

**S. S. FORGINGS
&
ENGINEERING LIMITED**



**ANNUAL REPORT
2010 – 2011**



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Suresh Sharma	- Managing Director
Mr. Sachin Sharma	- Executive Director
Mr. Daljeet Singh Matharu	- Executive Director
Mr. Giriraj Prasad Sharma	- Independent Director
Mr. Rajen Navnitlal	- Independent Director
Mr. Hemant Kokatay	- Independent Director

AUDITORS

Ashish Vyas & Co.
Chartered Accountant
12, Civil Lines, Opp. BJP Office,
Behind Chamunda Complex,
Dewas - 455 001.
Tel. No. 0722 - 252833

REGISTERED OFFICE

1011, Embassy Centre,
207, Nariman Point,
Mumbai - 400021
Tel: 022-22823367/68
Fax: 022-2283 2445
Email: sales@ssforgings.com

CORPORATE OFFICE

1011, Embassy Centre,
207, Nariman Point,
Mumbai-400 021
Tel: 022-22823367/68
Fax: 022-2283 2445

NEW PROJECT LOCATION

Plot No. - T-6, MIDC,
Nardhana Industrial Area,
Nardhana, Dhule,
Maharashtra

REGISTRAR AND SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Est.,
Behind Creative Ind. Est. Off.,
N.M. Joshi Marg,
Lower Parel (E), Mumbai- 400011
Tel: 022- 23016761
Fax: 022- 23012517

ANNUAL GENERAL MEETING

Date: 29th September 2011
Time: 1.30 P.M.
Place: 1011, Embassy Centre, 207, Nariman Point,
Mumbai-400 021



S.S. FORGINGS AND ENGINEERING LIMITED

S.S.FORGINGS AND ENGINEERING LIMITED

(Regd. Office:- 1011, Embassy Centre, 207, Nariman Point, Mumbai-400021)

NOTICE

Notice is hereby given that the Annual General Meeting of M/s S.S.FORGINGS AND ENGINEERING LIMITED will be held on Thursday the 29th day of September 2011 at 1.30 P.M. at the Registered Office of the Company at 1011, Embassy Centre, 207, Nariman Point, Mumbai-400 021 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Daljeet Singh Matharu and Shri Giriraj Prasad Sharma who retires by rotation and being eligible offers themselves for reappointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

**By Order of the Board of Directors
For S.S.FORGINGS & ENGINEERING LIMITED**

Place: Mumbai

Suresh Sharma

Dated: 20/08/2011

Chairman



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. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
3. REAPPOINTMENT/ APPOINTMENT OF DIRECTORS :-

AT THE ENSUING ANNUAL GENERAL MEETING, SHRI DALJEET SINGH MATHARU AND SHRI GIRIRAJ PRASAD SHARMA, DIRECTORS OF THE COMPANY ARE LIABLE FOR RETIRE BY ROTATION AND ELIGIBLE OFFER THEMSELVES FOR REAPPOINTMENT.

PURSUANT TO CLAUSE 49 (VI)(A) OF THE LISTING AGREEMENT RELATING TO THE CODE OF CORPORATE GOVERNANCE, THE PARTICULARS OF AFORESAID DIRECTORS ARE GIVEN BELOW:-

Shri Daljeet Singh Matharu and Shri Giriraj Prasad Sharma, HAVE VAST KNOWLEDGE OF ACCOUNTS, AUDITING, TAXATION, RESTRUCTURING, MANAGEMENT INFORMATION SYSTEM ETC. THEY ARE ASSOCIATED WITH THE GROUP COMPANIES IN VARIOUS CAPACITIES AND HAVE ACQUIRED KNOWLEDGE AND EXPERIENCE IN THE MANAGEMENT OF THE COMPANY. **

4. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY CHANGE IN ADDRESS, IF ANY, TO THE COMPANY.
5. THE REGISTER OF MEMBERS OF THE COMPANY AND THE SHARE TRANSFER BOOKS SHALL REMAIN CLOSED FROM 22/09/2011 TO 28/09/2011(both day inclusive).
6. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE AND EXPLANATORY STATEMENTS ARE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY ON ALL WORKING DAYS UPTO THE DATE TO ANNUAL GENERAL MEETING.

**DIRECTORS' REPORT**

To

The Members,

We have pleasure in presenting to you the Annual Report along with the audited accounts for the year ended on 31st March 2011

FINANCIAL RESULTS

(Amount in Rs.)

Sr. No.	Particulars	31.03.2011	31.03.2010
1.	Income	50,75,14,092	48,10,53,874
2.	Total expenditure		
	(i) Cost of Goods Sold	50,67,70,874	47,90,63,602
	(ii) Administrative Expenses	1,85,418	7,17,622
	(iii) Depreciation	6,73,631	3,94,560
3.	Profit/(Loss) before tax	(1,15,831)	8,78,089
	Provision for Taxation	-----	1,46,000
	Provision of FBT	-----	-----
	Provision for Deferred tax liabilities	2,92,851	2,85,644
5.	Profit after tax	(4,08,682)	4,46,445

DIVIDEND

Keeping in mind the expansion plans of the Company and also to conserve the resources of the Company and to utilize the resources for the new plant at Nardhana, Dist. Dhule, the Board of Directors does not recommend a dividend for the financial year 2010-11

REVIEW OF OPERATION AND FUTURE PROSPECTS

During the year under review the sales turnover of Rs. 51,99,04,704/- as compared to previous years of Rs. 47,96,68,395/-. The Company has concentrated its goal of consolidating and strengthening its marketing network, delivering quality products and cutting cost wherever possible. The net profit after tax of Rs. (4,08,682) as compared to previous year profit of Rs. 4,46,445/-.

The Company is planned to shift its whole operations to its new project location at MIDC, Nardhana Industrial Area, Dist. Dhule. As the company's plant and machinery at present location are turned into scrap and these are written down fully in the next financial year. The only asset left at the present location is land and building. Further more the governments is not provided any subsidy or exemption to the industry and in this recession time it is very difficult for the company to compete with others due to its increase cost of material.

NEW PLANT

Your Company is undertaking continuous endeavors for expansion of its domestic and overseas customers by implementing new facilities. For establishing manufacturing facilities, your Company has started work for its Nardhana Plant. The Company has already purchased land situated at MIDC, Nardhana Industrial Area, Dist. Dhule and taking off possession from MIDC Authorities. The power reached and water is still waiting to the site and the Company will start building construction activity there. The company expect to start production activity there in the current Financial year 2011-12.



DIRECTORS

Shri Daljeet Singh Matharu and Shri Giriraj Prasad Sharma are being liable for retire by rotation and offer themselves to appoint further as Directors of the Company.

The brief particulars of all directors, for which approval of members for their appointment or re-appointment are sought, have been provided in the Notice of Annual General Meeting pursuant to Clause 49 of the Listing Agreement relating to Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec 217(2AA) of Companies Act, 1956, the directors state that:

that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.

that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.

that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

that the directors have prepared the annual accounts on a going concern basis.

DEPOSITS

The company has not accepted any deposit from the public attracting the provisions of Sec 58A of the Companies Act 1956.

AUDITORS

The retiring Auditors, M/s Ashish Vyas & Co. Chartered Accountants, Dewas, being eligible, offer themselves for reappointment. They have furnished a certificate to the effect that their reappointment if made, would be within the prescribed limits under Sec 224(1B) of the Companies Act 1956.

AUDITORS' REPORT

Report of the auditors and their observations and notes to the accounts of the company for the year under review are attached herewith which are self-explanatory and do not require further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION & FOREIGN EXCHANGE EARNING AND OUTGO

This information required to be given under section 217 (1) (c) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Director) Rules 1988 is annexed herewith.



PARTICULARS OF EMPLOYEES

The information required under Sec 217(2A) of the Companies Act 1956 is not given as there was no employee in receipt of remuneration during the year, exceeding the limits prescribed by the Companies (Particulars of Employees) Rules, 1975 as revised.

LISTING

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's shares are being traded. The Company has paid Listing fees for the year 2010-11.

CORPORATE GOVERNANCE

Your Company is committed in following the highest standards of Corporate Governance. In this pursuit, your Company has a structure of corporate governance in place that ensures compliance of the provisions of Clause 49 of the Listing Agreement.

For fiscal 2011 the compliance report is provided in the Corporate Governance Report section of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to clause 49 of the Listing Agreement, Management discussion and analysis Report which forms part of this report is annexed.

ACKNOWLEDGEMENT

The company has developed a very cordial, warm and close relationship with the investors, various government and semi-government departments, banks and financial institutions, customers, suppliers and other service providers. The Board of Directors wish to gratefully acknowledge the co-operation, assistance and guidance received from all of them. The company could make the progress it has in these years due to the dedication and creativity of its staff at all levels. The Board of Directors wishes to place on record its warm appreciation for these efforts.

Date: 20-08-2011

Place: Mumbai

For and on behalf of the Board of Directors

(Suresh Sharma)
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The improvement in global economies is likely to offer much needed fillip to steel consumption in the region where clear focus on infrastructure development has already been prioritized. Therefore, steel consumption in the region is estimated to take a rebound steadily in 2011.

Your Company has entered into new arena of the business of projects and infrastructure development. These industries are poised for huge growth for several years to support the GDP growth of India. The Government of India has estimated the GDP to grow approximately at 8.4% for the financial year 2010-11.

OUTLOOK, OPPORTUNITIES AND THREATS

Opportunities are available both in the domestic and overseas markets. Your Company, to explore opportunities with existing and new customers, has developed dedicated account teams to focus on each customer. Your Company's expansion plans are very much a foot.

Your Company is undertaking continuous endeavors for expansion of its domestic and overseas customers by implementing new facilities. For establishing manufacturing facilities, your Company has started work for its Nardhana Plant. The Company has already purchased land situated at MIDC, Nardhana Industrial Area, Dist. Dhule and taking off possession from MIDC Authorities. The power and water has reached to the site and the Company will start building construction activity there. The company is expected to start production activity there in the Financial year 2011-12.

Your Company has proposed to diversify its activity in the business of projects and infrastructure development. As the company has taken up the new line of business, your directors are focusing towards this field. To unlock the potential and expertise of the management and in view of the available opportunities in infrastructure and related activities, the Company ventured into project and infrastructure development and related business. Accordingly, your Directors expect huge opportunity in these areas.

The Company being engaged in the Infrastructure and Realty sector and having expertise and support of group developers, it has huge potential for growth.

Your Company to address the concerns relating to rising interest rate, material cost, energy cost, availability of power and volatility in foreign exchange is taking steps to reduce the adverse impact on the profitability. Your Company is meeting the challenge at a global level by focusing on complex higher value adding products, design & development capabilities and entering into alliances.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has established internal control systems, which provide reasonable assurance with regard to safeguarding of the Company's assets, promoting operational efficiency and ensuring compliances with various statutory provisions. The internal Audit Department reviews internal control systems in various business processes and also verifies compliance of the laid down policies and procedures. Reports of the internal auditor are reviewed by the senior management and are placed before the Audit Committee of the Directors. The statutory auditor also reviews their findings with the senior management and Audit Committee.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The key performance indicators providing an insight into the performance of the company vis a vis previous year performance is presented below:

PERFORMANCE

(Amount in Rs.)			
Sr. No.	Particulars	31.03.2011	31.03.2010
1.	Income	50,75,14,092	48,10,53,874
2.	Total expenditure		
	(i) Cost of Goods Sold	50,67,70,874	47,90,63,602
	(ii) Administrative Expenses	1,85,418	7,17,622
	(iii) Depreciation	6,73,631	3,94,560
3.	Profit/(Loss) before tax	(1,15,831)	8,78,089
	Provision for Taxation	-----	1,46,000
	Provision of FBT	-----	-----
	Provision for Deferred tax liabilities	2,92,851	2,85,644
5.	Profit after tax	(4,08,682)	4,46,445

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

The industrial relations remained good across all locations. Human resource continued to be recognized as the most valued asset. The company is adequately manned with professionals in the field of Engineering, Finance and Administration etc. In order to meet the challenge of growth and new product line, the company has organized in-house training of its staff and workmen to improve soft skills, technical knowledge, work culture and efficient manufacturing practices.

The Company has formed work committee in order to increase workers participation in the management. This initiative has paid dividends and the Company has experienced improvement in efficiencies, overall workmen satisfaction and stability.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the company conducts business and other incidental factors.

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY:**

Corporate Governance at SSF has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of promoter Directors and professionally competent non-executive and independent Directors who have effective control over the affairs of the Company. The Board on a continuous basis monitors implementation of decisions taken and at the same time provides management and employees a stable environment to plan and execute strategy.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

2. BOARD OF DIRECTORS:**a) Composition of the Board**

In compliances with Corporate Governance norms, the Board comprises of 6 Directors with a Managing Director and 3 Non-executive Independent Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

b) Number of Board meetings, attendance of Director at Board Meeting and at the Annual General Meeting, outside directorship and Board Committee membership:

During the financial year 2010-11, the Board of Directors of the Company met 7 times 23/04/2010, 08/05/2010, 03/06/2010, 13/08/2010, 30/10/2010, 15/11/2010 and 14/02/2011. The interval between any two successive meetings did not exceed four calendar months.

Name of Director	Category	Attendance		No. of Directorships held in other Companies	
		Board	Last AGM	Public	Private
Shri Suresh Sharma	Managing Director	4	Present	5	15
Shri Sachin Sharma	Executive Director	4	Present	3	0
Shri Daljeet Matharu	Executive Director	3	Present	3	2
Shri Hemant Kokatay	Non Executive Independent Director	4	Present	2	3
Shri Giriraj Prasad Sharma	Non Executive Independent Director	2	Present	4	0
Shari Rajen Navnitlal	Non Executive Independent Director	2	Present	2	1



c) Code of Conduct

The Board of Directors have adopted a code of conduct for the Board members and senior management of the company. The said code has been circulated to the Directors and members of the Senior Management. The code has also been posted on the Company's website. The declaration by Shri Suresh Sharma, Chairman of the company, regarding compliance by the Board members and Senior Management personnel with the said code of conduct is attached to this report.

3. COMMITTEE OF THE BOARD

A. Audit Committee

I. Composition :

The Audit Committee comprises 3 director out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:

Shri Hemant Kokatay	Chairman
Shri Daljeet Singh Matharu	Member
Shri Sachin Sharma	Member

II. Reference:

The powers role and terms of reference of the audit committee covers the area as mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. These include oversight of company's financial reporting process and disclosures of financial information, reviewing the adequacy of the Internal Audit team, reviewing with management the quarterly / annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration.

Apart from the above, the Committee also reviews Management discussion and analysis, statement of related party transactions and the management letters and the response thereto by the management.

III. Meetings and attendance:

During the year 2010-11 the Audit Committee met 7 times 23/04/2010, 08/05/2010, 03/06/2010, 13/08/2010, 30/10/2010, 15/11/2010 and 14/02/2011. The attendance of members at the meetings was as follows:

B. REMUNERATION COMMITTEE:

I. Composition :

The Remuneration Committee comprises 3 director out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:



Shri Hemant Kokatay	Chairman
Shri Daljeet Singh Matharu	Member
Shri Sachin Sharma	Member

II. Reference:

- To review, access and recommend the appointment of managing/whole time directors
- To periodically review the remuneration package of managing/whole time directors and next level and recommended suitable revision to the Board.

III. Meetings and attendance:

No meeting was required to be held by this committee.

DETAILS OF REMUNERATION TO DIRECTORS:

We are pleased to inform that the Chairman and Board of Director is not withdrawn any amount against their remuneration due to requirement of funds in the Company.

C. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**I. Composition :**

The Audit Committee comprises 3 director out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:

Shri Hemant Kokatay	Chairman
Shri Daljeet Singh Matharu	Member
Shri Sachin Sharma	Member

II. Reference:

The Committee looks into redressing of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialization of shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors have delegated the power of approving transfer/transmission of shares to the Committee.

During the year 2010-11 the committee meets time to time to resolve to grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialization of shares, complaint letters received from Stock Exchanges, SEBI etc.

The total number of investor complaints received during the year under review was ----. All the complaints were resolved to the satisfaction of the shareholders.

Number of share transfers/ transmission/issue of Duplicate share certificate pending as on 31st March 2011 was NIL.

4. DETAILS OF GENERAL BODY MEETING:**I. The last three Annual General Meetings of the Company were held as under:**



Year	Location	Date	Time
2007-08	326-B, Karim Building, Besides Super Cinema, M.S. Ali Road, Grant Road, Mumbai -400 007	30/09/2008	2.30 PM
2008-09	1011, Embassy Centre, 207, Nariman Point, Mumbai 400 021.	12/09/2009	9.30 AM
2009-10	1011, Embassy Centre, 207, Nariman point, Mumbai- 400 021	30/06/2010	9.30 AM

- II. No special resolution was passed through postal ballot during the year ended on 31.3.2011 and no such resolution is proposed to be passed by postal ballot at the ensuing annual general meeting as well.
- III. No Special resolutions passed in the previous 3 General Meetings.

5. DISCLOSURES:

The Company had not entered into any transaction of a material nature which will have a conflict with its interest during the year.

All related party transactions are negotiated on arms length basis and are only intended to further the interests of the company

The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties/strictures have been imposed against it in the last three years.

The company has complied with the mandatory requirements of corporate governance under clause 49 of the Listing Agreement with the Stock Exchanges.

6. MEANS OF COMMUNICATION:

The quarterly and yearly financial results of the Company are published in the prominent daily newspapers having circulation in the region where the registered office of the company is situated. The quarterly/yearly financial results are also regularly sent to the Mumbai stock exchange where the Company's shares is listed as soon as the same are approved and taken on record by the Board of Directors of the Company.

The Management Discussion and Analysis report has been attached to the Directors Report and forms part of the Annual Report.

7. GENERAL SHAREHOLDERS INFORMATION:

a) Registered Office:

1011, Embassy centre,
207, Nariman Point,
Mumbai- 400 021

b) AGM, Date, Time & Venue:

The ensuing AGM will be held on the 29th September 2011 at 1.30 P.M. at 1011, Embassy Centre, 207, Nariman Point, Mumbai- 400 021.

c) Financial Calendar:



The Company follows April-March as its financial year. The Financial results for every quarter, beginning from April, are declared in the month following the quarter.

d) Date of Book Closure:

Commencement - 22nd September 2011
Ending - 28th September 2011
(Both days inclusive)

e) Dividend Payment date:

Dividend if any, declared in the forthcoming annual general meeting will be paid within 30 days of the date of declaration.

f) Listing on the Stock Exchanges:

The Bombay Stock Exchange Limited
P.J. Towers, Dalal Street, Mumbai-400001

g) Stock code:

Bombay Stock Exchange	Code	522296
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Demat ISIN Number in NSDL & CDSL: INE233G01016

h) Market Price Data:

The monthly High & Low Share prices of the company traded at the Stock Exchange, Mumbai from 1st April 2010 to 31st March, 2011 are given below:

Mumbai Stock Exchange		
Months	Months High Price Rs.	Months Low Price Rs.
April 2010	5.97	3.65
May 2010	7.61	5.09
June 2010	8.24	6.36
July 2010	6.93	5.05
August 2010	6.23	4.78
September 2010	5.60	4.55
October 2010	5.18	4.32
November 2010	4.73	4.01
December 2010	4.20	3.66
January 2011	4.35	3.13
February 2011	3.09	2.62
March 2011	3.44	2.45

i) Registrar and Share Transfer Agents

Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Est.,
Behind Creative Ind. Est. Off.,
N.M. Joshi Marg,



Lower Parel (E), Mumbai- 400011
Tel: 022- 23016761
Fax: 022- 23012517

j) Share Transfer System

The transfer/transmission of shares in physical form is normally processed and completed within a period of 21 days from the date of receipt thereof. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through the respective depository participants.

k) Dematerialization of Shares

As per the notification issued by the SEBI, the shares of the Company are traded compulsorily in dematerialized form by all investors with effect from 29/01/2001. The company's shares have been dematerialized to the extent of 43.94% as on 31.03.2011.

l) Distribution of Shareholding (as at the year end)

Category	No. Of Equity Shares	
	No. Of Shares	Shareholding %
Promoters	2256000	28.92
Bank, Mutual Funds & FIs	** 2000	0.03
Domestic Corporate Bodies	871845	11.18
Indian Public	3937355	50.47
NRIs/OCBs/FIIs	732100	9.38
Any other (Clearing Members)	1800	0.02
	7801100	100

m) Address for Correspondence

REGISTERED OFFICE

1011, Embassy Centre,
207, Nariman Point,
Mumbai – 400021
Tel: 022-22823367/68
Fax: 022-2283 2445
Email: sales@ssforgings.com

CORPORATE OFFICE

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REGISTRAR AND SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Est.,
Behind Creative Ind. Est. Off.,
N.M. Joshi Marg,
Lower Parel (E), Mumbai- 400011
Tel: 022- 23016761
Fax: 022- 23012517



Certificate

All the Board members and Senior Management Personnel have, for the year ended 31st March 2011, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Listing Agreement with Stock Exchanges.

Place: Mumbai
Date: 20-08-2011

SURESH SHARMA
Managing Director

Particulars		Amount
1. Salary		
2. Bonus		
3. Gratuity		
4. Provident Fund		
5. Other benefits		
6. Total		

AUDITOR'S REPORT

To,
THE MEMBERS OF
S.S.FORGINGS & ENGINEERING LIMITED
MUMBAI

1. We have audited the attached Financial Statements of **S.S.FORGINGS & ENGINEERING LIMITED** as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act 1956, we enclosed in the attached annexure a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

(vi) In our opinion and to best of our information and according to the explanations given to us, the said accounts read together with the notes thereon with specific mention to note 2) give the information required by the Companies Act, 1956 and in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.

- a. in the case of balance sheet, of the state of affairs of the company as at 31st March, 2011;
- b. in case of profit and loss account, of the profit for the year ended on that date ; and
- c. in case of cash flow statement, of the cash flows for the year ended on that date.

For Ashish Vyas & Co.
Chartered Accountants

(Ashish Vyas)
Proprietor
M. No - 078527

Place: Mumbai
Date: 20/08/2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011 OF S.S.FORGINGS & ENGINEERING LIMITED.

- (i) In respect of fixed assets
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its business.
 - c. According to information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) In respect of inventory and capital work in progress
 - a. According to the information and explanations given to us, the inventory and capital work in progress has been physically verified by the management during and at the close of the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory and capital WIP followed by the management as evidenced by the written procedures and instructions are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. The company is maintaining proper records of inventory and Capital WIP. As explained to us, no discrepancies were noticed on physical verification between physical stocks and book records.
- (iii) In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, the company has not granted any unsecured loans during the current financial year ending March 31, 2011. Though the company had outstanding advances to one party for Rs. 475000 which according to information and explanations given to us is in nature of share application money and no interest has been charged on the same.
 - b. According to the information and explanations given to us, the company has taken unsecured loans. The amount and number of parties involved are Rs. 255000 and 2 respectively. However we would like to draw attention towards Point No 11 in Notes to Accounts (Schedule 14).
 - c. The company is not paying/receiving any interest from these unsecured loans 301 parties.

- (iv) In our opinion and according to the information and explanations given to us, the company further needs to strengthen its internal control system for the purchase of inventory and fixed assets and for the sale of goods and services commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control
- (v) According to the information and explanations given to us, we are of the opinion that all contracts or arrangements which need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been entered. None of the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- (vi) According to the information and explanations given to us, the company has not accepted deposits from public during the year covered under the provision of section 58A or 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) *The company does not have an internal audit system commensurate with its size and nature of its business.*
- (viii) The Central Government has not prescribed maintenance of cost records for the products of the company under section 209(1) (d) of the Companies Act, 1956.
- (ix) In respect of statutory dues relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues:-
 - a. According to the information and explanations given to us, as on March 31st, 2010, there are no undisputed statutory dues appearing in the books of accounts which is payable by the company. However we would like to draw attention to Point no 1 in the Notes to Accounts (Schedule 14).
 - b. According to the information and explanation given to us there are no statutory dues which have not been deposited on account of any disputes.
 - c. *In our opinion there are instances where the company has not deducted/paid statutory dues in respect of expenses incurred/payment made.*
- (x) The company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year. However we would like to draw attention to Point No. 15 of Notes to Accounts (Schedule 15), in our opinion the same should be charged to Accumulated Reserve & Surplus of the Company.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank or financial institution as at the balance sheet date.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of clause 4(xiii) of the above said order are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the above said order are not applicable to the company.

- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks. Therefore, the provisions of clause 4(xv) of the above said order are not applicable to the company.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not taken term loans during the year, the provisions of clause 4(xvi) of the above said order are not applicable to the company.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet, the company has not raised short-term funds during the year; therefore the provisions of clause 4(xvii) of the above said order are not applicable to the company.
- (xviii) According to information and explanations given to us during the current financial year the company has not made any preferential allotment section 301 parties.
- (xix) According to the information and explanations given to us, the company has not issued debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.
- (xx) According to the information and explanations given to us, the company has not raised any money by way of public issue during the year. Accordingly the provisions of clause 4 (xx) of the above said order are not applicable to the company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Ashish Vyas &Co
Chartered Accountants

(Ashish Vyas)
Proprietor
M. No - 078527

Place: Mumbai
Date: 20/08/2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
of **S.S.FORGINGS & ENGINEERING LIMITED**

We have examined the compliance of conditions of Governance by **S.S.FORGINGS & ENGINEERING LIMITED** (" the company"), for the year ended on 31 march 2011, as stipulated in clause 49 of the listing Agreement of the said company with the Mumbai stock exchange.

The compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation there of , adopted by the company for ensuring the compliance of the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company,

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned Listing agreement,

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Ashish Vyas &Co
Chartered Accountants

(Ashish Vyas)
Proprietor
M. No – 078527

Place: Mumbai
Date: 20/08/2011

S.S.FORGINGS & ENGINEERING LIMITED**BALANCE SHEET AS AT 31ST MARCH,2011**

	Schedule	As at 31st March,11	As at 31st March,10
<u>SHAREHOLDERS' FUND</u>			
Share Capital	1	78,011,000	78,011,000
Reserve & Surplus	2	4,872,504	5,281,186
<u>LOAN FUNDS</u>			
Unsecured Loans	3	3,373,500	3,120,000
Deffered Tax Liability		578,495	285,644
TOTAL		86,835,499	86,697,830
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	4	54,854,154	54,854,154
Less:-Accumulated Depreciation		1,068,191	394,560
Net Block		53,785,963	54,459,594
INVESTMENTS	5	4,975,000	4,975,000
<u>CURRENT ASSETS LOANS & ADVANCES</u>			
Inventory	6	9,242,448	21,633,060
Receivable	7	531,161,646	24,534,064
Cash & Bank Balance	8	99,406	220,114
Loans & advances	9	13,711,300	13,560,650
		554,214,800	59,947,888
Less: Current Liabilities and Provisions	10	530,521,390	37,065,777
Net Current Assets		23,693,411	22,882,111
<u>MISC. EXPENDITURE</u>			
(To the extent not written off or adjusted)		4,381,125	4,381,125
TOTAL		86,835,499	86,697,830

Accounting Policies and Notes to Accounts 15
Read with Accounting Policies and Notes on Accounts.
As per our Report of even date attached.

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of
S.S.FORGINGS & ENGINEERING LIMITED

ASHISH VYAS
(PROPRIETOR)
M.No. 078527

SURESH SHARMA
(DIRECTOR)

SACHIN SHARMA
(DIRECTOR)

Place: Mumbai
Dated: 05/09/2011

S.S.FORGINGS & ENGINEERING LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011

Particular	Schedule	As at 31st March,2011	As at 31st March,2010
<u>INCOME</u>			
Sales	11	519,904,704	479,668,395
Other Income			234,163
Increase/Decrease In Stock	12	(12,390,612)	1,151,316
		507,514,092	481,053,874
<u>EXPENDITURE</u>			
Cost of Goods Sold	13	506,770,874	479,063,602
Administrative Expenses	14	185,418	717,622
Depreciation	4	673,631	394,560
		507,629,923	480,175,784
Profit before Tax		(115,831)	878,089
Provision for Income Tax		-	146,000
Provision for F B T			-
Provision for Deferred Tax Liabilities		292,851	285,644
Profit after Tax		(408,682)	446,445
Previous Year Income Tax			-
Balance B/F from Previous Year		2,131,186	1,684,741
Balance carried to Balance Sheet		1,722,505	2,131,186
<u>Earning per share</u>			
Basic [Nominal value of shares Rs. 78011000		(0.05)	0.06
(Previous Year : Rs.78011000)]		0.06	0.06
Diluted [Nominal value of shares Rs.			
(Previous Year : Rs.)]			
<u>No. of shares for calculating EPS</u>			
Basic		7,801,100	7,801,100
Diluted		7,801,100	7,801,100
Accounting Policies and Notes to Accounts	15		

Read with Accounting Policies and Notes on Accounts.
As per our Report of even date attached.

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of
S.S.FORGINGS & ENGINEERING LIMITED

ASHISH VYAS
(PROPRIETOR)
M.No. 075872

SURESH SHARMA
(DIRECTOR)

SACHIN SHARMA
(DIRECTOR)

Place: Mumbai
Dated: 05/09/2011

S.S.FORGINGS & ENGINEERING LIMITED

SCHEULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particular	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 1 :		
<u>Share Capital</u>		
Authorized Share Capital :		
9000000 Equity Shares of Rs.10/- each.	90,000,000	90,000,000
<u>Issued, Subscribed & Paid Up :</u>		
7801100 (Previous Year 7801100) Equity Shares of Rs.10/- each fully paid up	78,011,000	78,011,000
	78,011,000	78,011,000
SCHEDULE - 2 :		
<u>Reserve & Surplus</u>		
Share Premium	3,150,000	3,150,000
Profit and Loss Account		
As per Last Balance Sheet	2,131,186	1,684,741
Add: Profit/(Loss) B/f from Profit & Loss Account	(408,682)	446,445
	1,722,504	2,131,186
	4,872,504	5,281,186
SCHEDULE - 3 :		
<u>Unsecured Loans</u>		
From Companies	3,153,500	2,900,000
From Directors	220,000	220,000
	3,373,500	3,120,000
SCHEDULE - 5 :		
<u>Investments</u>		
Equity Investment in Quoted Shares (Valued at Cost: Previous Year Rs. 4975000)	4,975,000	4,975,000
	4,975,000	4,975,000
SCHEDULE - 6 :		
<u>Inventories</u>		
Stock In Trade	9,242,448	21,633,060
	9,242,448	21,633,060
SCHEDULE - 7 :		
<u>Receivables :-</u> (Unsecured & Considered Good).		
Exceeding Six Months	250,894,777	14,786,420
Less Than 6 months	280,266,869	9,747,644
	531,161,646	24,534,064
SCHEDULE - 8 :		
<u>Cash & Bank Balances :</u>		
Cash in Hand	50,425	145,425
Balance With Banks	48,981	74,689
	99,406	220,114

S.S.FORGINGS & ENGINEERING LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particular	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 9 :		
<u>Loans & Advances :</u>		
(Unsecured & Considered Good)		
Advance Recoverable in Cash or Kind	12,553,300	12,553,300
Advance Income Tax Paid	1,027,382	876,732
Duties and Taxes	130,618	130,618
	13,711,300	13,560,650
SCHEDULE - 10 :		
<u>Current Liabilities and Provisions</u>		
Sundry Creditors		
Sundry Creditors for Goods	528,272,264	34,778,540
Sundry Creditors for Expenses	96,518	134,039
Sundry Creditors for Others	1,402,410	1,438,000
Provisions for Income Tax	715,198	715,198
Provision for Audit Fees	35,000	
	530,521,390	37,065,777

S.S.FORGINGS & ENGINEERING LIMITED

SCHEULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	For Year ended 31st March,2011	Yead ended 31st March,2010
SCHEDULE - 11 :		
<u>Sales</u>		
Sales of Vatable Goods	0	349,867,892
Sales of Non Vatable Goods	519904704	129,800,503
	519,904,704	479,668,395
SCHEDULE - 12 :		
<u>Increase/Decrease in Stock of Finished Goods.</u>		
Closing Stock	9242448	21,633,060
Less : Opening stock	21633060	20,481,744
	(12,390,612)	1,151,316
SCHEDULE - 13 :		
<u>Cost of Goods Sold</u>		
Purchases of Vatable Goods		349,038,207
Purchases of Non Vatable Goods	506770874	130,025,395
	506,770,874	479,063,602
SCHEDULE - 14 :		
<u>Admin Expenses</u>		
Advertismet Expenses		9,968
Audit Fees	35,000	38,605
Bank Charges	4,655	4,520
Brokerage		9,852
Computer Expenses		4,581
Conveyance Exps	8,394	11,246
Custodian, Dmat, Listing and Share Transfer Fees	78,640	86,949
Director Remunaratation		75,000
Electricity Exps	24,549	28,359
General Exp.	9,876	66,775
Legal and Professional Fees	12,000	78,552
Postage and Courier Charges	1,684	10,303
Printing & Stationary	946	2,184
Repairs and Maintenance		-
Salary Expenses		272,812
Telephone Expenses	5,694	13,731
Travelling Expenses	2,803	4,185
Website Maintainance Charges		-
Service Tax	1,177	
	185,418.00	717,622

S.S. FORGINGS & ENGINEERING LIMITED

DETAILS OF FIXED ASSETS & DEPRECIATION CLAIMED THEREON UNDER COMPANIES ACT, ON S.L.M. BASIS FOR ACCOUNTING YEAR 2009-2010

SCHEDULE 4

(All figures in INR)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK			
		AS ON 1/4/2010	ADDITIONS	DEDUCTION	AS ON 31/3/2011	RATE	AS ON 1/4/2010	FOR THE YEAR	Deduction	AS ON 31/3/2011	AS ON 31/3/2010	
						(%)						
1	LAND & SITE DEVELOPMENT	1,250,812.00			1,250,812.00	-	-	-		-	1,250,812.00	1,250,812.00
2	LEASE HOLD LAND	300,000.00		-	300,000.00	-	-	-		-	300,000.00	300,000.00
3	FACTORY SHED	48,363,837.00			48,363,837.00					-	48,363,837.00	48,363,837.00
4	COMPUTER	4,155,650.00			4,155,650.00	16.21	394,560	673,630.87		1,068,191	3,087,459.14	3,761,090.00
5	MISC. FIXED ASSETS	783,855.00		-	783,855.00	-	-	-		-	783,855	783,855.00
	TOTAL INR	54,854,154.00	-		54,854,154.00		394,560.00	673,630.87		1,068,190.87	53,785,963.14	54,459,594.00
	PREVIOUS YEAR	50,398,504.00			50,698,504.00		-	-		-	50,698,504.00	50,398,504.00

Read with Accounting Policies and Notes on Accounts.
As per our Report of even date attached.

For ASHISH VYAS & CO.

CHARTERED ACCOUNTANTS

For S.S.FORGINGS & ENGINEERING LIMITED

ASHISH VYAS

(PROPRIETOR)

M.No. 078527

Dated: 05/09/2011

SURESH SHARMA

(DIRECTOR)

SACHIN SHARMA

(DIRECTOR)

S.S.FORGINGS & ENGINEERING LIMITED
Cash Flow Statement for the year ended 31st March, 2011

(All figures in INR)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
A. Cash Flow from Operating Activities		
Net Profit before Tax	(115,831)	878089
Adjustment for :		394,560
Depreciation	673,631	
Operating Profit before Working Capital Changes	557,800	1,272,649
Adjustment for Working Capital Changes		
(Increase)/Decrease in Stock in Trade	12,390,612	(1,151,316)
(Increase)/Decrease in Debtors	(506,627,582)	13,237,997
(Increase)/Decrease in Loans & Advances	(150,650)	(1,754,533)
Increase/(Decrease) in Current Liabilities	493,455,614	(5,046,524)
	(932,007)	5,285,624
Cash Generated from Operation	(374,208)	6,558,273
Taxes Paid		444,662
Cash Flow before Exceptional item	(374,208)	6,113,611
Net Cash from Operating Activities	(374,208)	6,113,611
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-	(4,155,650)
Sale of Investment	-	-
Net Cash used in Investing Activities	-	(4,155,650)
C. Cash Flow from Financing Activities		
Payment of Secured Loan	-	-
Increase in unsecured Loan	253,500	(2,040,000)
Share Application received	-	-
Net Cash used in Financing Activities	253,500	(2,040,000)
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)	(120,708)	(82,039)
Opening Cash and Cash Equivalents	220,114	302,153
Closing Cash and Cash Equivalents	99,406	220,114

AUDITORS CERTIFICATE

To Board of Directors

We have examined the attached Cash Flow Statement of S.S.FORGINGS & ENGINEERING LIMITED From the audited financial statement for the year ended 31st March,2011 and 31st march,2010 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of Directors
S.S. FORGINGS & ENGINEERING LIMITED

ASHISH VYAS
(PROPRIETOR)
M.No. 078527
Place: MUMBAI
Dated: 05/09/2011

SURESH SHARMA
(DIRECTOR)

SACHIN SHARMA
(DIRECTOR)

S.S.FORGINGS & ENGINEERING LIMITED

Accounting Policies and Notes to Accounts

SCHEDULE – 15

1. BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared to comply in all material respects with all the applicable accounting principles in India, the applicable accounting standard notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. SYSTEM OF ACCOUNTING

The company generally, follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. Financial Statements are based on historical cost. Those cost are not adjusted to reflect the impact of the changing value in the purchasing power of money

3. REVENUE RECOGNITION

- a) Domestic sales are recognized on transfer of significant risks and rewards to the customer which takes place on dispatch of goods from the stockyard / storage area.
- b) Sales are disclosed net of Sales Tax, Discount and Returns as applicable.

4. FIXED ASSETS

Fixed assets are carried at cost of acquisition or construction or at manufacturing cost in the year of capitalization less accumulated depreciation. The Capital WIP would be capitalized once the asset is completed.

5. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which each asset is put to use as part of the cost of that asset.

6. DEPRECIATION

- a) Fixed assets except leasehold land and vehicles are depreciated on straight line method on a pro-rata basis from the month in which each assets is put to use. Depreciation has been provided at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) Plant and machinery, the written down value of which at the beginning of the year is Rs. 5,000 or less, and other assets, the written down value of which at the beginning of the year is Rs. 1,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing Rs 5000 or less are depreciated at the rate of 100%.
- c) No Depreciation has been charged in the books except for Computer hardware and Software purchased and capitalized during the current financial year.

7. INVENTORIES

- a) Inventories are valued at the lower of cost, determined on the weighted average basis, and net realizable value
- b) Obsolete and Non-Moving Inventory of Raw Material, Stores and Spares is provided for on identification by the Management

8. INVESTMENTS

Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in the case of a permanent diminution in their value, in which case the necessary provision is made.

9. DEFERRED TAXES

Tax expense for the period, comprising current tax and deferred tax, is included in determining the net profit/(loss) for the year. Current tax is recognized based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate.

Deferred tax is recognized for all timing differences. Deferred tax assets are carried forward to the extent it is reasonably / virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

10. SEGMENT ACCOUNTING AND REPORTING

In addition to the significant accounting policies applicable to the business segment as set out in Point No 9 to Notes to Accounts, the accounting policies relating to segment accounting are as under:-

a. Segment Revenue and Expenses

Segment Revenue and Expenses those are directly attributable to the segment are considered for respective segments. For rest allocation has been done between segments & where there it is not possible to allocate, the same has been considered as unallocable revenue and expenses.

b. Segment Assets and Liabilities

All segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances.

NOTES TO ACCOUNTS

1. Contingent Liabilities

- Claims against the Company disputed and not acknowledged as debts – NIL
- The contingent liability which might arise from pending assessments under various statutes. In view of the management the effect of same is not ascertainable.

2. Information as required

	<u>Current Year</u>	<u>Prev. Year</u>
a) Estimated amount of Capital Contract outstanding	NIL	NIL
b) Claim against Company not acknowledged as debts	NIL	NIL
c) Advance against capital goods	NIL	NIL
d) Contingent liability not acknowledged as debt	NIL	NIL
e) Loans & Advances include due from Directors	NIL	NIL

f) Balance of Debtors, Creditors, Unsecured Loans, Loans & Advances are subject to confirmation and reconciliation and are stated in the ordinary course of business. Many of the accounts in which there is no movement/transactions during the previous financial years, are 100% recoverable and/payable in view of the management.

3. Auditors Remuneration

Particulars	FY 2010-2011	FY 2009-2010
For Statutory Audit	20000	20000
For Tax Audit	15000	15000

4. Foreign Exchange Transactions

EARNING	NIL
OUTGO	NIL

5. Quantitative Details –

During the previous financial year 2010-2011 the company has traded certain VAT free goods (Fabrics, Shirting's and Suiting) and certain vat able goods relating to hardware and software.

Items traded in category of vatable goods being many; hence quantitative detail of same can not be produced.

The details of SALES, OPENING STOCK AND CLOSING STOCK of VAT free goods are as under:-

Particulars	Fabrics		Shirting's		Suiting	
	Qty(in Mtr)	Amount	Qty(in Pcs)	Amount	Qty (in PCS)	Amount
Opening Stock	3,12,164.00	1,26,89,519.67	25,009.00	39,35,881.66	22,252.00	50,07,658.39
Purchases		**			22,54,946.00	50,68,70,874.0
Sales	2,20,198.00	89,80,000.00	24,519.00	39,23,040.00	22,53,000.00	50,70,01,664.0
Closing Stock	91,966.00	37,09,519.67	490.00	12841.66	24,198.00	55,20,447.39

6. Investments –

As required by AS-13 (Accounting for Investments) issued by ICAI, disclosure about quoted investment is as mentioned hereunder:-

Description of QUOTED INVESTMENTS

Name of Company	No of Shares	Book Value	MV as on 31.03.2011 on BSE	Market Value as on 31.03.2011
Brakes Auto India Limited (FV Rs. 10 per share)	91000	910000	Rs. 5.00	Rs.455000
Vertex Spinning Limited (FV Rs. 1 per share)	4065000	4065000	Rs. 1.41	Rs. 5731650

7. In the opinion of the management the balances of current assets, current liabilities, loans and advances, have a realizable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet. The balance standing the said accounts are subject to confirmation and reconciliations.

8. Earning Per Share –

Particulars	2010-11	2009-10
STATEMENT OF EARNINGS PER SHARE		
Net Profit after tax attributable to shareholders (INR)	-115831	446445
Weighted Average Number of Equity Shares Outstanding during the year	7801100	7801100
Nominal value per share (In Rupees)	10	10
Basic/Diluted Earnings Per Share (In Rupees)	-0.05	0.06

9. Related Party Transactions –

The Disclosure as per AS – 18 'Related Party Transactions'

- a) Key Managerial Person/ Directors/ Persons having significant influence in the company
- Suresh Sharma
- b) Relatives of a) above.
- Sachin Sharma
- c) Entities over which Company or Key Managerial Personnel or their relatives, exercise significant influence.
- Brakes Auto India Limited
 - Pithampur Steels Limited
 - Vertex Spinning Limited

Transactions with Related Parties during the year ended on 31.03.2011:

(In Rs.)

Transaction	(a)	(b)	(c)
Loans Taken			
Purchase of Goods	0	0	385438375
Sale of Goods	0	0	418248281

Closing balances as on 31.03.2011 with Related parties : (In Rs.)			
Transaction	(a)	(b)	(c)
Loans Taken	0	0	0
Purchases of Goods (Creditors)	0	0	364358372

In view of the management of the company the transactions entered, payments received and given are in ordinary course of business and are done at arm length price.

10. Segmental Reporting –

The reporting requirements of segmental reporting (AS-17) are not applicable on the company.

11. Deferred Tax

The computation of Deferred Tax Liability as on 31.03.2011 is as mentioned hereunder:-

PARTICULARS	AMOUNT (INR)
WDV as on 31-03-2011 of Fixed Assets as per Companies Act 1956	53,785,963.14
WDV as on 31-03-2011 of Fixed Assets as per Income Tax 1961	51,857,646.00
Difference	1,928,317.14
Effective Tax Rate	30.00%
Deferred Tax Liability as on 31.03.2011	578,495.14
Less: Recognized till 31.03.2010	285,644.37
Deferred Tax Liability for FY 2009-2011	292,851.00

The increased DTL is on account of difference in accumulated depreciation on certain fixed assets which have been acquired during the current financial year.

12. Regrouping/Rearrangement

Previous year figures have been regrouped or rearranged wherever necessary so as to make them comparable with current year classifications.

13. Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2010.

Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

14. Misc. Expenditure

The company has Rs. 4381125 standing to the debit of Misc Expenditure which in the view of the management would be taken to P&L account at later stages. The same should be adjusted from the General Reserve/Credit Balance of Profit and Loss Account of the company.

The Schedules referred to above form an integral part of the Balance Sheet & Profit & Loss Account.

As per our Report of even date attached

For and on behalf of

For and on behalf of the BOARD OF DIRECTORS

**For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS**

**ASHISH VYAS
PROPRIETOR
M.No. 078527**

**SURESH SHARMA
DIRECTOR**

**SACHIN SHARMA
DIRECTOR**

**PLACE: MUMBAI
Dated: 20/08/2011**

A/R

S.S.FORGINGS & ENGINEERING LIMITED					
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE					
I)	REGISTRATION DETAILS RegistrationNo. : 108685 State Code : 11 Balance Sheet Date : 31st March 2011				
II)	CAPITAL RAISED DURING THE YEAR PUBLIC ISSUE : NIL RIGHT ISSUE : NIL BONUS ISSUE : NIL PRIVATE PLACEMENT : NIL				
III)	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT IN THOUSAND) <table> <tr> <th><u>TOTAL LIABILITIES</u></th><th><u>TOTAL ASSETS</u></th></tr> <tr> <td>86,835</td><td>86,835</td></tr> </table> SOURCES OF FUNDS Paid up Capital : 78011 Reserves & Surplus : 4873 Secured Loans : 0 Unsecured Loans : 3374 Deffered Tax Liabilities : 578 APPLICATION OF FUNDS Net Fixed Assets : 53786 Investments : 4975 Net Current Assets : 23693 Miscellaneous Expenditure : 4381 Accumulated Losses : 0	<u>TOTAL LIABILITIES</u>	<u>TOTAL ASSETS</u>	86,835	86,835
<u>TOTAL LIABILITIES</u>	<u>TOTAL ASSETS</u>				
86,835	86,835				
IV)	PERFORMANCE OF COMPANY Total Income : 507514 Total Expenditure : 507630 Profit before Tax : -116 Profit after Tax : -409 Earning per Share : (0.05) Dividend Per Share : NIL				
V)	GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY: Item Code (ITC CODE) : Product Description :				
<p style="text-align: right;">For and on behalf of the Board of Directors S.S. FORGINGS & ENGINEERING LIMITED</p> <p style="text-align: center;"> (Suresh Sharma) (Sachin Sharma) Director Director </p>					