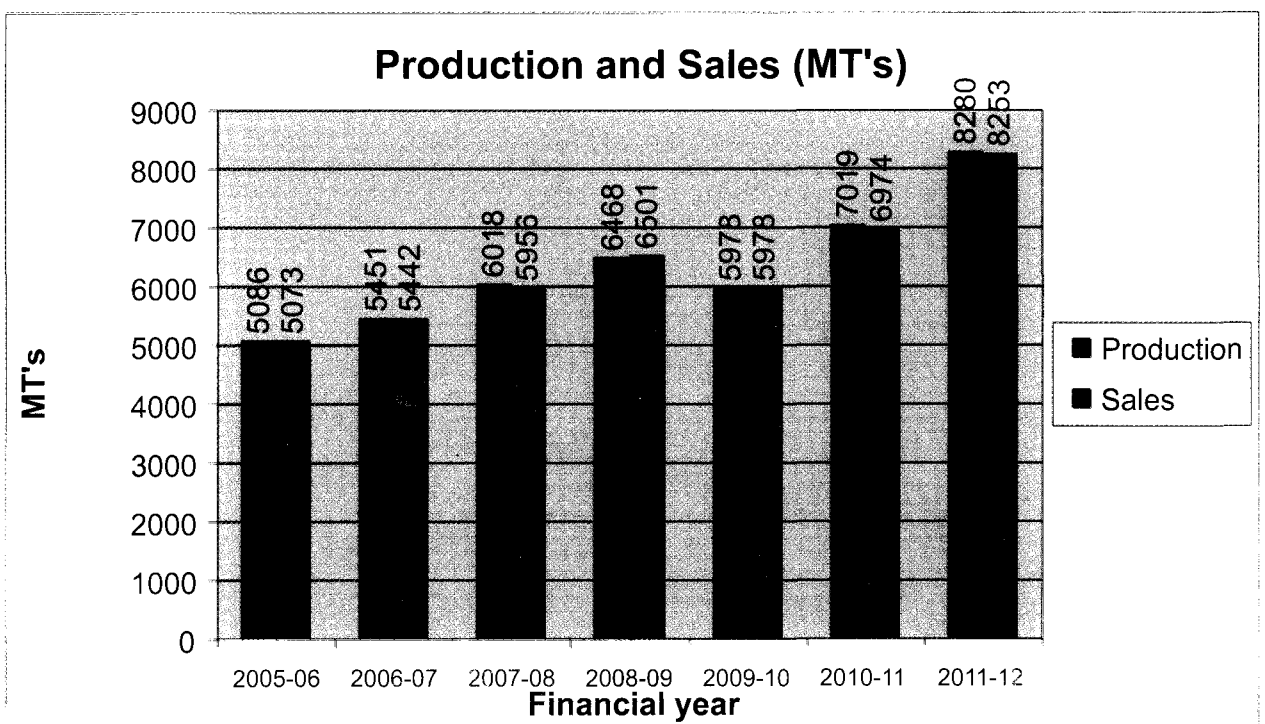
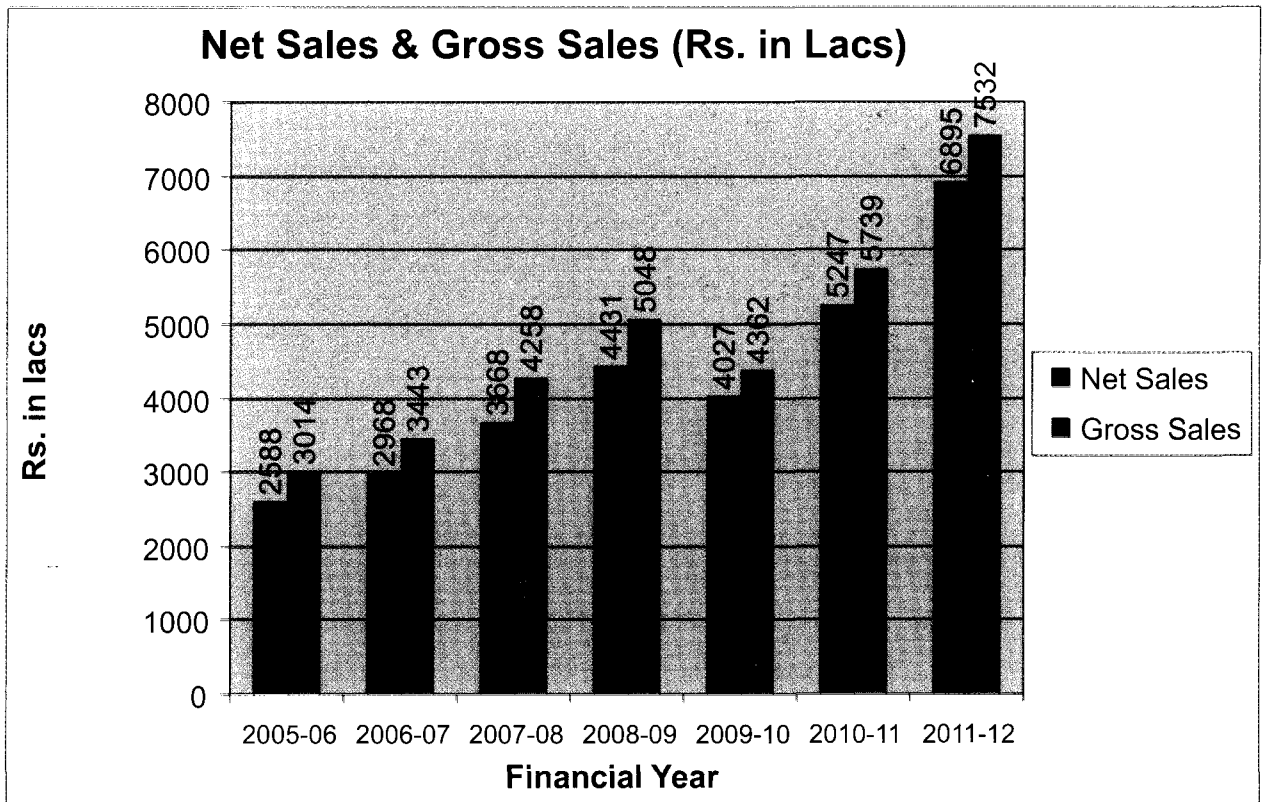
Annual Report
2011-2012

Samrat Forgings Limited

31st ANNUAL REPORT 2011-12



Samrat Forgings Limited





SAMRAT FORGINGS LIMITED

31st ANNUAL REPORT 2011-12

BOARD OF DIRECTORS

CHAIRPERSON

Mrs. Bindu Chowdhary

MANAGING DIRECTOR

Mr. Rakesh M. Kumar

DIRECTORS

Mrs. Ritu Joshi

Mr. Ajay Kapoor

Mr. Ajay Kumar Arora

Mr. Ashok Lakhanpal

Mr. Puneet Varma (Nominee PSIDC)

COMPANY SECRETARY

Mr. Sandeep Kumar

AUDITORS

Jain & Associates

Chartered Accountants

SCO : 819-820, Sector 22-A, Chandigarh

BANKERS

The Jammu & Kashmir Bank Ltd.

Sector 17, Chandigarh

REGISTERED OFFICE

245, Sector 15-A,

Chandigarh-160 015

WORKS & ADMN. OFFICE

Village & PO Ghollu Majra,
Chandigarh - Ambala Highway

Tehsil : Dera Bassi,
Distt. Mohali (Punjab)

CNC MACHINING UNIT

Village Bhankepur,

Tehsil : Dera Bassi,

Distt. Mohali (Punjab)

REGISTRARS AND TRANSFER AGENTS

MAS Services Ltd.

T-34, 2nd Floor,

Okhla Industrial Area,

Phase-II,

New Delhi-110020

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NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of Samrat Forgings Limited will be held on Saturday, the 29th September, 2012 at 11.00 A.M. at the Registered Office of the Company at # 245, Sector 15-A, Chandigarh- 160 015 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Profit & Loss Account for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Bindu Chowdhary, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Ajay Kumar Arora, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorise the Board of Directors / Audit Committee to fix their remuneration.

M/s Jain & Associates, Chartered Accountants, are the retiring Auditors and being eligible, offer themselves for reappointment.

By order of the Board of Directors
For Samrat Forgings Limited

Place: Chandigarh
Dated: 30th August 2012

(Sandeep Kumar)
Company Secretary

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not to be a member of the Company.
2. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting and the proxies shall not have any voting rights except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2012 to 29.09.2012 (both days inclusive) pursuant to the provisions of section 154 of the Companies Act, 1956.
4. Members are requested to bring their copy of Annual Report to the Meeting.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company at least 7 days before the date of the meeting so that information required may be made available at the meeting.
6. Members / proxy holders are requested to produce the attendance slip duly completed and signed, for admission to the meeting hall.
7. Shareholders are requested to immediately intimate the change in address and bank details, if any, to the Company's Registrar and Share Transfer Agent i.e. M/s Mas Services Ltd, at T- 34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi- 110 020 with their Folio number / DP ID / Client ID.
8. All documents referred in the notice are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Annual General Meeting.
9. At the ensuing Annual General Meeting Mrs. Bindu Chowdhary and Mr. Ajay Kumar Arora, Directors of the Company retire by rotation and being eligible, offers themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement the particulars of the above said Directors are given below:

I. Mrs. Bindu Chowdhary

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

Mrs. Bindu Chowdhary is holding 10 Equity Shares as on 31st March, 2012.

Other Directorship:

Mrs. Bindu Chowdhary was director in following other Companies as on 31.03.2012:

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

II. Mr. Ajay Kumar Arora

Mr. Ajay Kumar Arora is an Independent Director. He is Bachelor of Law (LLB) from Punjab University and a Fellow Member (FCS) of the Institute of Company Secretaries of India. He is a



practicing Company Secretary for the last 25 years approx. and has rich industrial experience to his credit. He is on the board of directors of the Company as an independent director since 2010 and providing his consultancy / advisory services relating to all secretarial, legal and financial issues.

Mr. Ajay Kumar Arora is not holding any share of the Company as on 31st March, 2012

Other Directorship:

Mr. Ajay Kumar Arora was director in following other Companies as on 31.03.2012:

1. Kudos Chemie Ltd
2. Devine Impex Ltd
3. Indian Yarn Ltd
4. Innovative Metering Solutions Pvt Ltd
5. Rikken Instrumentation Ltd

By order of the Board of Directors
For Samrat Forgings Limited

Place: Chandigarh
Dated: 30th August 2012

(Sandeep Kumar)
Company Secretary



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2012. The financial highlights for the year under review are given below:

1. FINANCIAL RESULTS

(Rs. in lacs)

For the year ended	31.03.2012 (Current Year)	31.03.2011 (Previous Year)
Gross Sales including Job Work	7532.15	5,738.84
Less: Excise Duty	636.92	491.72
Net Sales	6895.23	5,247.12
Other Income	21.58	10.59
Profit before Interest, Depreciation & Tax	616.93	586.70
Interest	323.05	245.82
Depreciation	105.62	100.35
Net Profit before Tax	188.26	240.53
Provision for Tax	41.48	76.37
Provision for deferred Tax	34.32	10.22
Profit after tax available for appropriation	112.46	153.94
Transfer to General Reserve	Nil	Nil

2. OPERATIONS

Your directors have reasons to be satisfied about the financial and operational performance of the Company as it has continued to surpass all its previous records and has achieved a positive sales growth. Through the constant efforts put by the directors and employees in internal initiatives on production enhancement, cost optimization and a congenial work environment, the Company has registered its record turnover of Rs. 7532.15 Lacs during the year ended on March 31, 2012 as against sales turnover of Rs. 5738.84 Lacs during the corresponding previous financial year, reporting a growth of 31.25%. However, the company could achieve net profit after tax of Rs. 112.46 Lacs as compared to the previous year's figure of Rs. 153.94 Lacs on the back of substantial increase in all inputs i.e. steel, furnace oil, labour / wages, power & electricity expenses etc. Your directors are expecting and putting constant efforts to further improve / increase the production, sales and profitability and post much improved results during the year 2012-13.

3. FUTURE OUTLOOK / EXPANSION

The Company is growing at a fast pace and achieving much improved results year by year and resulting to the same, during the year ended March 31, 2012, the company has achieved its record turnover of Rs. 7532.15 Lacs. The Company has installed some new machinery and further expansion is in progress to the capacity to meet with the customers demand. The Company has already started export and more export orders are expected during the current financial year.

The company is regularly conversing with its bankers and other financial institutions to provide financial assistance for the expansion in production facilities and it is expected that with the installation of new machinery and by up gradation of technology, the production level and sales would be further improved during the current year. The company has signed a MOU with Mahindra & Mahindra for supply of machined crankshafts. During the current year, your directors expect to start supply of crankshafts and sales and profitability will get a big boost.

4. CAPITAL STRUCTURE

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

5. DIVIDEND

Considering the further expansion and up gradation of technology plans of the organization, your



Directors do 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.

6. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public covered under section 58A of the Companies Act, 1956 nor there were any fixed deposits to be repaid during the financial year under review.

7. DIRECTORS

During the year under review, Sh, J C Chowdhary, founder and Chairman & Managing Director of the Company left for heavenly abode in May, 2011 resulted an irreparable loss to the Company.

Mr. Ajay Kumar Arora, Mrs. Ritu Joshi and Mr. Ashok Lakhanpal who have been inducted as additional directors of the Company have been regularized as Directors liable to retire by rotation in the Annual General Meeting of the Company held on 30th September, 2011.

Pursuant to Section 256 of the Companies Act, 1956 and Articles of Association of the Company Mrs. Bindu Chowdhary and Mr. Ajay Kumar Arora, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The brief resume of the Directors who are to be re-appointed, the nature of their expertise and names of the Companies in which they have held directorship etc are furnished in the notes forming part to the notice of the ensuing Annual General Meeting.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- (ii) That we 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 at the end of financial year and of the profit & loss of the Company for that period.
- (iii) That we have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That accounts have been prepared on going concern basis.

9. AUDITORS

M/s Jain & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend for their re-appointment.

The Auditor's Report is self -explanatory and does not require any explanation by the Board.

10. ISO / TS CERTIFICATION

Your Directors are pleased to inform you that the Company continues to be holder of ISO / TS – 16949 : 2002-Markblatt WO Certification from TUV Rheinland. Regular audits are conducted under this Certification.

11. INTERNAL CONTROL SYSTEM

An optimum internal control system is implemented by the Company which is well commensurate with the size and nature of business of the Company and ensures control over its various functions in its business. The effectiveness of the internal control system has been reviewed by the internal audit process. The main attention of the internal control procedure is on management of business and operational risks, the efficient use and protection of assets and resources of the Company, to protect these against loss from unauthorized use, recording and reporting of all financial transactions to assure reliability & promptness and compliance with all applicable laws.

12. BANKERS

Your Company is banking with The Jammu & Kashmir Bank Ltd, which has been providing financial assistance to the Company for various purposes. Your directors wish to place on record their heartiest gratitude for their co-operation in all aspects.

13. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a report on compliances of



Corporate Governance and certificate from Ms. Parul Arora, Company Secretary regarding compliance of conditions of corporate governance is annexed in the Annual Report.

14. MANAGEMENT DISCUSSION AND ANALYSIS

The detailed report of Management Discussion and Analysis is separately provided in the Annual Report.

15. STATUTORY DUES

The Company is regular in paying its statutory dues on time like Sales Tax, VAT, Excise Duty, Income Tax, P.F. & E.S.I.

16. SAFETY, POLLUTION & QUALITY CONTROL

The Company consider its workers and employees the most valuable assets and 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 or regular intervals. There were no major accidents in the plant during the year. Further, there are no effluents, which require treatment. Stringent quality control for all products and raw materials has been incorporated and the Company has well equipped laboratory to ensure quality control.

17. INDUSTRIAL RELATIONS

The Company continued to maintain very healthy, cordial and harmonious industrial relations at all levels and your Directors wish to place their sincere gratitude to the workers and employees at all levels to maintain a gracious working atmosphere and for their hard work, dedication and commitment because of which the Company is continuously maintaining pleasant industrial relations.

There was no conflict between workmen and the management during the year.

18. INVESTORS' RELATIONS

The Company has always endeavors to give response to shareholders' requests / grievances immediately. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply. The Company has received one grievance from a shareholder and the same has been resolved to the satisfaction of the shareholder during the financial year 2011-12.

19. PARTICULARS OF EMPLOYEES

In accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, the names and other particulars of employees are set out in Annexure to this Report.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The information relating to conservation of energy, technology absorption, foreign exchange earning & outgo is given in annexure forming part of this report in accordance with the Companies (Disclosure of the particulars in report of Board of Directors) Rules, 1988.

21. ACKNOWLEDGEMENT

Your Directors wish to place on record their grateful appreciation for the co-operation from the bankers, financial institutions and various government authorities. The Directors also wish to place there sincere thanks to the shareholders for their continued support and confidence reposed by them in the management of the Company and look forward to their valuable support for the future plans of the Company. Last but not the least, your Directors greatly appreciate the commitment and dedication of the Executives, Staff and Workers of the Company at all levels that has contributed to the growth and success of the Company.

By order and on behalf of the Board

For Samrat Forgings Limited

Place: Chandigarh

(Rakesh M. Kumar)

(Bindu Chowdhary)

Dated: 30th August, 2012

Managing Director

Director

**ANNEXURE TO THE DIRECTORS' REPORT**

Pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended, the names and other particulars of employees are as under:

Sr. No	Name	Age (years)	Designation	Qualification	Date of Joining	Experience (years)	Gross Remuneration (Rs.)	Previous Employment and designation
1.	Sh. Rakesh M. Kumar	46	Managing Director	B. E., MBA	1 st June, 1994	18	28,09,360 (Full Year)	Nil
2.	Sh. J.C. Chowdhary	75	Chairman & Managing Director	B.A.	Since Incorporation	43	4,12,850 (Part of Year)	Nil