



# ATAM VALVES LIMITED

(FORMERLY ATAM VALVES PVT. LTD.)

1051, OUTSIDE INDUSTRIAL AREA, JALANDHAR CITY-144004, PUNJAB, INDIA.

T: 91-181-5001111, 5019616/617

F: 91-181-2290611

E-mail : sales@atamfebi.com

E-mail : marketing@atamfebi.com

Website : www.atamvalves.in

Dated: - 08<sup>th</sup> September, 2023

ATAM/SE/2023-24/42

To,

National Stock Exchange of India Ltd.,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051

Bombay Stock Exchange Limited,  
The Department of Corporate Services  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

**Sub: - 38<sup>TH</sup> Annual General Meeting - Regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Ref: - ISIN: - INE09KD01013

Scrip Code: - 543236

Symbol: - ATAM

Respected Sir/ Madam,

The **Thirty Eighth Annual General Meeting** (38<sup>th</sup> AGM) is scheduled to be held on **Saturday, September 30<sup>th</sup>, 2023 at 01:00 P.M. IST** through **Video Conference (VC) / Other Audio Visual Means (OAVM)**. The Company has engaged Central Depository Services (India) Limited ("CDSL") for providing E-voting services and VC/OAVM facility for this AGM. Details of e-voting are as follows:

<b>Cut-off date for determining eligibility for the remote e-voting &amp; e-voting at the AGM</b>	23 <sup>rd</sup> September,2023(Saturday)
<b>e-Voting start date and time</b>	27 <sup>th</sup> September,2023(Wednesday) and 9:00 A.M IST
<b>e-Voting end date and time</b>	29 <sup>th</sup> September,2023(Friday) and 5:00 P.M. IST

The copy of Annual Report along with the Notice of the 38<sup>th</sup> AGM which is being sent only through electronic mode to the Members, who have registered their e-mail addresses with the Company/ Depositories in accordance with regulation 34 of the SEBI LODR, is enclosed herewith and the same is also available on the website of the Company at <https://www.atamvalves.in/investor-relations/>.

We request you to take the above on record as compliance with relevant regulations of SEBI LODR and disseminate to the stakeholders.

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Thanking You,  
Yours Sincerely,

For Atam Valves Limited

Natisha Choudhary  
(Company Secretary & Compliance Officer)

Encl: as above



Valves, Fittings & Boiler Mountings



Ball Valves

The background of the cover features a high-speed photograph of water splashing, with a blue ball valve partially visible on the left side. The water droplets are captured in mid-air, creating a dynamic and fluid appearance.

# Flowing Fast

**Atam Valves Limited**

Annual Report 2022-23



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At Atam, we have unlocked appreciable value for all our stakeholders by patiently strengthening our competitive edge. Having reported our best performance in FY23, a period that endured waves of volatility and uncertainty, we are all set to up the flow a few notches higher.



A background image featuring a large, clear water droplet in the center, surrounded by a dynamic splash of water on the right side. The splash includes several smaller droplets and a golden-colored mechanical component, possibly a valve or fitting, partially submerged in the water. The overall scene is set against a light, bright background, suggesting a clean and high-tech environment.

Who we are

# ATAM is a leading Industrial & Plumbing Valves and Fittings manufacturer known for innovation and product quality.

Started in 1982 by our Founder and Chairman, Mr. Vimal Parkash Jain, ATAM Valves Limited is a well-recognized industrial and plumbing valves and fittings manufacturing Company in India. As on date, we are a publicly listed entity actively traded on the National Stock Exchange and Bombay Stock Exchange.

We maintain a significantly extensive product portfolio of valves that operate between -1920C and 5500C and are used in diverse applications across sectors.

Our integrated facility houses cutting-edge technology and sophisticated equipment, which enable it to straddle the entire value chain – design – manufacture – delivery.

Our manufacturing facilities are complemented by a comprehensive sales & distribution network that cater to our clientele through our strategically located warehouses across India and abroad. Our products are deployed in 09 nations across the world.

Headquartered at Jalandhar, the Company's shares are listed on The BSE Limited and National Stock Exchange of India Limited.



## Numbers that define us

196+

Strength of workforce

300,000

Total manufacturing area (sq. ft.)

12 cr

Average monthly production of valves

750

No. of Dealers

500+

SKUs

35

Clients

### Vision

Ability to dream, to do something big and strong.

### Mission

To endeavour its position as the global leader in valve engineering and manufacturing.

### Values

Total commitment to innovation, quality and product integrity that attracts trust and confidence



# Our products & their applications



## Gate Valves

Oil & gas, chemical, wastewater plants, food processing



## Globe Valves

Oil & gas, manufacturing, pharma, automotive, marine, residential complex



## Non-return Valves

Nuclear industry, pharma, power plants, laboratories, fuel system



## Ball Valves

Oil & gas, manufacturing, chemical storage, residential building.





### Butterfly Valves

Cooling water, gas, air, fire protection, slurry, vacuum service, high-pressure and high-temperature water and stream services



### Plug Valves

Air, gas vapour, slurry, mineral ore, sewage applications, oil piping systems



### Parallel Slide (Blow Down) Valves

Boilers manufacturing



### Safety Valves

All major industries, including but not limited to oil & gas, chemical, pharma.



## Pressure Reducing Valves

Air compressor, aircraft & aerospace, oxyfuel welding & cutting, mining industries



## Steam Traps

Chemicals, food & beverage, oil & petrochemicals, pulp & paper, pharmaceuticals



## Fusible Plugs

High-performance aircraft wheel, steam boiler



## Water Level Gauges

Chemical plants, electrical stations or liquid storage system





### Strainers

Pumps, meter control valves, steam traps, regulators and other process equipment



### Stainless Steel & High-pressure Steel Fittings

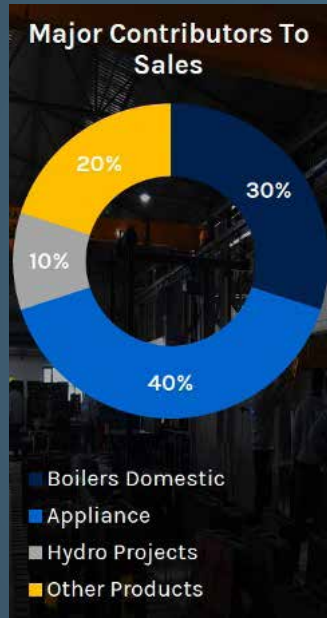
Aerospace, nuclear power generation, automotive industries



**Top 15 of our clients contribute 80% of total sales**

# Industries we cater to

 Oil & gas refineries	 Petrochemical industries	 Power generation plants	 Boiler manufacturing
 Power transformer manufacturer	 Sugar industries	 Textile industries	 Rubber industries
 Pharmaceutical industries	 Chemical industries	 Fertilisers industries	 Paper industries
 Processing industries	 Marine & Ship building	 Infrastructure & household	 Plumbing



# Our facilities

## Design House

We have best-in-class design and analysis software and highly qualified engineers employed, allowing us to design products as per customers' requirements in-house.

## Manufacturing capability

We have our forging unit and heat treatment furnaces. Our workshops are organized according to the materials used for manufacturing the products. We develop valves using more than six different materials.

## Testing facility

We also maintain a state-of-the-art laboratory for testing and quality control, where we have installed highly sophisticated testing machines. We do both destructive and non-destructive testing in our facility and plan to start cryogenic and fire-safe tests.

# Our marquee clients







# Our business advantage

## **Rich industry experience**

We possess more than three decades of industry experience, which equips us with deep insights into the finer business nuances and trends. This knowledge lets us stay ahead of the sectoral curve and proactively prepare for emerging opportunities. It also helps us better align our products, solutions and services to meet customer expectations.

## **Infrastructure**

Our integrated manufacturing facility comprises in-house design & development, casting, machining & welding, assembly, lab testing, pressure testing, painting & packaging.

## **Manufacturing Capability**

We have three different foundry shops for three different metallurgies, e.g., non-ferrous metals, stainless steel and carbon & alloy steel. Moreover, we have expertise in multiple manufacturing processes, e.g., shell moulding for non-ferrous alloys, investment casting for stainless steel, and no bake moulding for carbon and alloy steel, providing us the bandwidth to innovate and customise products and solutions.

## **Large product portfolio**

We have 500+ SKUs in our portfolio that cater to diverse sectoral needs. Many of these products are customized as per clients' requirements. It de-risks the Company from an over-dependence on any one sector or a handful of customers. Moreover, our passion for innovation allows us to rejuvenate our product basket with contemporary solutions that enhance our opportunity horizon.

## **Robust distribution network**

We sell our products through our 750+ registered dealers spread across different parts of India, serviced regularly by our strategically located warehouses. Our extensive sales network has created an expansive market presence, allowing us to capitalize on emerging opportunities effectively.

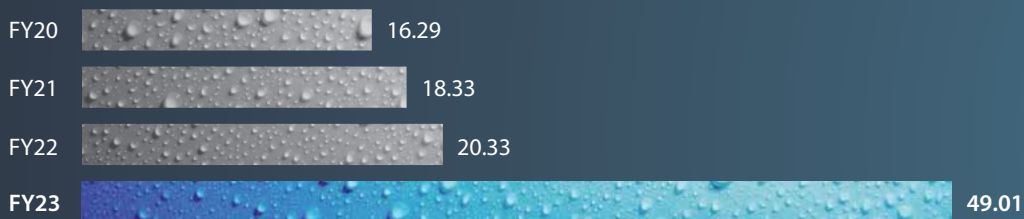
## **Diverse and industry-leading client base from multiple industries**

We cater to marquee brands in India Inc., some of whom are sectoral leaders. Our relationship with these brands is a testimony to our product quality. Moreover, our connection with them provides exciting insights into sectoral trends, allowing us to analyse and prepare for every possibility.



# Key performance indicators

## Revenue from Operations (₹ crore)



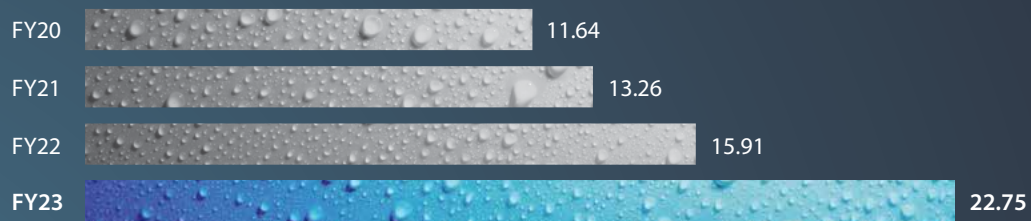
## EBITDA (₹ crore)



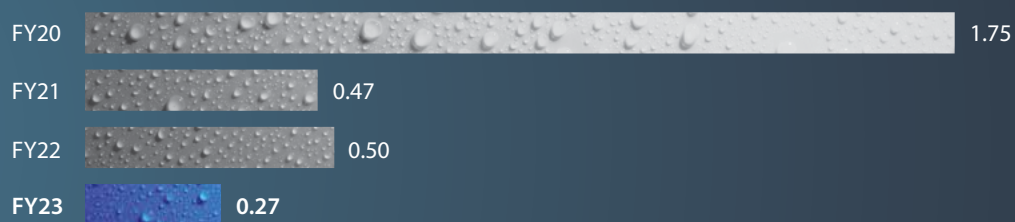
## Profit after Tax (₹ crore)



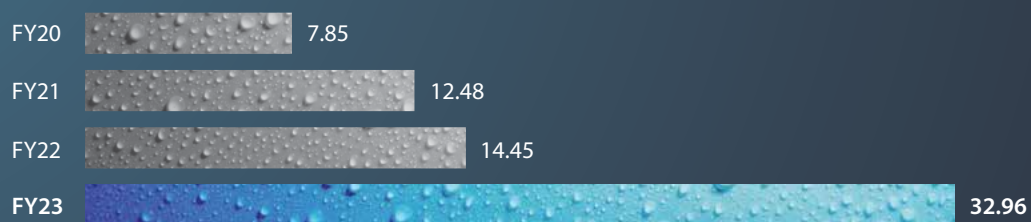
### EBITDA Margin (%)



### Debt-Equity Ratio (X)



### Return on Capital Employed (%)



### Earning per Share (₹)





Statement from the Chairman

“We are uniquely positioned to grow across segments and channels – both locally and globally, given the depth of our portfolio, sound technology, diverse manufacturing capability, strong financials, brand equity and, above all, a great team.”

*Dear Shareholders,*

I am pleased to write to you after another eventful year of progress. We are proud to have continued our industry-leading growth momentum through a year that was relentless with significant volatility and uncertainty owing to the ongoing war and supply chain constraints.

Our topline and bottomline numbers were at an all-time high. Business profitability improved a few notches higher. Our cash flow increased. In a nutshell, we made good progress. The growth resulted from some definitive steps in the right direction, which yielded heartening results.

We increased the strength of our sales team and widened our geographic presence. We introduced alluring schemes for our dealers and customers. We secured product approvals from large building contractors. These factors increased the flow of business opportunities.

FY23 was an important milestone from a product basket perspective. We introduced in-house developed and manufactured Stainless Steel Valves as a superior solution to imported brass valves. Since the product range is developed in-house, we could offer a wide range

of stainless steel valves for diverse applications. Our new product range received a reassuring response from our dealers and customers and strengthened our brand in the minds of marquee clients.

In addition, we significantly widened our product range from 12-inch dia valves to 36-inch dia valves. This product expansion strengthens our presence in the oil & gas and petrochemical sectors, which are relatively uncluttered opportunity spaces.





Our product development efforts helped increase the proportion of value-added products in our revenue mix. Additionally, we sharpened our focus on reducing costs and enhancing process automation on the shopfloor – the combination of these factors helped improve business profitability.

Having elevated the organisation into a new growth orbit, the challenge lies in sustaining our momentum in the current year.

### **FY24 and onwards...**

The current year will be exciting as Atam Valves is making an attractive diversification. We are adding a new vertical to our business—bathroom fittings.

For some time now, we have done our groundwork and market research, highlighting a yawning gap between the top-end international brands and the regional and local players. It is a space that serves our society's large and fast-growing middle and upper-middle sections but is relatively uncluttered.

Marketed under the 'Delle' brand, our bathroom fitting, currently outsourced, will cater to this market segment. We expect to commence operations of our manufacturing facility in FY24, after which we will manufacture all our products in-house and focus on widening our range to align with customer aspirations.

I am proud to state that the third generation of the promoter family, my grandson, is spearheading this vertical. I am confident that his expertise and energy will make this vertical a vital growth lever for the business over the coming years.

In our existing business, we will focus on manufacturing valves using special-grade inputs, which are in high demand in India and across the globe. This should help us grow our international business significantly over the coming years.

### **In closing...**

We are uniquely positioned to grow across segments and channels – both locally and globally, given the depth of our portfolio, sound technology, diverse manufacturing capability, strong financials, brand equity and, above all, a great team.

We stand committed to enhancing our products, processes, quality and customer orientation. And will work relentlessly towards sustaining our industry-beating performance in the current year.

Before I sign off, I thank my colleagues on the Board for their invaluable support and guidance. I thank the Atam team for their dedication and efforts in raising the bar for the organisation – your passion is inspiring. I also thank all our stakeholders for their support during our journey, without which we would not have been able to make it this far. I hope to receive your continued support as we move forward.

Warm regards

**Vimal Parkash Jain**  
Chairman



# A promising outlook

## Macro factors

India is progressing with passion and poise toward crossing the US\$ 5 trillion GDP mark.

India is all set to sustain its position as the fastest-growing major economy in the world, backed by the success of the Government's Production-Linked Incentive (PLI) Scheme.

The Scheme involves incentives of ₹1.97 lakh crore over five years and covers 13 sectors, such as telecom, electronics, auto parts, advanced batteries, pharmaceutical drugs, and solar energy components. It was also in tune with the Government's Aatmanirbhar Bharat campaign, as the PLI Scheme is expected to improve local manufacturing.

The PLI scheme is expected to bring in incremental investment of ₹7,920 crores, incremental production worth ₹1,68,000 crores, exports worth ₹64,400 crores, and earn direct and indirect revenues of ₹49,300 crores.



## Sectoral estimates

**Gas:** Currently, about 17,000 km of Natural Gas pipeline network is operational in the country. Moreover, there are plans to complete the National Gas Grid by developing additional 15,500 km (approx.) pipeline networks, which are at various stages of development. The goal is to achieve uniform economic and social progress across the country.

**City Gas Distribution:** City Gas Distribution (CGD) networks are a system of underground natural gas pipelines for supplying Piped Natural Gas (PNG) and Compressed Natural Gas (CNG) to domestic, commercial and industrial customers. The government estimates that about 50 million households will get PNG connections by 2030. Also, a target is set to increase the number of CNG stations to 10,000 by then. There's also a strong emphasis on the expansion of CGD networks across the country by covering 407 districts with the potential to make gas accessible to over 70% of the Indian population to enable the supply of cleaner cooking fuel to households,

industrial & commercial units as well as transportation fuel (such as CNG) to vehicles. An investment of ₹120,000 crore is envisaged towards this end over the next ten years.

**Water infrastructure:** India is also posed with the risk of a serious water crisis looming. The Jal Jeevan Mission launched by the Government of India in 2019 envisions providing safe and adequate piped drinking water to every rural household by 2024, and Rs.3.5 trillion has been allocated for this mission. The Government's Har Ghar Nal Se Jal programme announced in the Budget 2019-20 is an integral part of the Jal Jeevan Mission, and its goal is to implement sustainability measures such as greywater management, water conservation, and rainwater harvesting. In the 2023-24 budget, the Jal Jeevan Mission has again been prioritized, with the Government increasing its fund allocation by 15%. As of March 2023, India has invested US\$240 billion in the water sector through government resources and partnerships with private innovators.

**Pharmaceuticals:** Between FY18 and FY23, the Indian pharma industry witnessed an annual growth of 6-8%, owing to increased consumption in both domestic and foreign markets. But in 2023 alone, the Indian market grew by 5% to US\$ 49.78 billion with a modest export but robust domestic market growth. According to the CareEdge ratings, the Indian pharmaceutical industry is anticipated to grow at 7-8% in FY24-FY25, supported by a 6-7% growth in exports and an 8-9% growth in the domestic market during the same period.

**Chemicals:** The Indian chemicals industry is a significant player in the global market, ranking 6th in production and 14th in exports. The sector provides essential building blocks and raw materials for many industries, including agrochemicals, pharmaceuticals, textiles, paper, paints, and soaps. It is valued at US\$220 billion and projected to grow by approx. 9% p.a. during 2020-25 to reach US\$300 billion by FY 2025.

# Corporate Information

## Board of Directors

Mr. Amit Jain, *Managing Director*  
Mr. Vimal Parkash Jain, *Wholetime Director*  
Mrs. Pamila Jain, *Wholetime Director-cum-CFO*  
Mrs. Rajni Sharma, *Independent Director*  
Mr. Surinder Kumar Salwan, *Independent Director*  
Mr. Ravi Bhushan Jain, *Independent Director*

## Company Secretary & Compliance Officer

Mrs. Natisha Choudhary (A-39201)

## Audit Committee

Mr. Ravi Bhushan Jain, *Chairman*  
Mr. Vimal Parkash Jain  
Mr. Surinder Kumar Salwan

## Stakeholders' Relationship Committee

Mr. Surinder Kumar Salwan, *Chairman*  
Mr. Vimal Parkash Jain  
Mr. Amit Jain

## Nomination and Remuneration Committee

Mr. Rajni sharma, *Chairman*  
Mr. Ravi Bhushan Jain  
Mr. Surinder Kumar Salwan

## Statutory Auditor

M/s K.C. Khanna & Co.  
Chartered Accountants  
FRN: 000481N  
202, Stock Exchange Building,  
Feroze Gandhi Market,  
Ludhiana, Punjab

## Internal Auditor

M/s J.C. Arora & Associates  
Chartered Accountants  
1<sup>st</sup> Floor, Sohal Complex, Sehdev  
Market, Jalandhar, Punjab

## Secretarial Auditor

M/s Vishal Soni & Associates  
Company Secretaries  
2<sup>nd</sup> Floor, Star Complex, Basti Adda,  
Jalandhar, Punjab  
FCS 8876, CP 9876

## Registrar & Share Transfer Agent

Bigshare Services Private Limited  
Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai 400059 Maharashtra  
Tel: +91 – 22 -62638200  
Email Id:-info@bigshareonline.com

## Bankers

HDFC Bank Limited  
State Bank of India

## Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

## Listing of Shares on

BSE Limited, Mumbai  
NSE Limited, Mumbai

## Investor Relations

Mrs. Natisha Choudhary  
Email : cs@atamfebi.com  
Contact : +91-98152-01563



## ATAM VALVES LIMITED

Registered Office: - 1051, Industrial Area, Jalandhar, Punjab-144004  
 Website:-www.atamvalves.in, Email id:-marketing@atamfebi.com  
 Telephone Number: 0181-5001111, Fax Number: 0181-2290611  
 CIN: -L27109PB1985PLC006476

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38<sup>th</sup>(Thirty Eighth) Annual General Meeting ('AGM' or 'the Meeting') of the Members of Atam Valves Limited ("the Company") will be held on Saturday, September 30, 2023 at 01.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

#### ORDINARY BUSINESS (ES):

1. **To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with the reports of the Board of Directors and Auditors thereon.**

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

"RESOLVED THAT the Board's Report with Annexure, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2023 and the Financial Statement as at that date together with the Independent Auditors' Report thereon be and are hereby considered, approved and adopted."

2. **To declare a final dividend of ₹1.5/- per Equity Share of ₹10/- each fully paid for the financial year 2022-23.**

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

"RESOLVED THAT a final dividend of ₹1.5 per Equity Share of ₹10/- each aggregating to ₹1,58,22,000/- as recommended by the Board of Directors of the Company for the year ended March 31, 2023 be and is hereby declared and the same be paid to the eligible members of the Company."

3. **To appoint Ms. Pamila Jain (DIN:- 01063136) as a Wholetime Director of the Company being eligible, offers herself for re-appointment.**

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 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Ms. Pamila Jain (DIN: - 01063136), Executive Director, retiring

by rotation and being eligible for reappointment, has confirmed her eligibility and willingness to accept the office, be and is hereby reappointed as Executive Director of the Company."

#### SPECIAL BUSINESS (ES):

4. **Appointment of Mr. Parminder Singh (DIN:01526736) as an Non-Executive Independent Director.**

To consider and, if thought fit, to pass the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Act, read with Schedule IV and other applicable provisions of the Act (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), each as amended, and the Articles of Association of the Company, Mr. Parminder Singh (DIN:01526736), who meets the criteria of independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing September 30<sup>th</sup>, 2023 to September 29<sup>th</sup>, 2028 (both days inclusive)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things necessary, proper or desirable and to sign and execute all necessary documents, authority letters, applications and returns with Stock Exchange, SEBI, or any other authority."

5. **Appointment of Mr. Bhavik Jain (DIN:10241292) as Wholetime Director of the Company.**

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



“RESOLVED THAT pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) (including any modification and re-enactment thereof) read with Schedule V of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for appointment and terms of remuneration of Mr. Bhavik Jain (DIN: 10241292), as the Wholetime Director of the Company for a period of five years with effect from September 30TH, 2023, as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Bhavik Jain.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to herein after include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**6. To Approve Continuation of Mr. Surinder Kumar Salwan (DIN:08510741) as a Non-Executive Independent Director beyond the age of 75 years.**

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

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any amendments thereto or re-enactment thereof, for the time being in force) (hereinafter collectively referred to as the “Applicable Laws”) approval of the shareholders of the Company be and is hereby accorded for continuation of directorship of Mr. Surinder Kumar Salwan (DIN:08510741) as Non-executive Independent Director of the Company beyond the age of 75 years till the expiry of his current term till 30<sup>th</sup> September, 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or Company Secretary of the Company be and are hereby severally and/or jointly authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**7. Authorization to Board to create charge on the assets 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 Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other rules, regulations, notifications and circulars issued including any statutory modification or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to create charges, mortgages and / or hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and with such ranking, whether exclusive, pari-passu, subservient or otherwise and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties of the Company, both present and future and / or on the whole or any part of the undertaking(s) of the Company, in favour of the banks, non-banking financial companies, financial institutions and other lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loans(s) (in Foreign currency and /or rupees) and / or debentures (convertible / non-convertible / secured / unsecured) and / or securities in the nature of debt instruments issued / to be issued by the Company (hereinafter termed ‘loans’), from time to time, provided that the total amount of loans shall not at any time exceed ₹50,00,00,000/- (Rupees Fifty Crore Only).”

“RESOLVED FURTHER THAT the Directors be and are hereby severally authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution, without requiring the Board to secure any further approval of the Members of the Company.”

**8. Approval to enter Material Related Party Transactions.**

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

“RESOLVED THAT pursuant to the provisions of section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any (including statutory

modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to enter into Material contracts/ arrangements/ agreements/ transactions (including any modifications, alterations or amendments thereto) in ordinary course of business and on arm's length basis with related parties within the meaning of the Act as more particularly enumerated in explanatory statement annexed to this notice on such terms and conditions as defined in the related party contacts."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company."

**9. To Consider and Approve the Remuneration of Mr. Amit Jain, Managing director of the Company.**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** Pursuant to the provisions of Section 197,198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act,2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the recommendation of the Nomination and Remuneration Committee and Board, the approval of members be and is hereby accorded to increase the remuneration of Mr. Amit Jain[DIN: 01063087], Managing Director of the Company, from ₹4,00,000 per month to ₹12,00,000 per month w.e.f 01/09/2023.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Amit Jain, remuneration not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

**10. To Consider and Approve the Remuneration of Mr. Vimal Parkash Jain, Wholetime Director of the Company.**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** Pursuant to the provisions of Section 197,198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act,2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the recommendation of the Nomination and Remuneration Committee and Board, the approval of members be and is hereby accorded to increase the remuneration of Mr. Vimal Parkash Jain [DIN: 01063027], Wholetime Director of the Company, from ₹3,00,000 per month to ₹8,00,000 per month w.e.f 01/09/2023.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr Vimal Parkash Jain, remuneration not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

**11. To Consider and Approve the Remuneration of Ms. Pamila Jain, Wholetime Director of the Company.**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** Pursuant to the provisions of Section 197, 198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act,2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the recommendation of the Nomination and Remuneration Committee and Board, the approval of members be and is hereby accorded to increase the remuneration of Ms. Pamila Jain [DIN: 01063136], Wholetime Director of the Company, from ₹2,50,000 per month to ₹8,00,000 per month w.e.f 01/09/2023.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Ms. Pamila Jain, remuneration not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

**12. To Consider and Approve the Remuneration of Mr. Bhavik Jain.**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** Pursuant to the provisions of Section 197,198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act,2013 (including any statutory modification or re-

enactment thereof), applicable clauses of the Articles of Association of the Company and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the recommendation of the Nomination and Remuneration Committee and Board, the approval of members be and is hereby accorded to fix and approve the remuneration of ₹5,00,000 per month payable to Mr. Bhavik Jain [DIN:10241292].

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Bhavik Jain, remuneration not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

For and on behalf of Board of Directors

**Amit Jain**

Managing Director

DIN: 01063087

95, Shaheed Udham Singh Nagar,

Jalandhar, Punjab-144008

Place : Jalandhar

Date : 04.09.2023

## NOTES

1. The 38<sup>th</sup> AGM of the Company is being conducted through VC / OAVM facility, in compliance with General Circular No. 10/2022 dated December 28, 2022 read with previous circulars issued by the Ministry of Corporate Affairs ('MCA Circulars') and the provisions of the Act which does not require physical presence of Members at a common venue. The deemed venue for the 38<sup>th</sup> AGM shall be the Registered Office of the Company. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice. Brief Resume of the Director(s) seeking re-appointment, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] and Secretarial Standard on General Meeting (SS-2) as amended issued by the Institute of Company Secretaries of India (ICSI) is annexed hereto and forms part of Notice.
3. As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at Item Nos. 4 to 12 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. 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' or voting at the AGM.
6. Mr. Parminder Singh Rally, Practicing Company Secretary (ICSI Membership no. FCS 6861), Managing Partner of M/s. P. S. Rally & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
7. The Results declared along with the report of the Scrutinizer will be available in the investor information section of the website of the Company at [www.atamvalves.in](http://www.atamvalves.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. In line with the General Circulars No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021 and Circular No. 10/2022 dated December 28, 2022 issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Integrated Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories/Registrar & Transfer Agent ('RTA'), unless any Member has requested for a physical copy of the same.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.atamvalves.in>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) & National Stock Exchange of India Ltd at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
10. The Company has fixed Saturday, September 23, 2023 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



12. The attendance of the Members attending the through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
13. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed / unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
14. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants.
15. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:
  - Address: Bigshare Services Pvt Ltd, Office No S6-2, 6<sup>th</sup> floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India.
  - Contact No: 022-6263 8200
  - E-mail id: investor@bigshareonline.com
16. 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 holders of securities. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after October 01, 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 in the investor information section on the website of the Company at the weblink: <https://www.atamvalves.in/investor-relations/>.
17. Pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC or OAVM, the requirement of physical attendance of members

has been dispensed with. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, in pursuance of section 112 and section 113 of the companies act, 2013, representatives of the members such as the President of India or the governor of a state or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on 27<sup>th</sup> September, 2023 (09:00 a.m.) and ends on 29<sup>th</sup> September, 2023 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities 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 shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities 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 above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL 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 URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">http://www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 hold 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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>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 website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders 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 toll free no. 1800 22 55 33.
Individual Shareholders 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

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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 Digits 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](http://www.evotingindia.com) and voted on an earlier e-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.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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 for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (ix) Click on the EVSN for the relevant <Atam Valves Limited> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@cDSLindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/

Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@atamfebi.com](mailto:cs@atamfebi.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@atamfebi.com](mailto:cs@atamfebi.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@atamfebi.com](mailto:cs@atamfebi.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. 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.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free number 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

For and on behalf of Board of Directors

**Amit Jain**

Managing Director

DIN: 01063087

95, Shaheed Udham Singh Nagar,  
Jalandhar, Punjab-144008

Place: - Jalandhar

Date: - 04.09.2023

## EXPLANATORY STATEMENT (PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013)

The following statement sets out all material facts relating and the special businesses mentioned in the accompanying Notice:

### Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company had approved the Appointment of Mr. Parminder Singh (DIN: 01526736) as an Independent Director of the Company, not liable to retire by rotation, for a term of five years i.e. from September 30<sup>th</sup>, 2023 upto September 29<sup>th</sup>, 2028 (both days inclusive), subject to approval of the Members. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Mr. Parminder Singh are provided as Annexure to this Notice.

Mr. Parminder Singh has given his declaration to the Board, inter alia, confirming that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act and (iv) he is not aware of any circumstance or situation which exists or maybe reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. He has also given his consent to act as a Director.

In the opinion of the Board, Mr. Parminder Singh is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Parminder Singh on the Board of the Company and accordingly the Board recommends the appointment of Mr. Parminder Singh as an Independent Director as set out at Item No. 4 of this Notice for approval by the Members.

### Item No. 5

The Board of Directors, at its meeting held on September 04<sup>th</sup> 2023, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Bhavik Jain, as a Wholetime Director of the Company for a period of five years with effect from September 30<sup>th</sup>, 2023, subject to approval of the Members. The Company has received a notice in writing from a Member, in terms of Section 160(1) of the Act, proposing his candidature for the office of Director. Mr. Bhavik Jain has also confirmed that he is not disqualified from being appointed as Director, in terms of the provisions of Section 164(1), 164(2) of the Act and is

not debarred to hold the office of a Director by virtue of any order passed by SEBI or any other authority and has given his consent to act as a Director of the Company. He holds a Bachelor's Degree in Science With Honors Management with Marketing from the University of Exeter, Russell Group — Exeter, United Kingdom. The main terms and conditions of appointment of Mr. Bhavik Jain (hereinafter referred to as "WTD") are given below:

#### A. Tenure of Appointment :

The appointment as WTD is for a period of five years with effect from September 30<sup>th</sup>, 2023.

#### B. Nature of Duties:

The WTD shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

The Board recommends the resolutions set out at Item No. 05 of the accompanying Notice for your approval as Ordinary Resolution.

Except, Ms. Pamila Jain, Mr. Vimal Parkash Jain and Mr. Amit Jain (being relatives of Mr. Bhavik Jain), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent their shareholding.

### Item No.06

Mr. Surinder Kumar Salwan was appointed as an Independent Non-Executive Director of the Company by the members at the Annual General Meeting of the Company held on 04<sup>th</sup> Day of July, 2019 for a period of five consecutive years commencing from 04<sup>th</sup> July, 2019 to 30<sup>th</sup> September, 2024. In terms of Regulation 17(1A) of SEBI Listing Regulations, effective from 1<sup>st</sup> April, 2019 consent of members by way of special resolution is required for appointment or continuation of directorship of Independent Non-Executive Director, beyond the age of 75 years.

Further, Mr. Surinder Kumar Salwan will attain the age of 75 years with effect from 15<sup>th</sup> March, 2024 and approval of members is required for the continuation of his directorship from the day he attains the age of 75 years till the expiry of his current term till 30<sup>th</sup> September 2024. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Surinder Kumar Salwan as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to continuation of directorship of Mr. Surinder Kumar Salwan as an Independent Director till the expiry of the current term till 30<sup>th</sup> September, 2024, for the approval by the shareholders of the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in this Resolution.

#### Item No. 07

Pursuant to Section 180(1)(a) of the Companies Act, 2013, the Company can dispose off its undertakings/ property/ assets through sale or lease or provide security of its assets for repayment of loan or otherwise only with the approval of the shareholders accorded by way of a special resolution.

Accordingly, the Board proposes to obtain approval of shareholders by way of special resolution for an amount not exceeding ₹50,00,00,000/- (Rupees Fifty Crore Only).

This resolution is recommended for your approval as a Special Resolution.

None of the Directors, KMPs or their relatives are interested in the resolution, except to the extent of their shareholding.

#### Item No. 08

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 govern the Related Party Transactions for entering into any contract, transactions or arrangement with the related party(ies), the Company obtain the approval of Shareholders by way of a Resolution as prescribed in rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

The particulars of the transaction pursuant to the provisions of Section 188 and Rules made thereunder, are as under:

Sr. No.	Name of Related Party	Nature of Relationship	Estimated Amount	Nature of Transactions
1.	Amco Industries	Mr. Amit Jain, Managing Director of the company is prop. of said firm.	₹50,00,00,000/- p.a. (Rupees Fifty Crore)	Purchase/Sale of Goods

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188 of the Companies Act, 2013 that govern the related party's transactions.

Their present roles are crucial to provide impetus to the expanding national Business in the emerging market business of the Company. They are focusing on tapping the potential markets. Considering their qualification, experience and present role prescribed limit of Companies Act is not commensurate, hence requires approval of the shareholders.

This resolution is recommended for your approval as a Special Resolution.

None of the directors or KMPs except Mr. Amit Jain is interested or concerned financially or otherwise in the resolution set out in Item no. 08.

#### ITEM NO. 9

Mr. Amit Jain (DIN: 01063087), Managing Director of the company is currently drawing remuneration of ₹4,00,000 (Rupees Four Lakh Only) per month. After taking into consideration his efforts and value addition into the company, on the recommendation of Nomination and Remuneration Committee, Board of Directors recommended to increase the remuneration of Mr. Amit Jain from ₹4,00,000 per month to ₹12,00,000 per month for three years subject to approval of shareholders.

Therefore the Board recommends the resolutions set out at Item No. 9 of the accompanying Notice for your approval as Special Resolution.

Except, Mr. Amit Jain and Pamila Jain and Mr. Vimal Parkash Jain (being relatives of Mr. Amit Jain), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent their shareholding.

#### ITEM NO. 10

Mr. Vimal Parkash Jain (DIN: 01063027), Wholetime Director of the company is currently drawing remuneration of ₹3,00,000 (Rupees Three Lakh Only) per month. After taking into consideration his efforts and value addition into the company, on the recommendation of Nomination and Remuneration Committee, Board of Directors recommended to increase the remuneration of Mr. Vimal Parkash Jain from ₹3,00,000 per month to ₹8,00,000 per month for three years subject to approval of shareholders.

Therefore the Board recommends the resolutions set out at Item No. 10 of the accompanying Notice for your approval as Special Resolution.

Except, Mr. Vimal Parkash Jain and Pamila Jain and Mr. Amit Jain (being relatives of Mr. Vimal Parkash Jain), none of the other Directors, Key Managerial Personnel and their relatives

are concerned or interested, financially or otherwise, in this resolution except to the extent their shareholding.

#### **ITEM NO. 11**

Ms. Pamila Jain (DIN: 01063136), Wholetime Director of the company is currently drawing remuneration of ₹2,50,000 (Rupees Two Lakh Fifty Thousand Only) per month. After taking into consideration her efforts and value addition into the company, on the recommendation of Nomination and Remuneration Committee, Board of Directors recommended to increase the remuneration of Ms. Pamila Jain from ₹2,50,000 per month to ₹8,00,000 per month for three years subject to approval of shareholders.

Therefore the Board recommends the resolutions set out at Item No. 11 of the accompanying Notice for your approval as Special Resolution.

Except, Ms. Pamila Jain and Mr. Vimal Parkash Jain and Mr. Amit Jain (being relatives of Ms. Pamila Jain), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent their shareholding.

#### **ITEM NO. 12**

The Board on the recommendation of Nomination and remuneration committee has approved the Remuneration of ₹5,00,000 per month for three years to be payable to Mr. Bhavik Jain.

The annual increments which will be effective 1<sup>st</sup> April each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Mr. Bhavik Jain, the Company has no profits or its profits are inadequate, the Company will pay subject to such further approvals as may be required.

The Board recommends the resolutions set out at Item No. 12 of the accompanying Notice for your approval as Special Resolution.

Except, Ms. Pamila Jain, Mr. Vimal Parkash Jain and Mr. Amit Jain (being relatives of Mr. Bhavik Jain), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent their shareholding.



## ANNEXURE TO THE NOTICE

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 38<sup>th</sup> ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

A.

<b>Name of the Director</b>	Mr. Bhavik Jain
<b>Director Identification Number (DIN)</b>	10241292
<b>Designation / Category of Director</b>	Wholetime Director
<b>Age</b>	22 years
<b>Date of First Appointment</b>	Not applicable
<b>Qualifications</b>	He holds a Bachelor's Degree in Science With Honors Management with Marketing from the University of Exeter, Russell Group — Exeter, United Kingdom.
<b>Expertise in specific functional areas</b>	<p>He is Management professional with an year of experience in marketing, public relations, and export business. He has international business exposure as Management Intern at Atam Valves Ltd across the globe in various international trade fairs and exhibitions. He has demonstrated excellent leadership and business teaming abilities with a self-motivated drive as Management Intern at Atam Valves Limited.</p> <p>He is Managing the existing export-import operations while overlooking the management and dispatch of various types of industrial valves and fittings-based commodities, with the vision to cater to all markets globally. He is working closely with the production, sales, and accounts teams and holding them accountable to ensure operations are being handled properly and promptly. In addition, helping the company gain international exposure and manage public relations with the aim to expand into international markets to build mutually beneficial business relationships.</p>
<b>Directorships held in other companies including equity listed companies and excluding foreign companies</b>	NIL
<b>Memberships / Chairmanships of committees of other companies (excluding foreign companies)</b>	NIL
<b>No. of Shares held in the Company</b>	NIL
<b>Name of listed entities from which the person has resigned in the past three years</b>	NIL
<b>Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company</b>	<ul style="list-style-type: none"> <li>• Son of Mr. Amit Jain, Managing Director &amp; Ms. Pamila Jain, Wholetime Director cum CFO of the Company.</li> <li>• Grandson of Mr. Vimal Parkash Jain, Wholetime Director of the Company.</li> </ul>
<b>Terms and Conditions of appointment / reappointment</b>	Appointment as Wholetime Director with effect from September 30 <sup>th</sup> , 2023 subject to approval of Shareholders in AGM.
<b>Details of Remuneration sought to be paid</b>	Provided in Item No. 12 of Notice and Explanatory Statement.

**B.**

<b>Name of the Director</b>	<b>Mr. Parminder Singh</b>
Director Identification Number (DIN)	01526736
Designation / Category of Director	Non-Executive Independent Director
Age	65 years
Date of First Appointment	NIL
Qualifications	He holds a Bachelor's Degree in Commerce and is a member of Institute of Chartered Accountants Of India(ICAI).
Expertise in specific functional areas	Mr. Parminder Singh has built a distinguished career as a Chartered Accountant, embarking on his professional journey in 1998. Over the course of his extensive practice, he has demonstrated a profound understanding of accounting principles, financial regulations, and business strategies. With decades of hands-on experience, he has effectively provided a wide range of financial services, including audit, taxation, advisory, and consultancy, to diverse clients. Mr. Singh's long-standing presence in the field signifies not only his expertise but also his commitment to delivering meticulous and reliable financial guidance to individuals and businesses alike.
Directorships held in other companies including equity listed companies and excluding foreign companies.	He is Director in G.SAINI'S EDUCATION & IMMIGRATION PRIVATE LIMITED.
Memberships / Chairmanships of committees of other companies (excluding foreign companies)	NIL
No. of Shares held in the Company	NIL
Name of listed entities from which the person has resigned in the past three years	NIL
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	NIL
Terms and Conditions of appointment / reappointment	Appointment as Independent Director with effect from September 30 <sup>th</sup> , 2023 subject to approval of Shareholders in AGM.
Details of Remuneration sought to be paid	He shall be paid a fee for attending meetings of the Board or Committees thereof, commission and reimbursement of expenses for participating in the Board and other meetings.

**C.**

<b>Name of the Director</b>	<b>Ms. Pamila Jain</b>
Director Identification Number (DIN)	01063136
Designation / Category of Director	Wholetime Director
Age	45 years
Date of First Appointment	07.09.2019
Qualifications	She holds a Degree in Computer Programming from Algonquin College, Canada.
Expertise in specific functional areas	Ms. Pamila Jain has been a pivotal figure at Atam Valves Limited since 2019, serving as a Wholetime Director and Chief Financial Officer (CFO). With a background in computer programming, she brings a unique blend of technical proficiency and financial acumen to her roles. Her leadership has been instrumental in steering the company's strategic financial decisions, ensuring its growth and stability. Ms. Jain's dynamic expertise, coupled with her dedication to innovation and financial integrity, reflects her significant contributions to the company's success in a rapidly evolving industry landscape.

Directorships held in other companies including equity listed companies and excluding foreign companies	NIL
Memberships / Chairmanships of committees of other companies (excluding foreign companies)	NIL
No. of Shares held in the Company	1320000 Equity Shares
Name of listed entities from which the person has resigned in the past three years	NIL
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	<ul style="list-style-type: none"> <li>Wife of Mr. Amit Jain, Managing Director of the Company.</li> <li>Daughter in Law of Mr. Vimal Parkash Jain , Wholetime Director of the Company.</li> </ul>
Terms and Conditions of appointment / reappointment	Re-Appointment as Wholetime Director.
Details of Remuneration sought to be paid	Provided in Item No. 11 of Explanatory Statement annexed to Notice.

E.

<b>Name of the Director</b>	<b>Mr. Surinder Kumar Salwan</b>
Director Identification Number (DIN)	08510741
Designation / Category of Director	Independent Director
Age	74 years
Date of First Appointment	07.09.2019
Qualifications	B.Sc Engineering (Metallurgical) from Punjab Engineering College, Chandigarh.
Directorships held in other companies including equity listed companies and excluding foreign companies	NIL
Memberships / Chairmanships of committees of other companies (excluding foreign companies)	NIL
No. of Shares held in the Company	NIL
Name of listed entities from which the person has resigned in the past three years	NIL
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	None
Terms and Conditions of appointment / reappointment	Mr. Surinder Kumar Salwan will attain the age of 75 years with effect from 15 <sup>th</sup> March, 2024 and approval of members is required for the continuation of his directorship from the day he attains the age of 75 years till the expiry of his current term till 30 <sup>th</sup> September 2024.
Details of Remuneration sought to be paid	He shall be paid a fee for attending meetings of the Board or Committees thereof, commission and reimbursement of expenses for participating in the Board and other meetings.

For and on behalf of Board of Directors

**Amit Jain**

Managing Director

DIN: 01063087

95, Shaheed Udham Singh Nagar,  
Jalandhar, Punjab-144008

Place: - Jalandhar

Date: -04.09.2023

# Management Discussion And Analysis Report

## BACKGROUND

Our Company was originally incorporated as "Atam Valves Private Limited" on September, 30<sup>th</sup>, 1985 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Punjab & Chandigarh. Later on, the company got converted into public limited company and the name of the company was changed to – "Atam Valves Limited" and fresh Certificate of Incorporation dated November 24<sup>th</sup>, 2017 was issued by the Registrar of the Companies, Punjab & Chandigarh.

Atam Valves Limited is one of the leading manufacturers of Valves, Cocks & Boiler Mountings in India. We are also an ISO 9001: 2008, ISO 14001: 2004, and CE Monogram and PED approved company & winner of National Award 2006 for quality and National Award 2009 for entrepreneurship Govt. of India.

Ever since inception in 1972, our brand names ATAM & FEBI emerged as formidable names in Bronze, Brass, Cast Iron, Cast Steel, Forged Steel, S.S. Valves & cocks, conforming to various National & International standards. We are pioneers in developing Ball Valves in India and enjoy a strong Brand image. ATAM VALVES are suitable for industrial and domestic applications as well as for controlling a wide variety of service fluids, Oil & steam, within various pressure & temperature ranges. "ATAM" products are approved by various quality institutions including bureau of Indian Standards, Indian Boiler Regulations and enjoy an active patronage of numerous Government and eminent Industrial houses in India & International Market.

## ECONOMY OVERVIEW

### Global Economy

The global economy is facing a slowdown in 2023, after a modest recovery in 2022 from the pandemic-induced recession. The main factors that are weighing on the global growth prospects are:

- The ongoing war between Russia and Ukraine, which has disrupted the energy supply and trade in Europe and beyond. The conflict has also increased geopolitical tensions and uncertainty, affecting business confidence and investment.

- The inflationary pressures that have emerged from the surge in commodity prices, especially oil and gas, as well as the supply chain bottlenecks and labor shortages that have hampered production and distribution across various sectors.
- The policy tightening by some major central banks, such as the US Federal Reserve and the European Central Bank, which have started to raise interest rates and reduce their asset purchases in response to the rising inflation and growth expectations. This has led to higher borrowing costs and lower liquidity for businesses and consumers, especially in emerging markets that are more vulnerable to capital outflows and currency depreciation.
- The uneven vaccination progress and the emergence of new variants of the coronavirus, which have posed challenges for the public health and economic recovery in some regions, such as Africa and Latin America. The pandemic has also exacerbated social inequalities and poverty, as well as environmental issues.

The global economy is expected to grow by around 2% in 2023, down from 3.1% in 2022. The growth rate is below the pre-pandemic average of 3.5% and reflects the divergent performance of different regions and countries. Some of the highlights are:

- China is expected to lead the global growth with a rate of 5.5% in 2023, as it reopens its economy after a prolonged period of lockdowns and zero-covid policies. China's growth will be supported by its strong domestic demand, infrastructure spending, and export competitiveness.
- India is expected to grow by 7.8% in 2023, rebounding from a contraction of 7.3% in 2020. India's growth will be driven by its large population, favorable demographics, low interest rates, fiscal stimulus, and structural reforms.
- The US is expected to grow by 1.8% in 2023, slowing down from 5.6% in 2022. The US growth will be constrained by the fading effects of the fiscal stimulus, the monetary policy tightening, the supply chain disruptions, and the labor market challenges.
- The euro zone is expected to grow by 1.4% in 2023, decelerating from 4.6% in 2022. The euro zone growth will be hindered by the energy crisis, the political uncertainty, the fiscal consolidation, and the structural weaknesses.



- Japan is expected to grow by 0.8% in 2023, moderating from 2.7% in 2022. Japan's growth will be limited by its aging population, low productivity, high debt, and deflationary pressures.

The global economic outlook for 2023 is subject to significant risks and uncertainties, both on the upside and downside. Some of the potential scenarios that could affect the global economy are:

- A faster resolution of the Russia-Ukraine war, which could ease the energy supply constraints and improve the geopolitical stability.
- A stronger coordination of fiscal and monetary policies among major economies, which could boost the global demand and confidence.
- A further escalation of the Russia-Ukraine war, which could trigger a wider military conflict and a global oil shock.
- A sharper than expected tightening of monetary policies by major central banks, which could cause a financial market turmoil and a credit crunch.

### Indian Economy

The Indian economy is expected to grow by 7% in FY 2023, recovering from a contraction of 7.3% in FY 2021 due to the impact of the covid-19 pandemic. The growth is supported by the easing of lockdowns, the acceleration of vaccination, the improvement of consumer and business confidence, and the stimulus measures by the government and the central bank.

The main sectors that are contributing to the growth are agriculture, industry, and services. Agriculture is estimated to grow by 3.9%, benefiting from a good monsoon and higher rural demand. Industry is estimated to grow by 9.6%, driven by manufacturing, construction, and mining, which have witnessed a revival of domestic and external demand. Services are estimated to grow by 8.4%, led by contact-intensive sectors such as trade, hotels, transport, and financial services, which have recovered as the pandemic situation improved.

The main challenges that the economy faces are inflation, fiscal deficit, external sector volatility, and structural reforms. Inflation has remained above the target range of 2-6% due to the rise in food and fuel prices. The central bank has raised its policy rate by 50 basis points to contain inflationary pressures. The fiscal deficit has widened to 6.8% of GDP due to lower revenue collection and higher expenditure on health, social welfare, and infrastructure. The external sector has been resilient with a current account surplus and high foreign exchange reserves, but faces risks from global uncertainties, currency appreciation, and trade deficit. The economy needs to undertake more structural reforms to enhance its productivity, competitiveness, and inclusiveness.

## INDUSTRY REVIEW

### Global Valve Industry

The global valve industry is a part of many sectors that use valves to control the flow and pressure of fluids. The industry is expected to grow at a rate of 5% to 7% from 2022 to 2028, driven by the demand from power and chemical industries, the need for desalination activities, and the adoption of advanced technologies. The industry faces some challenges such as the stagnant growth in developed countries, the high cost of installation and maintenance, and the diverse regional policies and certifications.

The industry can be segmented by type, material, component, function, application, and geography. The most popular types of valves are ball valves and check valves. The most common material for valves is steel. The main components of valves are actuator, positioner, and valve body. The main functions of valves are isolation, regulation, safety relief valve, special purpose, and non-return. The largest application segments for valves are oil & gas, energy & power, and water & wastewater treatment. The dominant geographical region for valves is Asia-Pacific.

The global valve market can also be segmented by geography into North America, Europe, Asia-Pacific, Latin America, and Middle East & Africa. Asia-Pacific is expected to dominate the global valve market during the forecast period due to the rapid industrialization and urbanization in countries such as China, India, Japan, and South Korea. North America and Europe are also expected to have significant shares in the global valve market due to their established industries and advanced technologies. The industry is highly competitive and fragmented with many players operating at regional and global levels.

### Indian Valve Industry

The valve industry in India is a vital part of the engineering sector, as valves are used to control the flow of fluids and gases in various industrial applications. Valves are essential components in sectors such as oil and gas, power generation, petrochemicals, fertilizers, water and wastewater management, and others. According to various reports, the Indian valve market size is projected to reach \$3 billion by 2023, growing at a compound annual growth rate of over 9% from 2017 to 2023. The report attributes this growth to the increasing demand for flow control equipment, the expansion of pipeline infrastructure for natural gas distribution, and the government initiatives to boost the manufacturing sector under the Make in India campaign.

The Indian valve industry is also becoming more competitive in the global market, as it offers cost-effective and quality products to meet the diverse needs of customers. According to various reports, India is the second-largest exporter of valves in Asia-Pacific, after China, and accounts for about 5% of the global valve exports. The reports state that the

Indian valve industry has a complete portfolio of products, ranging from conventional valves to smart valves, which are integrated with sensors and actuators to provide real-time feedback and control. The reports also identifies some of the key challenges faced by the Indian valve industry, such as lack of standardization, skilled manpower shortage, and environmental regulations.

The Indian valve industry is expected to witness further growth opportunities in the coming years, as the country plans to invest heavily in sectors such as renewable energy, urban development, smart cities, and industrial corridors. The Indian Valve and Actuator Manufacturers Association (IVAMA) is an industry body that aims to promote the ecosystem of the valve industry and bring global business to India. The association provides various services to its members, such as training, technical expertise, networking opportunities, and market intelligence. The association also organizes technology meets and exhibitions to showcase the latest developments and innovations in the valve sector.

To conclude, the valve industry in India is an important and growing segment of the engineering sector, which contributes significantly to the Indian economy. The industry has a strong potential to become a global leader in valve manufacturing and exports, by leveraging its strengths and overcoming its challenges. The industry also plays a key role in supporting other sectors that require efficient and reliable flow control solutions.

## BUSINESS STRATEGY

In response to the dynamic landscape of the valve industry and our commitment to innovation and sustainability, Atam Valves Limited has developed a strategic roadmap to drive our growth and solidify our leadership position. Our strategy revolves around three key pillars: Innovation, Sustainability, and Customer-Centricity.

**Innovation:** We recognize that innovation is the lifeblood of our industry. We are dedicated to staying at the forefront of valve technology, investing in research and development to create cutting-edge solutions that meet the evolving needs of our clients. By continuously improving the design, materials, and functionalities of our Valves, Cocks & Boiler Mountings, we aim to enhance performance, reliability, and safety for our customers.

**Sustainability:** At Atam Valves Limited, we are fully aligned with the imperative to 'Go Green.' Our commitment to environmental stewardship drives us to integrate eco-friendly practices throughout our operations. From responsible sourcing of materials to the reduction of waste and energy consumption in our manufacturing processes, we are focused on minimizing our environmental footprint. By offering Valves, Cocks & Boiler Mountings manufactured with sustainable materials and processes, we aim to provide environmentally

conscious solutions that resonate with both customers and regulators.

**Customer-Centricity:** Our customers are at the heart of everything we do. We are dedicated to understanding their unique challenges and providing tailored valve solutions that address their specific needs. Building strong and enduring relationships with our clients is a cornerstone of our strategy. We will achieve this by offering excellent customer service, prompt responsiveness, and a comprehensive understanding of their industries and operational requirements.

By executing this strategy, we are poised to achieve sustainable growth, increased market share, and enhanced brand reputation. We will continually assess our performance against these strategic pillars, making adjustments as necessary to adapt to changing market dynamics and emerging industry trends. Atam Valves Limited is committed to being a catalyst for positive change within the valve industry, a leader in innovation, and a partner in our customers' success.

## OPERATIONS

In the highly competitive and intricate landscape of the valve industry, Atam Valves Limited maintains a steadfast commitment to operational excellence, innovation, and customer satisfaction. Our operations are geared towards delivering high-quality valve solutions that meet the demanding requirements of diverse sectors including oil and gas, petrochemicals, power generation, water treatment, and more.

**Design and Engineering Expertise:** At Atam Valves Limited, our operations commence with a meticulous design and engineering phase. Our experienced teams collaborate closely to conceptualize and develop valve solutions that optimize performance, reliability, and safety. By utilizing advanced software and simulation tools, we ensure that our products are tailored to the unique operational environments of our clients.

**Advanced Manufacturing:** Leveraging state-of-the-art manufacturing facilities, we bring our designs to life. Our production processes adhere to rigorous quality standards and utilize cutting-edge technologies, resulting in our products that are not only compliant with industry regulations but also exceed performance expectations. The integration of automation and precision machining enhances the consistency and efficiency of our operations.

**Quality Assurance:** The integrity of our products is paramount. Rigorous quality control protocols are implemented at every stage of manufacturing, ensuring that each valve leaving our facilities is subject to comprehensive testing and inspection. This commitment to quality extends beyond product delivery, as we offer ongoing support to our clients, guaranteeing the continued performance of our products in the field.

**Supply Chain Excellence:** Our operations are intricately linked to a global network of suppliers who share our dedication to quality and reliability. We maintain transparent relationships with our partners to ensure the timely delivery of raw materials and components. By fostering collaboration and adherence to ethical and sustainable practices, we uphold the integrity of our supply chain.

**Environmental Responsibility:** Atam Valves Limited acknowledges its role in contributing to environmental sustainability. In our operations, we are vigilant about minimizing waste, reducing energy consumption, and adopting eco-friendly practices wherever feasible. We are committed to providing valve solutions that not only enhance industrial processes but also align with our eco-conscious values.

**Looking Ahead:** As we navigate the evolving trends in the valve industry, Atam Valves Limited remains agile and adaptable. We are excited to announce that we are entering the market of bathware products, which is a fast-growing and lucrative segment in the home improvement industry. Bathware products include sanitary ware, faucets, showers, bathtubs, and accessories that enhance the aesthetics and functionality of bathrooms. We believe that our strong brand image, and our wide distribution network will give us a competitive edge in this segment. We have allocated a capex for setting up a state-of-the-art manufacturing facility for bathware products. We expect to launch our bathware products by the end of 2023-24, and capture a significant market share in the next few years. Bathware market cap is currently 67,000 cr. We are confident that our entry into the bathware segment will create value for our shareholders, customers, and stakeholders.

## OPPORTUNITIES AND THREATS

The valve industry operates within a dynamic environment characterized by evolving technological trends, market shifts, and regulatory changes. As a key player in this industry, Atam Valves Limited is positioned to capitalize on various opportunities while proactively addressing potential threats.

### Opportunities

- The global industrial valves market is expected to grow at a CAGR of more than 5% from 2023 to 2028, driven by the growing demand from the power and chemical industries, as well as the increase in demand for desalination activity.
- The Asia-Pacific region is expected to dominate the market and witness the highest growth rate, owing to the rapid industrialization, urbanization, and infrastructure development in countries like China, India, Japan, and South Korea.
- The adoption of valves in the 1" to 6" size range is increasing, as they offer less turbulence to the flow and ensure lower pressure drops. These valves are suitable for

various critical and severe service applications in multiple industries, such as oil & gas, energy & power, water & wastewater treatment, chemical, food & beverage, and pulp & paper.

- The emergence of new technologies, such as smart valves, digital valve positioners, and wireless valve monitoring systems, is creating new opportunities for the valve industry. These technologies can enhance the performance, efficiency, reliability, and safety of valves and reduce operational costs.

### Threats

- The industrial valve market faces stiff competition from local and regional players, who offer low-cost products with similar or better quality. This may erode the market share and profitability of the established players.
- The malfunctioning or failure of valves and other products can result in unplanned downtime or shutdown of a plant, which can have enormous consequences for the facility, such as loss in production, heightened repair costs, related labor costs, and wastage of raw materials. Therefore, the valve industry needs to ensure high-quality standards and regular maintenance of its products.
- The industrial valve market is subject to various environmental and safety regulations, which may vary across different regions and countries. These regulations may impose additional costs and challenges for the valve industry to comply with them
- Rapid technological changes can render existing products obsolete or require significant investments to keep up. Staying informed and adaptable to emerging technologies is essential.

In response to these opportunities and threats, Atam Valves Limited maintains a proactive approach. We are committed to staying abreast of industry developments, investing in research and development, and fostering strong relationships with clients and partners. By continuously monitoring the market landscape and leveraging our strengths, we are well-positioned to navigate challenges and seize opportunities, ensuring the sustained growth and success of Atam Valves Limited within the dynamic industry.

## RISKS AND CONCERNS THAT THE MANAGEMENT PERCEIVES

In the context of our industry, Atam Valves Limited acknowledges a set of potential risks and concerns that require vigilant management. Market volatility and demand fluctuations pose challenges due to economic cycles and geopolitical tensions, impacting project timelines and investments.

The valve industry is also affected by the fluctuations in the oil and gas market, which is a major consumer of valves. The

decline in oil prices in 2014 and 2020 has reduced the investments and activities in the upstream, midstream, and downstream sectors, leading to lower demand for valves. The industry needs to cope with the volatility of the oil and gas market by exploring new opportunities in other segments, such as power, water, and chemical.

Another risk factor for the valve industry is the increasing competition from low-cost manufacturers, especially from China. These manufacturers can offer cheaper products with comparable quality and performance, posing a threat to the established players in the market. The industry needs to differentiate itself by focusing on innovation, quality, reliability, and customer service.

The valve industry also faces regulatory and environmental pressures from various governments and agencies. The industry needs to comply with the standards and specifications for valve design, manufacturing, testing, and operation, as well as the requirements for local content, energy efficiency, and emissions reduction. The industry needs to invest in research and development, as well as adopt best practices to meet these challenges.

In response, Atam Valves Limited maintains a proactive risk management approach, emphasizing rigorous assessment, innovation, and a commitment to quality to navigate these challenges while pursuing sustained growth and industry leadership.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL EFFICIENCY

The Revenue from Operations of the company for the year ended March 31, 2023 were Rs. 4900.89 Lakhs as compared to Rs. 2033.06 Lakhs in the previous year. The company has achieved a commendable profit of Rs. 766.76 lakhs during the year, reflecting its operational efficiency and competitiveness in the valves, cocks and boiler mountings industry. The Company on a continuous basis sets up policies to exercise cost control and cost reduction programme. The company has maintained its quality standards and customer satisfaction by producing and supplying various types of valves and cocks for different applications and industries. The company has also invested in upgrading its machinery, technology, and infrastructure to enhance its production capacity and reduce its operational costs. The company has also adhered to the safety and environmental regulations and norms while manufacturing its products. The company is confident of sustaining its growth momentum and profitability in the future by leveraging its expertise, experience, and innovation in the valves, cocks and boiler mountings industry.

### KEY FINANCIAL RATIOS

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the key financial ratios are given below:-

Sr. No	PARTICULAR	Current year	Last Year	Change (IN%)	Explanation for significant change in Accounting Ratios
1.	Debtors Turnover Ratio(In times)	3.89	4.04	(3.89)	NA
2.	Inventory Turnover(In times)	4.08	2.18	87.06	There is substantial increase in revenue as compared to previous year leading to quick movement in inventory and working capital which has resulted into improvement in Inventory turnover Ratio.
3.	Interest Coverage Ratio	28.04	7.43	277	There is substantial increase in revenue as compared to previous year whereas indirect and fixed expenses have not increased in that proportion resulting into higher profits which further resulting in to improvement in the Interest Coverage Ratio.
4.	Current Ratio(In times)	2.88	2.43	18.80	NA
5.	Debt Equity Ratio(In times)	0.27	0.50	(47.08)	There is substantial increase in revenue as compared to previous year whereas indirect and fixed expenses have not increased in that proportion resulting into higher profits which further resulting in to improvement in Debt equity ratio.
6.	Operating Profit Margin	20.80	10.96	90	There is substantial increase in revenue as compared to previous year whereas indirect and fixed expenses have not increased in that proportion resulting into higher profits which further resulting in to improvement in the Operating Margin Ratio.
7.	Net Profit Margin(In %)	15.57	6.69	132.75	There is substantial increase in revenue as compared to previous year whereas indirect and fixed expenses have not increased in that proportion resulting into higher profits which further resulting in to improvement in Net profit Ratio.



## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The total employee's strength of the Company was 196 as on 31<sup>st</sup> March, 2023., who are the backbone of success and growth of the Company. The company has fostered a culture of mutual respect, teamwork, and innovation among its workforce, and has provided them with adequate training, development, and welfare opportunities. The company has also maintained cordial and harmonious industrial relations with its employees and their representatives, and has ensured compliance with all the applicable labour laws and regulations. The company values its human capital as its most precious asset, and strives to create a conducive and rewarding work environment for them.

### **OUTLOOK**

With the "New Normal" being set, we expect a challenging future ahead. Though we may have to face and manage challenges in the short term over the next few months, we

foresee a Silver lining ahead. Further with the amplified focus on "Aatma Nirbhar Bharat", we foresee an increased shift towards Domestic Production and Sales. This will definitely help in effectively utilizing our plant capacities to the optimum and also help in planning for future growth and investments.

### **AIM**

Atam's aim is to give long term commitment to their customers by supplying best quality products. To serve the nation by giving more employment and by increasing production continuously. To earn more foreign exchange for the country by exploring more export markets.

### **CAUTIONARY STATEMENT**

The information and opinions expressed in this report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this report.

# Board's Report

## Dear Members

Your Directors have the pleasure of presenting their Thirty Eighth (38<sup>th</sup>) Annual Report together with the Audited Financial Statements for the year ended March 31, 2023.

### FINANCIAL RESULTS

In compliance with the provisions of the Companies Act, 2013 ('Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') the Company has prepared its standalone financial statements for the FY 2022-23. The highlights of the standalone financial results of the Company for the FY 2022-23 and FY 2021-22 are as under:

(Amount ₹ in Lakhs except earnings per share)

Particulars	2022-23	2021-22
Revenue from Operations	4900.89	2033.06
Other Income	23.95	9.21
<b>Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense</b>	<b>4924.84</b>	<b>2042.27</b>
Less: Depreciation / Amortisation / Impairment	71.72	91.31
Profit / loss before Finance Costs, Exceptional items and Tax Expense	4853.12	1950.96
Less: Finance Costs	3849.59	1762.37
Profit / loss before Exceptional items and Tax Expense	1003.53	188.59
Add / (less): Exceptional items	0	0
Profit / (loss) before Tax Expense	1003.53	188.59
Less: Tax Expense (Current & Deferred)	236.77	51.98
Profit / (loss) for the year(1)	766.76	136.61
<b>Other Comprehensive Income / loss (2)</b>	<b>3.97</b>	<b>4.06</b>
<b>Total Comprehensive Income (1+2)</b>	<b>770.73</b>	<b>140.67</b>
<b>Balance of profit / loss for earlier years</b>	<b>766.76</b>	<b>136.61</b>
Less: Transfer to Reserves	0.00	0.00
Less: Dividend paid on Equity Shares	93.48	41.25
Less: Dividend Distribution Tax	0.00	0.00
<b>Balance carried forward</b>	<b>673.28</b>	<b>95.36</b>

### FINANCIAL RESULTS HIGHLIGHTS

- Revenue from Operations for the year ended 31<sup>st</sup> March 2023 is ₹4900.89 lakhs as against ₹2033.06 lakhs in the corresponding period of financial year, representing an increase of 141.06%.
- EBT for the year ended 31<sup>st</sup> March 2023 is ₹1003.53 Lakhs as against ₹188.59 lakhs in the corresponding period of the previous year, representing an increase of 432.12%
- Net profit for the year ended 31<sup>st</sup> March 2023 is ₹766.76 lakhs as against ₹136.61 lakhs in the corresponding period of the previous year, representing an increase of 461.28 %.

- EPS of the Company for the year ended 31<sup>st</sup> March 2023 stood at ₹7.67 as compared to ₹1.45 in its previous year.

During the year under review, your company has done a very remarkable financial result and achieved a significant turnover of above ₹4900.89 lakhs for the first time in its history after completing 38 years. Due to increase in manufacturing, sales and trading sales and simultaneously increase in conversion activities during the year, the revenue from operations is increased by 141.06%. from ₹2033.06 lakhs in previous year to ₹4900.89 lakhs during the present financial year 2022-23.

We as an organization remain vigilant to the ground developments with confidence and optimism to manage emerging scenarios.

The Company is committed to its vision to emerge as an efficient producer of Valves in the secondary market. The Company is also focused on increasing capacity utilization of all units, improving product-mix, reducing operating costs, launching new products and improving operational efficiency with technology upgradation.

## DIVIDEND

During the year, based on the company's performance, the directors are also pleased to recommend for your consideration and approval for payment of final dividend of ₹1.5/- per equity share of face value of ₹10/- each for the financial year 2022-23. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹1,58,22,000/-. Pursuant to regulation 43A of the SEBI listing regulations, a dividend distribution policy is available on the company's website viz <https://www.atamvalves.in>.

## SHARE CAPITAL

The paid up equity share capital as on March 31, 2023 stood at ₹10,54,80,000/- comprising of 1,05,48,000 shares of ₹10/- each fully paid shares. During the year under review, the company has increased its Authorised Capital from ₹5,00,00,000 to ₹6,50,00,000 in Extra-ordinary General Meeting held on 20.04.2022. The Company has allotted 23,49,000 Equity warrants optionally convertible into Equity Shares (the total Issue price per warrant is ₹52/- convertible into One Equity Share of the Company having face value of ₹10/- including a premium of ₹42/- per equity share) on 10.05.2022, out of which 18,00,000 Equity Warrants were allotted to Mr. Amit Jain, Promoter of the Company and rest 5,49,000 Equity Warrants were allotted to Non-Promoter/ Public Category of the Company.

On, 19.09.2022, 5,49,000 Equity Warrants allotted to Non-Promoter/ Public Category of the Company were converted into Equity Shares and on 30.09.2022, 6,00,000 (out of 18,00,000 Equity Warrants) allotted to Mr. Amit Jain, Promoter of the Company were converted into Equity Shares. The funds were utilised for the purpose stated in the objects and there was no deviation from the same. The company has again increased its Authorized Capital from ₹6.50 Crores to ₹15.00 Crores on 30.09.2022. The company has issued 52,74,000 Bonus Shares in the ratio of 1:1 on 29.10.2022.

## GENERAL RESERVE

The Board of Directors has decided to retain the entire amount of profit for the Financial Year 2022-23 in the statement of profit and loss.

## DEPOSITS

The company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet as per section 73 and 76 of the Companies

Act, 2013 read with Companies (Acceptance of Deposits) rules, 2014.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment/Re-Appointment

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are constituted in accordance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), wherever applicable. As on March 31, 2023, the Company has Six Directors comprising of Three Executive Directors and Three Non-Executive Independent Directors. There are two women directors.

In accordance with the provisions of the Companies Act 2013 read with SEBI (LODR) Regulations, 2015, on the recommendation of Nomination and Remuneration, the board proposes the Appointment of Mr. Bhavik Jain as Wholtime Director, and Mr. Parminder Singh as Non Executive Independent Director on the Board of the Company in the ensuing AGM of the Company for approval of members.

In the opinion of the Board, Mr. Parminder Singh is a person of integrity, fulfils requisite conditions as per applicable laws and is independent of the management of the Company.

### Retirement by Rotation

Ms. Pamila Jain (DIN: 01063136) retires by rotation and being eligible, offers herself for re-appointment.

A resolution seeking shareholders' approval for their appointment/re-appointment along with other required details forms part of the Notice.

### Independent Directors

In terms of Section 149 of the Act and the SEBI Listing Regulations, Ms. Rajni Sharma, Mr. Ravi Bhushan Jain, Mr. Surinder Kumar Salwan are the Independent Directors of the Company as on date of this Report.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the

Act as well as the Rules made thereunder and are independent of the management.

### Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel ('KMPs') of the Company during FY 2022-23 were:

- Ms. Pamila Jain , Wholetime Director and Chief Financial Officer(CFO).
- Ms. Natisha Choudhary, Company Secretary & Compliance Officer.
- Mr. Amit Jain, Managing Director
- Mr. Vimal Parkash Jain, Wholetime Director cum Chairman

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act (salient features) has been briefly disclosed hereunder and in the Report on Corporate Governance, which is a part of this Report as Annexure-I.

### Selection and procedure for nomination and appointment of Directors

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a director's appointment or re-appointment is required. The NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

### Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the SEBI Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- **Qualifications** - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behaviour,

communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations.

The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

The said policy is also available on the Company's website URL: [https://www.atamvalves.in/wp-content/uploads/Atam\\_Valves\\_Limited\\_Nomination\\_Remuneration\\_Policy.pdf](https://www.atamvalves.in/wp-content/uploads/Atam_Valves_Limited_Nomination_Remuneration_Policy.pdf).

### COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Report. Further, during the year under review, all recommendations made by the various committees have been accepted by the Board.

### NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 12 (Twelve) times during the year and the maximum interval between two meetings did not exceed 120 days. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI Listing Regulations. The details of the number of meetings of the Board of Directors including meetings of the Committees of the Board (Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee) held during the financial year 2022-23 also form part of the Corporate Governance Report.

### AUDIT & ALLIED MATTERS

#### Audit Committee

The composition, terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance section of the Annual Report. The Audit Committee of the Board acts in accordance with the terms of reference, which is in compliance with the provisions of Section 177 of the Companies Act, 2013 (Act) and Regulation 18 of SEBI LODR

and other applicable provisions of SEBI LODR, as amended from time to time.

#### **Statutory Audit**

M/S K.C KHANNA & CO., Chartered Accountants (Firm Registration No.000481N), were appointed as the Statutory Auditors of the Company for a tenure of 5 years commencing from the conclusion of the 35<sup>th</sup> AGM of the Company until the conclusion of the 40<sup>th</sup> AGM of the Company to be held in the year 2025.

The Statutory Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

#### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director appointed M/s VISHAL SONI & ASSOCIATES, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the year ended March 31, 2023. The Report of the Secretarial Audit is annexed herewith as Annexure - II. The said Secretarial Audit Report does not contain any qualification, reservations, adverse remarks and disclaimer.

#### **Internal Audit**

M/s. J.C ARORA & ASSOCIATES, Chartered Accountants continues to be the Internal Auditor of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, review of statutory and legal compliances with applicable statutes / laws and assessing the internal control strengths in all these areas including financial reporting. Internal Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. The Internal Auditor reports directly to the Audit Committee. The Committee, while reviewing their performance scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz., internal audit structure, staffing and seniority of the officials proposed to be deployed etc., are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

#### **Reporting of Frauds by Auditors**

During the year under review, the Statutory, the Secretarial Auditors and Internal Auditor has not reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any fraud committed against the company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

#### **SUBSIDIARY/ASSOCIATE & JOINT VENTURE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

During the financial year under review the company has no subsidiary/associate & Joint Venture Company and as a result no consolidated financial statements.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year, the company has not transferred any amount to Investor Education and Protection Fund (IEPF).

Further in terms section 124(6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, the company has not transferred any number of equity shares to the demat account of Investor Education and Protection Fund.

#### **CORPORATE SOCIAL RESPONSIBILITY**

During the year under review, the provisions of Section 135 of the Companies Act, 2013, are not applicable on the company.

#### **BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

The requirement for Business Responsibility and Sustainability Reporting is not applicable for the year under review to the Company since it does not fall under the top 1,000 listed companies based on market capitalization.

#### **CORPORATE GOVERNANCE**

Pursuant to Regulation 34 of the SEBI Listing Regulations, Report on Corporate Governance along with the certificate from a Practicing Company Secretary certifying compliance with conditions of Corporate Governance is annexed to this Report.

#### **FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

The details of familiarisation program for Independent Directors have been disclosed in the policies section of the website of the Company and available at the web link: <https://www.atamvalves.in/investor-relations/>.

#### **INTERNAL CONTROL/INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

The company implemented suitable controls to ensure its operational, compliance and reporting objectives. The company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness and compliance is ingrained into the management review process.



Adequacy of controls of the key processes is also reviewed by the internal audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the audit committee. It ensures adequate internal financial control exist in design and operation.

M/s. J.C ARORA & ASSOCIATES is the internal auditor of the company for the F.Y 2022-23 who conducts internal audit and submit reports to the audit committee. The internal audit is processed to design to review the adequacy of internal control checks in the system and covers all significant areas of the company's operations. The audit committee reviews the effectiveness of the company's internal control system.

### BOARD EVALUATION & CRITERIA FOR EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015, the Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, compliance with code of conduct, vision and strategy, which is in compliance with applicable laws, regulations and guidelines. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company. Details of the same are given in the Report on Corporate Governance annexed hereto.

### RISK MANAGEMENT

The company has a duly approved risk management policy and constituted risk management policy as required under SEBI listing regulations. The Board of Directors oversees the risk management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

The company facets constant pressure from the evolving marketplace that impacts important issues in risk management and threatens profit margins. The company emphasizes on those risks that threaten the achievement of business objectives of the group over the short to medium term. Your company has adopted the mechanism for periodic assessment to identify, analyse, and mitigate the risks.

The appropriate risk identification method depends on the application area, the nature of the project, the project phase, resources available, regulatory requirements and client

requirements as to objectives, desired outcome and the required level of detail.

All the senior executives have the responsibility for over viewing management's processes and which results in identifying, assessing and monitoring risk associated with organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk of the company.

Further, in carrying out the risk management processes, the senior executives of the company consider and assess the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of the external auditor's report to management on internal control and action taken or proposed resulting from those reports.

The risk management and internal control systems within the organization encompass all policies, processes, practices and procedures established by management and/ or the board to provide reasonable assurance that:

- Established corporate, business strategies and objectives are achieved ;
- Risk exposure is identified and adequately monitored and managed ;
- Resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out the business
- Significant financial, managerial and operating information is accurate, relevant, timely and reliable and
- There is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The company has a vigil mechanism and whistle blower policy under which the persons covered under the policy including directors and employees are free to report misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the company is affected. The reportable matters may be disclosed to the vigilance officer who operates under the supervision of the audit committee. Persons covered under the policy may also report to the chairman of the audit committee.

During the year under review, no employee was denied access to the chairman of the audit committee. No complaints were

received under vigil mechanism & whistle blower policy during the financial year 2022-23.

### **DETAILS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186**

The Company has neither given any loans or guarantees nor made any investment during the year under review. The overall limit is within the powers of the Board as applicable to the Company in terms of the applicable provisions of the Companies Act, 2013.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. The Policy can be accessed on the Company's website at [https://www.atamvalves.in/wp-content/uploads/Atam\\_Valves\\_Limited\\_Related\\_Party\\_Transactions\\_Policy.pdf](https://www.atamvalves.in/wp-content/uploads/Atam_Valves_Limited_Related_Party_Transactions_Policy.pdf).

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The company had not entered into any Contract/ Arrangements/ Transaction with related parties which is required to be reported in Form AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

All related party transactions are mentioned in Note No. 39 of the notes to the Accounts.

### **INDEPENDENT DIRECTORS' DECLARATION**

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

### **CHANGE IN THE NATURE OF BUSINESS**

As required to be reported pursuant to Section 134(3)(q) read with Rule 8(5) (ii) of Companies (Accounts) Rules, 2014, there is no change in the nature of business carried on by the Company during the financial year 2022-23.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.

### **SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### **PARTICULARS OF EMPLOYEES**

Disclosures relating to remuneration of directors u/s 197(12) of the act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as Annexure-IV. The Remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

Pursuant to Section 136(1) of the Companies Act, 2013, the report of the Board of Directors is being sent to the shareholders of the Company excluding the statement prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said statement is available for inspection by the shareholders at the Registered Office of the Company during business hours.

### **ANNUAL RETURN**

In accordance with section 134(3)(a) of the Companies Act, 2013 annual return of the company is available on the website of the company at <https://www.atamvalves.in/investor-relations/>.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management discussion and analysis report for the financial year under review, as stipulated under the SEBI listing regulations, is presented in a separate section, forming part of this annual report.

## MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION

There were no significant material orders passed by the regulators/courts/tribunals during the financial year 2022-23 which would impact the going concern status of the company and its future operations.

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

Information in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are under:

Sr. No.	Particulars	Comments
<b>(A)</b>	<b>Conservation of energy</b>	
(i)	The steps taken or impact on conservation of energy.	Energy conservation is very important for the company and therefore, energy conservation measures are undertaken wherever practicable in its factory and attached facilities. The company is making every effort to ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient equipment's with latest technologies. Impact on conservation of energy was that the electricity load expenses reduced.
(ii)	The steps taken by the company for utilizing alternate sources of energy.	Nil
(iii)	The capital investment on energy conservation equipment	Nil
<b>(B)</b>	<b>Technology Absorption</b>	
(i)	The efforts made towards technology absorption	Your company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently. While the industry is labour intensive, we believe that mechanization of development through technological innovations is the way to address the huge demand supply gap in the industry. We are constantly upgrading our technology to reduce costs and achieve economies of scale.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution.	Nil
(iii)	In case of imported technology imported during the last three years reckoned from the beginning of the financial year.	
	(a) The details of technology imported	Nil
	(b) The year of import	N.A.
	(c) Whether the technology has been fully absorbed	N.A.
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof and	N.A.
(iv)	the expenditure incurred on research and development	Nil

### (C) Foreign Exchange Earnings and Outgo:

The details of Foreign Exchange earnings and outgo are duly mentioned in the balance sheet.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the

Company, work performed by the internal, statutory and secretarial auditors, including audit of internal controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022-23.

Pursuant to section 134(5) of the Act, with respect to Directors' Responsibility Statement, the board of directors, to the best of its knowledge and ability, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of companies act, 2013 and rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts on a going concern basis.
5. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### MD & CFO CERTIFICATION

The MD and CFO of the company are required to give annual certification on financial reporting and internal controls to the board in terms of Regulation 17(8) of listing regulation and certification on financial results while placing the financial result before the board in terms of Regulation 33 of listing regulation and same is also published in this report as Annexure-III.

#### STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always provided a congenial atmosphere for work that is free from discrimination, harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status

and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under:

- No. of complaints received during the financial year – Nil
- No. of complaints disposed of during the financial year – Nil
- No. of complaints pending as on end of the financial year – Nil

#### EQUITY SHARES LISTING, STOCK CODE AND LISTING FEE PAYMENT

Name and address of the Stock Exchange, Scrip code and Status of fee paid for the financial year 2022-23:

Name and Address of the Stock Exchanges	Stock code	Status of fee Paid for FY 2022-23
BSE Limited (SME Platform) BSE-Corporate Office Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	543236	Paid

#### ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation for the contribution made by the employees at all levels with dedication, commitment and team effort, which helped your company in achieving the performance during the year.

Your directors also acknowledge with thanks the support given by the government, bankers, members and investors at large and look forward to their continued support.

For and on behalf of Board of Directors

**Amit Jain**

Managing Director

DIN: 01063087

95, Shaheed Uddham Singh Nagar,

Jalandhar, Punjab-144008

Place: - Jalandhar

Date:-04.09.2023

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objects of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under The Companies Act, SEBI Regulations, Accounting Standards and Secretarial Standards etc.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

ATAM VALVES LIMITED has full belief that the sound corporate governance is essential for the success of its operations in the long term. The organization success is truly a reflection of the professionalism, conduct and ethical values of its management and employees. Our Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations. A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter VI read with Schedule V of the Listing Regulations is given below.

### 2. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant & material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

a) The Chairman of the Board is Mr. Vimal Parkash Jain.

#### b) Composition and Category of the Board of Directors

As on 31.03.2023, Board of Directors of Company had six directors consisting of 3 Executive Directors including one Women Director, 3 Independent Directors including 1 women independent Director. The Chairman of the Board is an Executive Director. None of the Directors on the board is a member of more than 10 committees and Chairman of more than 5 Committees. Necessary disclosures regarding directorship held in other companies and committee positions as on 31.03.2023 have been made by Directors.

c) Attendance of Directors at Board Meetings & Annual General Meeting and Number of Companies in which the director is a member of the Board or its committee as a chairperson thereof during the year is given below as per Annexure-1.

d) Number of other board of directors or committees in which a director is a member or including separately the names of the listed entities where the person is a director and the category of directorship is given below as per Annexure-1.



Name of Director	Category	Attendance in Board Meeting		Whether attended last AGM held on 30.09.2022	Number of Directorships in other Public Companies			Directorship in other listed entity
		Held	Attended		No. of other Directorships	No. of committees in which a member	No. of committees in which a chairman	
Mr. Amit Jain Managing Director	Executive	12	12	Yes	-	-	-	-
Mr. Vimal Parkash Jain Chairman & Wholetime Director	Executive	12	12	Yes	-	-	-	-
Ms. Pamila Jain Wholetime Director & Chief Financial Officer	Executive	12	12	Yes	-	-	-	-
Mr. Surinder Kumar Salwan	Non-Executive – Independent	12	6	Yes	-	-	-	-
Mr. Ravi Bhushan Jain	Non-Executive – Independent	12	6	Yes	-	-	-	-
Ms. Rajni Sharma	Non-Executive – Independent	12	6	Yes	-	-	-	-

**e) Board Meetings**

During the financial year 2022-23, the Board of the Company met 12 times on 10.05.2022, 30.05.2022, 09.08.2022, 05.09.2022, 19.09.2022, 30.09.2022, 21.10.2022, 29.10.2022, 14.11.2022, 15.12.2022, 10.02.2023 and 10.03.2023. The interval between two meetings is well within the maximum period under Section 173 of the Companies Act, 2013 and the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director.

In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting. Besides performance of Company's operations before taking on record the quarterly / annual financial results of the Company, information supplied to the Board. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time.

f) Mr. Amit Jain – Managing Director is son of Mr. Vimal Parkash Jain- Chairman and Wholetime Director .

g) Ms. Pamila Jain- Wholetime Director Cum Chief Financial Officer is wife of Mr. Amit Jain-Managing Director.

h) Mr. Surinder Kumar Salwan, Mr. Ravi Bhushan Jain and Ms. Rajni Sharma do not have any shareholding in the Company.

**i) Familiarization Programme for Independent Directors**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter-alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programme for Independent Directors are posted on the website of the Company i.e. <https://www.atamvalves.in/investor-relations/>.

**j) Key Board qualifications, expertise and attributes**

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board. The qualifications of each director are provided separately in the details of the Board of Directors.

Sr. No	Name of the Director	Qualification	Area of skill/Expertise/Competencies
1.	Mr. Amit Jain	Bachelor of Commerce degree from Guru Nanak Dev University, Amritsar.	Mr. Amit Jain, a distinguished professional, holds a Bachelor of Commerce degree from Guru Nanak Dev University, Amritsar. With an impressive track record spanning over two decades, he has solidified his expertise within the valves industry. In Atam Valves Limited, Mr. Amit Jain assumes a pivotal role, orchestrating marketing and sales strategies with precision. His extensive experience and strategic acumen have been integral to our company's growth, underscoring his vital contribution to our success in the competitive market landscape.
2.	Mr. Vimal Parkash Jain	Bachelor of Science in Engineering (Mechanical) from the Punjab Engineering College, Chandigarh.	Mr. Vimal Parkash Jain is the visionary founder of our company, armed with a Bachelor of Science in Engineering (Mechanical) from the esteemed Punjab Engineering College, Chandigarh. With an illustrious career spanning four decades, he brings a wealth of experience to the valves industry. At the helm of our operations, Mr. Vimal Parkash Jain spearheads production strategies with unparalleled expertise, driving our company's commitment to excellence and innovation. His enduring influence and profound knowledge continue to shape our company's success in the dynamic world of valves.
3.	Ms. Pamila Jain	Degree in diploma Computer Programming.	Ms. Pamila Jain brings a wealth of expertise with her diploma in Computer Programming. Boasting a robust track record of seventeen years within the Valves Industry, her depth of experience is evident. Within our company, she assumes a crucial responsibility, meticulously overseeing the company's financial landscape. Her adept management and extensive tenure have been instrumental in fortifying our fiscal endeavors, underscoring her indispensable role in safeguarding our company's financial well-being.
4.	Mr. Surinder Kumar Salwan	BSC Engineering (Metallurgical) from Punjab Engineering College, Chandigarh.	Mr. Surinder Kumar Salwan is a holder of a BSC Engineering degree with a specialization in Metallurgical studies from Punjab Engineering College, Chandigarh. His professional journey encompasses diverse roles across several prominent automobile companies. His extensive experience, coupled with his technical background, has enriched his contributions to the industry, marking him as a valuable asset in the field of automobiles.
5.	Mr. Ravi Bhushan Jain	Bachelors' in Commerce Degree from Guru Nanak Dev University, Amritsar	Mr. Ravi Bhushan Jain is equipped with a Bachelors' in Commerce Degree from Guru Nanak Dev University, Amritsar. His illustrious career spans an impressive 38 years within the Banking Industry, a testament to his profound expertise. He culminated his journey as Chief Manager in Oriental Bank of Commerce, a prominent nationalized Bank. Mr. Ravi Bhushan Jain's extensive experience and distinguished tenure highlight his invaluable contributions to the realm of banking and financial services.
6.	Ms. Rajni Sharma	M.Sc in Maths from Guru Nanak Dev University (G.N.D.U).	Ms. Rajni Sharma, armed with an M.Sc in Mathematics from Guru Nanak Dev University (G.N.D.U), boasts a notable teaching background. Currently, she serves as the Principal at Manav Sehyog School, an institution affiliated with the Central Board of Secondary Education (C.B.S.E.). Just as she has demonstrated her educational prowess, her leadership qualities contribute valuably to the growth of company.

- k) The Board of Directors of the Company confirms that the Independent Directors of the Company fulfil the conditions as specified in the SEBI (LODR) Regulations 2015 and are independent of the management.
- l) No Independent Director of the Company has resigned during the Financial Year 2022-23.

### 3. AUDIT COMMITTEE

#### a) Terms of Reference

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013. The Audit Committee inter alia performs the functions of approving review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors.

#### b) Composition

As on 31.03.2023 the Audit Committee consists of three Directors out of which two are Independent namely Mr. Ravi Bhushan Jain and Mr. Surinder Kumar Salwan whereas the other one Mr. Vimal Parkash Jain is Wholetime Director. Mr. Ravi Bhushan Jain is the Chairman of the Committee. All members of the Audit Committee are financially literate and bring in expertise in the fields of Accounting, Finance and Taxation.

Besides above Managing Director, other Whole-time Director, Chief Financial Officer, the representatives of the Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee.

The quorum, power, role and scope are in accordance with the Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015.

#### c) Meetings and Attendance

The Committee met seven times during the Financial Year ended 2022-23 on 30.04.2022, 26.05.2022, 05.08.2022, 02.09.2022, 21.10.2022, 29.10.2022 and 10.02.2023. The maximum gap between any two meetings was less than four months which is in compliance with the provisions of Regulation 18 of SEBI (LODR), 2015. Adequate quorum was present for all Meetings. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company. The Table below provides the attendance of the Audit Committee members.

Name of the Members	Position	Category	No. of Meetings held	No. of Meetings attended
Mr. Ravi Bhushan Jain	Chairman	Non-Executive Independent	7	7
Mr. Surinder Kumar Salwan	Member	Non-Executive Independent	7	7
Mr. Vimal Parkash Jain	Member	Wholetime Director	7	7

### 4. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee comprises of at least 3 Directors all of whom shall be non-executive and at least fifty percent of the directors shall be independent directors.

#### a) Term of Reference

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

#### b) Composition, Meeting and Attendance:

The Chairman of the Committee is Ms. Rajni Sharma.

The Committee at present comprises of three non-executive Directors which includes Ms. Rajni Sharma , Mr. Ravi Bhushan Jain and Mr. Surinder Kumar Salwan, all of whom are Independent Directors .The Committee met two times during the Financial Year ended 2022-23 on 24.05.2022 and 22.08.2022.

Name of the Members	Position	Category	No. of Meetings held	No. of Meetings attended
Ms. Rajni Sharma	Chairman	Non-Executive Independent	2	2
Mr. Ravi Bhushan Jain	Member	Non-Executive Independent	2	2
Mr. Surinder Kumar Salwan	Member	Non-Executive Independent	2	2

### c) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015, a Board Evaluation Policy has been framed and approved by the NRC and by the Board. The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Executive Directors (EDs) compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. EDs are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary. The present remuneration structure of EDs comprises of salary, perquisites, allowances and contribution to PF etc. along with performance bonus. The Non-Executive Directors are paid compensation by way of sitting fees. The sitting fees payable to the Non-Executive Directors is based on the number of meetings of the Board & other Committees of the Board attended by them.

#### Policy for evaluation of Independent Directors and the Board:

The following criteria may assist in determining how effective the performances of the Directors have been:

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.
- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace.

## 5. REMUNERATION OF DIRECTORS

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to Attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the automotive industry. For detailed Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Act and the SEBI Listing Regulations and is available on the website at <https://www.atamvalves.in/investor-relations/>. Annual increments are recommended by the NRC within the salary scale approved by the Board and Members and are effective April 1, each year.

### a) Disclosure of Remuneration to Non-Executive / Independent Directors:

The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and Committee meetings and performance evaluation by the Board. The Commission paid/ payable shall be in addition to the sitting fees payable to the Directors for attending

the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

A sitting fees of ₹2500/- was paid to NEDs for attending meetings of the Board and meetings of the Committee of Audit, NRC and Stakeholders Relationship Committee. The sitting fees paid/payable to the Non Whole-time Directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act.

The total amount of Sitting Fees to all directors including Executive Directors paid during the Financial Year ended 31<sup>st</sup> March, 2023 was ₹2,45,000.

Sr. No.	Particulars of Remuneration	Name of the Directors					Total Amount	
		Mr. Amit Jain	Mr. Vimal Parkash Jain	Ms. Pamila Jain	Mr. Surinder Kumar Salwan	Mr. Ravi Bhushan Jain		Ms. Rajni Sharma
1.	Fee for attending board & committee meetings	40,000	57,500	35,000	47,500	40,000	25,000	2,45,000
2.	Commission	-	-	-	-	-	-	-
3.	Others, Travelling	-	-	-	-	-	-	-
	<b>Total</b>	<b>40,000</b>	<b>57,500</b>	<b>35,000</b>	<b>47,500</b>	<b>40,000</b>	<b>25,000</b>	<b>2,45,000</b>

#### b) Remuneration to Executive Directors

The remuneration paid to the ED is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by him and is in accordance with the terms of appointment approved by the Members, at the time of his appointment.

The NRC, reviews and recommends to the Board the changes in the managerial remuneration, generally being, increment in basic salary of the ED. This review is based on the Balanced Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, market share, cash flows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent agencies on comparative industry remuneration practices.

The details of the remuneration paid during the year ended 31<sup>st</sup> March 2023 under review is given below.

(₹in lakhs Per Month)

	Mr. Amit Jain		Mr. Vimal Parkash Jain		Ms. Pamila Jain	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Salary including Allowances, Perquisites & Reimbursements	4.00	4.00	3.00	3.00	2.5	2.5
<b>Total*</b>	<b>4.00</b>	<b>4.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.5</b>	<b>2.5</b>

The Remuneration Comprises contribution to Provident Fund and Superannuation fund as per the Rules of the Company.

The service contracts, Notice Period and severance fees of the directors are as follows:

Directors	Mr. Amit Jain	Mr. Vimal Parkash Jain	Ms. Pamila Jain	Mr. Surinder Kumar Salwan	Mr. Ravi Bhushan Jain	Ms. Rajni Sharma
Service Contracts	07.09.2019-30.09.2024	30.09.2022-29.09.2027	07.09.2019 – 30.09.2024	04.07.2019 – 30.09.2024	04.07.2019 – 30.09.2024	04.07.2019 – 30.09.2024
Notice Period	NA	NA	NA	NA	NA	NA
Severance Fees	NA	NA	NA	NA	NA	NA



## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The SRC functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- Approve issue of duplicate certificates for securities and transmission of securities.
- Resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Oversee statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund and claims made by members / investors from the said fund.
- Review movements in shareholding and ownership structures of the Company.
- Conduct a Shareholders' Satisfaction Survey to ascertain the level of satisfaction amongst shareholders.
- Suggest and drive implementation of various investor friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

### Composition and Attendance

During the year under review, the Committee comprises 2 EDs and 1 ID. The Chairperson of the SRC also attended the last Annual General Meeting of the Company. During the period under review, 2 SRC meetings were held on 23.06.2022 and 21.09.2022. The requisite quorum was present for both the meetings.

The composition of the SRC and attendance of its Members at its meetings held during the year is as follows:

Sr. No.	Name of Director	Positions	Category	No. of Meetings Attended
1.	Mr. Surinder Kumar Salwan	Chairman	Independent Director	2
2.	Mr. Amit Jain	Member	Executive Director	2
3.	Mr. Vimal Parkash Jain	Member	Executive Director	2

### Compliance Officer

Ms. Natisha Choudhary, Company Secretary, is the Compliance Officer. Her contact details are:- Atam Valves Limited, 1051-Industrial area, Jalandhar, Punjab, India.

Email: cs@atamfebi.com

### Number of complaints received, not solved & pending

The total number of complaints received and resolved during the year ended 31<sup>st</sup> March 2023 was Nil. There were no complaints outstanding as on 31<sup>st</sup> March 2023. The number of pending share transfers and pending requests were Nil. Shareholders'/ Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on 31<sup>st</sup> March, 2023.

## 7. GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings (AGM) Held

Sr. No.	Financial Year ended	Type of Meeting	Date and Time	Location	Whether any Special Resolution passed
1	March 31, 2022	AGM	30.09.2022 at 01:00 pm	AC/VC	<ul style="list-style-type: none"> <li>Approval of Employee Stock Option Scheme- Atam Esop 2022.</li> <li>Re-Appointment of Mr. Vimal Parkash Jain as Whole Time Director</li> <li>Authorization to Board to borrow funds.</li> <li>Authorization to Board to create charge on the assets of the Company.</li> <li>Approval to enter Related Party Transactions.</li> </ul>
2	March 31, 2021	AGM	30.09.2021 at 01:00 pm	AC/VC	<ul style="list-style-type: none"> <li>Increase in remuneration of Mr. Amit Jain, Managing Director.</li> <li>Authorization to Board to borrow funds.</li> <li>Authorization to Board to create charge on the assets of the Company.</li> <li>Approval to enter Related Party Transactions.</li> </ul>
3	March 31, 2020	AGM	12.09.2020 at 11:00 am	AC/VC	No

**Note** :- During the Financial Year 2022-23, Extra Ordinary General Meeting was held on 20.04.2022 at 11.00 A.M. through AC/VC mode in which following Special Resolutions were passed:-

- To consider and Approve issuance of 18,00,000 (Eighteen Lacs) Equity warrants convertible into Equity Shares on Preferential basis to Promoter of the Company.
- To consider and approve issuance of 4,86,000 (Four Lacs Eighty Six Thousands) convertible into equity shares on preferential basis to non-promoters and/or key managerial personnel (kmp) /public category shareholders of the company.

During the year, one POSTAL BALLOT was conducted vide notice dated 14.11.2022 in accordance with Section 110 of the Companies Act, 2013, Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI LODR read with MCA and SEBI circulars relaxing the physical dispatch of postal ballot notice to all shareholders. The postal ballot notices were sent by email to all the shareholders. The Company engaged Central Depository Services (India) Limited (CDSL) for facilitating the remote e-voting. The Board of Directors of the Company appointed Mr. Parmindar Singh Rally, Managing Partner – P.S Rally & Associates, Practising Company Secretary (FCS No. 6861 and CP No. 5712), as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner. The Scrutinizer gave his report and on the basis of the said report, the results of the Postal Ballot was declared as under:

Date of Passing Resolution	Special Resolution Passed	No. of Votes Polled	Votes Cast			
			In Favour		Against	
			No. of Votes	%	No. of Votes	%
15.12.2022	Migration of Equity Shares of the Company from SME Platform of BSE Limited ("BSE") to the Main Board Platform of BSE Limited and/or simultaneously to the Main Board Platform of National Stock Exchange of India Limited ("NSE").	7811980	7811980	100	0	0

## 8. MEANS OF COMMUNICATIONS

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

**Financial Results:** The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited (NSE) – (after Listing of securities on NSE i.e. after 10.05.2023) and BSE Limited (BSE) as well as uploaded on the Company's website and are published in newspapers, namely the **Economic Times** and the **Jagbani** (Punjabi) or **Nawazamana** (Punjabi). Additionally, the results and other important information are also periodically updated on the Company's website [www.atamvalves.in](http://www.atamvalves.in) in the "Investor Relations" section.

**Investors / Analyst Meets:** The Company hosts calls or meetings with institutional investors on request. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon. The Company also issues press releases from time to time.

**Website:** The Company's website is a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. The Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, etc.

**Annual Report:** The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports for FY 2022-23 are being sent in electronic mode, to all members who have registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the "Investor Relations" section on the Company's website <https://www.atamvalves.in/investor-relations/>.

## 9. GENERAL SHAREHOLDER INFORMATION

### A. Annual General Meeting For F.Y. Ending 31.03.2023

**Date:** September 30<sup>th</sup>, 2023

**Time:** 01:00 P.m (IST)

**Venue:** Meeting is being conducted through VC/OAVM pursuant to the MCA General Circulars dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022. For details, please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

### B. Financial Year Calendar

Financial Year Results for the Quarter ending (Tentative)	Ending March 31
June 30, 2023	On or before August 14, 2023
September 30, 2023	On or before November 14, 2023
December 31, 2023	On or before February 14, 2024
March 31, 2024	On or before May 30, 2024
Date of Record Date	September 23, 2023
Date of Dividend Payment	September 30, 2023 onwards

### C. Listing on Stock Exchanges

Stock Exchanges	Stock Code/Symbol
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 (Company listed on NSE on 10.05.2023)	ATAM
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	543236

**Listing Fee:** The shares of the Company are listed on NSE (listed on NSE on 10.05.2023) & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2023-24 to NSE & BSE where the shares of the Company continue to be listed.

#### D. Market Price Information

Market price data - monthly high/low of the closing of the Company's Equity Shares on BSE is given hereunder:-

Month/Year	High	Low
Apr-22	129.35	102.25
May-22	150.00	107.50
June-22	164.70	141.70
July-22	290.00	163.00
Aug-22	350.80	245.00
Sep-22	370.00	270.10
Oct-22	371.00	168.00
Nov-22	211.80	158.00
Dec-22	173.20	141.00
Jan-23	167.20	135.00
Feb-23	165.00	128.20
Mar-23	213.00	137.30

As Company was listed on NSE on 10.05.2023, the Market Price Data for the Year ended on March 31, 2023 is not available on NSE.

#### E. Performance in comparison to broad base indices

The shares of the Company are not considered as BSE Sensex, Crisil Index, by stock exchange in their index fluctuations.

#### F. The Securities were not suspended from trading during the financial year 2022-23.

#### G. Registrar & Transfer Agents

The contact details of the Registrar and Transfer Agents are as follows:

##### BIGSHARE SERVICES PVT LTD

•Address:, Office No S6-2, 6<sup>th</sup> floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India.

•Contact No: 022-6263 8200

•E-mail id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com) .

#### H. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

All Securities of company is in Demat form.

#### I. Distribution of shareholding as on 31.03.2023

No of Equity Shares held		No of shareholders	%age of Total	No of shares held	%age of Shareholding
From	To				
1	500	2	0.8584	40	0.0004
1,001	2000	2	0.8584	3000	0.0284
2001	3000	90	38.6266	270000	2.5597
5001	10000	84	36.0515	534000	5.0626
10001	999999999	55	23.6052	9740960	92.3489
Grand Total		<b>233</b>	<b>100</b>	<b>10548000</b>	<b>100</b>

#### J. Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the company representing 100 percent of the Company's equity share capital are dematerialized as on March 31, 2023. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INEO9KD01013.

#### K. Commodity price or foreign exchange risk and hedging activities

Not applicable to the Company as Company is not associated Foreign Exchange Risk and with hedging activities.

#### L. Plant Location

Location	Name & Address of the Manufacturing Unit
Jalandhar(Punjab)	Atam Valves limited. 1051,INDUSTRIAL AREA, JALANDHAR,PUNJAB

M. Address for correspondence: 1051,Industrial Area, Jalandhar, Punjab .

#### N. Outstanding Instruments:

During the year under review, the Company has issued 23,49,000 Equity Warrants on preferential basis on 10.05.2022. Out of 23,49,000 warrants, the 11,49,000 warrants has been exercised by the allottees. Therefore ,12,00,000 Equity Warrants are outstanding as on date.

The above action has no impact on the current listing status or trading of the Company's equity shares on the BSE Limited and the National Stock Exchange of India Limited in India.

### 10. OTHER DISCLOSURES

#### a) Related Party Transactions

During the year all RPTs entered by the Company were in the ordinary course of business and in respect of transactions with related parties under Section 2(76) of the Act, are at arm's length basis and were approved by the members of Audit Committee including Independent Directors. The Company had sought the approval of shareholders at the 37<sup>th</sup> AGM held on September 30<sup>th</sup> , 2022 for material RPT as per Regulation 23 of SEBI Listing Regulations. Similarly the Company intends seeking approval of its shareholders for the existing and material related party transactions for FY 2023-24 at its ensuing annual general meeting to be held on September 30<sup>th</sup> ,2023. The Board's approved policy for related party transactions is uploaded on the website of the Company. The Weblink for the same is : <https://www.atamvalves.in/investor-relations/> .

#### b) Disclosure of Accounting Treatment

In the financial statement for the year ended 31<sup>st</sup> March 2023, the Company has followed the treatment as prescribed in the applicable Indian Accounting Standards.

#### c) Details of non-compliance, penalties etc. imposed by Stock Exchanges, Securities Exchange Board of India (SEBI) etc. on any matter related to capital markets, during the last three years.

As per the Regulation 29(2)/29(3) of SEBI (LODR) Regulations, 2015, the Company is required to give intimation of Board Meeting regarding item specified in clause (a) of sub- regulation (1) of 29 at least five days in advance (excluding the date of the intimation and date of the meeting). However, the Company give this intimation three days in advance.



During the F.Y. 2022-23, Bombay Stock Exchange (BSE) had imposed a fine of ₹10000/- + 18% GST aggregating to ₹11,800/- on the Company under Regulation 29(2)/29(3) of SEBI (LODR) Regulations, 2015 for delay in furnishing prior intimation about the meeting of the Board of Directors (For Half Years Results i.e. 01.04.2022 to 30.09.2022)

**d) Vigil Mechanism/Whistle Blower Policy**

The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company. The Weblink for the same is: <https://www.atamvalves.in/investor-relations/>.

**e) Mandatory requirements**

The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.

**f) Details of Material Subsidiary Companies:**

The Company does not have any material listed /unlisted subsidiary Companies as defined in Regulation 24 of the SEBI LODR. Hence, the Company is not required to frame a policy for determining material subsidiary.

**g) Details of Utilization of Funds raised through preferential allotment/ Qualified Institution placement as specified under Regulation 32(7A)**

During the year, the Company has made preferential allotment of Equity Warrants on 10.05.2022 which were converted into equity shares on 19.09.2022 and 30.09.2022 amounting to ₹28548000 and ₹31200000 respectively. The funds were raised to utilize the proceeds of the issue towards Working Capital Requirements of the Company. Entire proceeds of the Issue has been utilised for the same object.

**h) Total Fees paid to Statutory Auditor of the Company during the FY 2022-23**

The total fee paid to Statutory Auditor during the year 2022-23 is given below:-

Particulars	Amount (₹In lakhs)
For Audit Fees	7.00
For Certification work and other Services	0.50
<b>Total</b>	<b>7.50</b>

**i) Sexual Harassment Complaints**

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 and the Rules made thereunder. The Company has zero tolerance on Sexual Harassment at workplace. In compliance with the provisions of Companies Accounts Rules, 2014, as amended, the Internal Complaints Committee is set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees and other stakeholders) are covered under this policy. The following is the summary of sexual harassment complaints received and disposed of during the 2022-23.

Number of complaints filed during the year	Nil
Number of Complaints disposed	Nil
Number of Complaints pending as on end of the Financial Year	Nil

**j) Loans and Advances**

The Company has not given any loans and advances to firms/company in which directors are interested.

**11. NON COMPLIANCE**

Company has complied with all the requirement/disclosures as mentioned in sub paras (2) to (10) of Corporate Governance Report as given in part C of Schedule V of SEBI (LODR) Regulations, 2015.

## 12. THE STATUS OF COMPLIANCE OF DISCRETIONARY NON MANDATORY REQUIREMENTS AS PRESCRIBED IN PART E OF SCHEDULE II OF THE SEBI (LODR) 2015 ARE AS UNDER:

1. The Board: The Chairman of the Company is Executive Chairman and hence this provision is not applicable.
2. Shareholders' Right: The quarterly, half yearly and annual financial results of the Company are published in newspapers on all India basis and are also posted on the Company's Website. Significant events are also posted on Company's Website.
3. Modified Opinion: During the year under review, there was no modified audit opinion in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.
4. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: There are separate posts for Chairperson and Managing Director in the Company as Mr. Amit Jain is the Managing Director of the Company and Mr. Vimal Parkash Jain is the Chairperson of the Company.
5. Reporting of Internal Auditors: The Internal Auditors are directly reporting to the Audit Committee, to ensure independence of the Internal Audit function.

## 13. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT

In accordance with the requirement of Regulation 34(3) and Schedule V of SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2022	0	0
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2023	0	0

## 14. STATUS OF COMPLIANCE

### a) Code of Conduct

The Board of Directors of the Company plays an important role in ensuring good governance and has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to all the Board Members and Senior Management of the Company. A copy of the same is available on Company's website <https://www.atamvalves.in/investor-relations/>. The Managing Director has also confirmed and certified the same.

### b) Risk Assessment 17(9)

Board has apprised of the assessment done of the risk factors and the management policy for the control and minimization of the same during the year. There is elaborate system for the assessment and control on continuous basis.

### c) Risk Management Committee

For the Year 2022-23, our Company does not qualify to be in Top 1000 Listed Company therefore the provisions of Regulations 21 of SEBI (LODR) Regulations, 2015 are not applicable.

### d) Independent Directors

The Non-Executive Independent Directors fulfill the conditions of Independence specified in section 149(6) of the Companies Act, 2013 and Rules made there under and meet the requirements of Regulation 25 of SEBI (LODR) Regulations, 2015.

During the year under review, the Independent Directors met on 14.11.2022 inter alia, to

- a) Review the performance of non-independent directors and the board of directors as a whole;
- b) Review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- c) Assess the quality, quantity and timelines of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

**Independent director data bank registration**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Data bank. Requisite disclosures have been received from the directors in this regard.

**e) Insider Trading Code**

As per SEBI (Prohibition of Insider Trading ) Regulations 2018, the Company has adopted Code of Conduct for Fair Disclosures of Un-published Price Sensitive Information and Regulating, Monitoring and Reporting of Trading by Designated Persons to deter the insider trading in the securities of the Company based on the Un-published Price Sensitive Information. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations and has laid down an effective monitoring system for the said purposes.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

**Atam Valves Limited**

1051, Industrial Area

Jalandhar, Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Atam Valves Limited having CIN: L27109PB1985PLC006476 and having its registered office at 1051, Industrial Area, Jalandhar, Punjab (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) and certificate received from the directors) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Directors	DIN	Date of Appointment in the Company
1	Mr. Amit Jain	01063087	06.10.1998
2	Mr. Vimal Parkash Jain	01063027	30.09.1995
3	Ms. Pamila Jain	01063136	07.09.2019
4	Mr. Surinder Kumar Salwan	08510741	04.07.2019
5	Mr. Ravi Bhushan Jain	08510737	04.07.2019
6	Ms. Rajni Sharma	08510736	04.07.2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Vishal Soni & Associates

Place: Jalandhar

Dated: 16.08.2023

**Vishal Soni**

FCS No. 8876/ CP No: 9876/

PR No. 2270/2022

UDIN: F008876E000810358

## DECLARATION

### DECLARATION BY THE MANAGING DIRECTOR REGARDING ADHERANCE TO THE CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31.03.2023.

Place: Jalandhar

(AMIT JAIN)

Dated: 04.09.2023

Managing Director

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### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

#### Atam Valves Limited

We have examined the compliance of the conditions of Corporate Governance by Atam Valves Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

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

For Vishal Soni & Associates

Place: Jalandhar

Dated: 16.08.2023

**Vishal Soni**

FCS No. 8876/ CP No: 9876/

PR No. 2270/2022

UDIN: F008876E000810358



**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

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

To

The Members,

**Atam Valves Limited** (L27109PB1985PLC006476),

1051, Industrial Area, Jalandhar, Punjab-144004

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by the Atam Valves Limited (hereinafter called the 'Company').

Secretarial Audit was conducted for the period from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. I have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act 2013, and the other laws listed below.

Based on my verification of the Company's books, papers, minutes books, forms and returns filled 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, the explanations and clarifications given to us and representations made by the Management, I hereby report that in my opinion, as per the information provided and records produced before me, the company has, during the audit period covering the financial year ended March 31, 2023 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:

1. I have examined the books, papers, minute books, forms and returns filled and other records maintained by the company for the financial year ended on March 31, 2023 as mentioned in **Annexure-A** and **Annexure-B** according to the provision of:
  - (i) The Companies Act, 2013 (the Act) and rules made there under;
  - (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye Laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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) Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
    - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
    - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (d) 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;
    - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
    - (f) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity ) Regulations, 2021;
    - (g) The Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008; (Not applicable to the Company during the audit period)

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)
- (i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

**Note:-** During the period under review, the Company has generally complied with the Provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below:

As per the Regulation 29(2)/29(3) of SEBI (LODR) Regulations, 2015, the Company is required to give intimation of Board Meeting regarding item specified in clause (a) of sub- regulation (1) of 29 at least five days in advance (excluding the date of the intimation and date of the meeting). However, the Company give this intimation three days in advance. During the F.Y. 2022-23, Bombay Stock Exchange (BSE) had imposed a fine of ₹10000/- + 18% GST aggregating to ₹11,800/- on the Company under Regulation 29(2)/29(3) of SEBI (LODR) Regulations, 2015 for delay in furnishing prior intimation about the meeting of the Board of Directors (For Half Years Results i.e. 01.04.2022 to 30.09.2022 ).

2. I have also examined compliance with the applicable clauses of the following to the extent applicable:

- (I) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (II) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the year under review, as per the information provided and records produced before me, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines above.

**I further Report that:**

- 1) The Board of Director of the Company is duly constituted with proper balance of Executive Directors, Non-Executives Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.
- 2) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions of the board recorded as part of the minutes.
- 3) Majority decisions were carried through and there were no instances where any director expressing any dissenting views.

**I further report that**

1. During the year, the company has increased its Authorised Capital from ₹5,00,00,000 to ₹6,50,00,000 in Extra- ordinary General Meeting held on 20.04.2022.
2. During the year, the Company has allotted 23,49,000 Equity warrants optionally convertible into Equity Shares (the total Issue price per warrant is ₹52/- convertible into One Equity Share of the Company having face value of ₹10/- including a premium of ₹42/- per equity share) on 10.05.2022, out of which 18,00,000 Equity Warrants were allotted to Mr. Amit Jain, Promoter of the Company and rest 5,49,000 Equity Warrants were allotted to Non- Promoter/ Public Category of the Company.
3. On, 19.09.2022, 5,49,000 Equity Warrants allotted to Non- Promoter/ Public Category of the Company were converted into Equity Shares and on 30.09.2022, 6,00,000 (out of 18,00,000 Equity Warrants) allotted to Mr. Amit Jain, Promoter of the Company were converted into Equity Shares.
4. During the year, the company has increased its Authorized Capital from ₹6.50 Crores to ₹15.00 Crores on 30.09.2022.
5. During the Year, Mr. Vimal Parkash Jain was re-appointed as the Whole time Director of the Company in Annual General Meeting held on 30.09.2022.
6. During the year, the company has issued 52,74,000 Bonus Shares in the ratio of 1:1 on 29.10.2022.

7. During the year, the Special Resolution was passed by the Members of the Company through Postal Ballot through Remote E- Voting for Migration of Equity Shares of the Company from SME Platform of BSE Limited ("BSE") to the Main Board Platform of BSE Limited and/or simultaneously to the Main Board Platform of National Stock Exchange of India Limited ("NSE"). (Remote E-Voting commenced on Wednesday, November 16, 2022 and ended on Thursday, December 15, 2022)

**I further report that** during the audit period the company had no events which had bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Jalandhar  
Date: 11/05/2023

For Vishal Soni & Associates  
Company Secretaries

**Vishal Soni**

Proprietor

C.P. No. 9876

Membership No. FCS 8876

PR No. 2270/2022

UDIN: F008876E000293215

## ANNEXURE - A

1. Memorandum & Articles of association of the company.
2. Annual Report for the financial year ended March 31, 2023.
3. Minutes of the meetings of the Board of Directors, Audit Committee and Nomination & Remuneration Committee, along with attendance register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year ended March 31, 2023 under report.
5. Statutory Registers as per Companies Act, 2013.
6. Agenda papers submitted to all the directors/ members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to Section 149(6) & (7), section 164 and section 184 of the Companies Act, 2013 and Listing Regulations, 2015.
8. E-forms filed by the company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Various Policies framed by the company required under the Companies Act, 2013 and SEBI act namely, Nomination and Remuneration Policy, Code of Conduct under Insider Trading Norms, Policy on Related Party Transactions, etc.
10. Documents pertaining to Appointment, Resignation of Directors and KMP.
11. Other relevant documents as required to be maintained and published on the website by the company.

**ANNEXURE - B**

To

The Members,

**Atam Valves Limited** (L27109PB1985PLC006476),

1051, Industrial Area, Jalandhar, Punjab-144004

My Secretarial Audit Report of even date, for the financial year 2022-23 is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Atam Valves Limited (the Company) is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of Secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to me by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and corporate conduct. The verification was done on test check basis to ensure that correct facts are reflected in secretarial and other records produce to me. I believe that the process and practices I followed, provides a reasonable basis for my opinion that the statements prepared, documents or Records maintained by the Company are free from misstatement.
4. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management. I have not verified the correctness and appropriateness of the financial records and books of accounts maintained by the Company.
5. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Jalandhar

Date: 11/05/2023

For Vishal Soni & Associates  
Company Secretaries

**Vishal Soni**

Proprietor

C.P. No. 9876

Membership No. FCS 8876

PR No. 2270/2022

UDIN :- F008876E000293215



**MD/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March 2023 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered in to by the Company during the year ended 31<sup>st</sup> March 2023 which are fraudulent, illegal or violative of Company's Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Place: Jalandhar

Dated: 04.09.2023

**(PAMILA JAIN)**

Chief Financial Officer

**(AMIT JAIN)**

Managing Director

#### ANNEXURE IV

### Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company and percentage increase in remuneration of the Directors and KMPs in the Financial Year.

Requirements of Rule 5(1)	Details	
1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	: <b>Name of the Director</b>	<b>Ratio</b>
	Amit Jain	29.58
	Vimal Parkash Jain	22.18
	Pamila Jain	18.49
	The median Remuneration of employee of the Company was Rs. 1,62,288/-.	
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	: Mr. Amit Jain(MD)	0%
	Mr. Vimal Parkash Jain(WTD)	0%
	Ms. Pamila Jain (WTD cum CFO)	0%
	Ms. Natisha Choudhary(CS)	140%
3. The percentage increase in the median remuneration of employees in the financial year.	: 21.52%	
4. The number of permanent employees on the rolls of company.	: 196	
5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	: Average percentage:Non-Managerial:19.99% Average percentage:Managerial:3.59%	
6. Affirmation that the remuneration is as per the remuneration policy of the Company.	: Remuneration paid during the year ended March 31, 2023 is as per the Remuneration Policy of the Company.	

# Independent Auditor's Report

To the Members of Atam Valves Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Atam Valves Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2023, and 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 financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the Financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 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

Financial Statements for the year ended March 31, 2023. We have determined that there are no key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's Report including annexures to the Director's Report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the 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 the financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, 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 purposes 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, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 34 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iii) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For K.C. Khanna & Co  
Chartered Accountants  
Firm Reg. No.000481N

(Abhishek Goel)

Partner

M. No. 521575

UDIN: 23521575BGXAZK5080

Place: Jalandhar

Date: May 11, 2023



## Annexure -A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. 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) According to the information and explanations given to us, the Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no discrepancies were noticed on such verification.
  - (c) According to information and explanations given to us and on the basis of our examination of the records of the company, the company has not purchased any immovable property during the year and in preceding years. Therefore reporting under clause (i)(c) of the Order is not applicable.
  - (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) Based on the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory have been noticed on physical verification of inventories when compared with books of account.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, during the year, from banks on the basis of security of current assets. There are certain differences in value of assets as filed with banks vis-a-vis books of accounts. The summary of reconciliation and reasons of material discrepancies in this regard is as under:

(Amount ₹ in Lakhs)

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for major difference
30 <sup>th</sup> June, 2022	HDFC Bank Ltd	Inventories	1,214.69	675.00	539.69	Refer note 1 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	628.56	886.32	-257.76	Refer note 2 below
30 <sup>th</sup> Sept, 2022	HDFC Bank Ltd	Inventories	1,162.57	600.00	562.57	Refer note 1 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	974.90	1,139.42	-164.53	Refer note 2 below
31 <sup>st</sup> Dec, 2022	HDFC Bank Ltd	Inventories	1,519.22	1,290.00	229.22	Refer note 1 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	836.16	1,097.13	-260.97	Refer note 2 below
31 <sup>st</sup> March, 2023	HDFC Bank Ltd	Inventories	1,386.62	1,450.00	-63.38	Refer note 3 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	2,050.84	2,113.89	-63.05	Refer note 3 below

Notes:

1. As explained to us, the amount of inventory submitted to bank is on lower side as the same has been submitted considering the requirement for drawing power instead of actual inventory.

2. As explained to us, the balance of trade receivables submitted to bank includes amount recoverable by head office at Jalandhar from Ahmedabad branch against supply of goods whereas the same has not been included in the figure as per books of account. Further, the amount of trade receivables of Ahmedabad branch is not included in the statement submitted to bank whereas the same has been included in the figure as per books of account.
3. As explained to us, the difference is not material and is on account of the amounts submitted to bank were on provisional basis.
  - iii. According to the information and explanations given to us, we report that the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Therefore reporting under clause 3(iii) of the Order is not applicable.
  - iv. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans during the year. Therefore reporting under clause 3(iv) of the Order is not applicable.
  - v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder.
  - vi. According to the information and explanations given to us, the company is not required to maintain cost records under section 148 of the Act.
  - vii. In respect of statutory dues:
    - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.  
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other applicable statutory dues as at March 31, 2023 for a period of more than six months from the date they became payable.
    - (b) According to the information and explanations given to us and the records of the Company examined by us, the details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

(Amount ₹ in Lakhs)

Name of Statute	Nature of Dues	Amount unpaid	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	2.71	F.Y. 2013-14	Deputy Commissioner, Jalandhar

- viii. According to the information and explanations given to us and records of the company examined, there are 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).
- ix. (a) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) According to the information and explanations given to us, the term loan has been applied for the purpose for which loans were obtained.
  - (d) Based on our 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) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the company. Therefore reporting under clause 3(ix)(e) of the Order is not applicable.

- (f) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the company. Therefore reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3 (x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year. However, the Company has made private placement of share warrants convertible into same number of equity shares on preferential basis and the requirements of section 42 and section 62 of the Companies Act, 2013, as applicable, have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- xi. (a) According to the information and explanations given to us and based on our examination of records, 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 upto the date of this report.
- (c) The company has not received any whistle blower complaint during the year.
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of records, 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 financial statements as required by the applicable accounting standards.
- xiv. (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.
- xv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them.
- xvi. (a) Based on the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) Based on information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) 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.
- xvii. The company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. 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.

- xx. In our opinion and according to the information and explanations given to us, the provision of sub section (5) of section 135 of the Act is not applicable to the Company. Therefore reporting under clause 3(xx) of the Order is not applicable.

For K.C. Khanna & Co  
Chartered Accountants  
Firm Reg. No.000481N

**(Abhishek Goel)**

Partner

M. No. 521575

Place: Jalandhar

Date: May 11 , 2023

## Annexure – “B” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report 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 control over financial reporting of Atam Valves Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of financial statements of company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management 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 the 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.

#### Auditors’ 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, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 were 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 judgment, including the assessment of the risks of material misstatement of the 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 Company’s 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

For K.C. Khanna & Co  
Chartered Accountants  
Firm Reg. No.000481N

**(Abhishek Goel)**

Partner

M. No. 521575

Place: Jalandhar

Date: May 11 , 2023

# Financial Statement

# Balance Sheet

as at March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>ASSETS</b>				
(1) Non - current assets				
(a) Property, plant and equipment	4 (a)	263.35	272.86	346.93
(b) Capital work-in-progress		-	-	-
(c) Right of use asset	4 (b)	48.54	55.70	62.86
(d) Other intangible assets	4 (c)	0.27	0.27	0.27
(e) Financial assets				
(i) Other financial assets	5	18.52	18.52	18.48
(f) Deferred tax assets(net)	32A	50.35	39.67	33.32
(g) Other non-current assets	6	8.00	-	-
<b>Total non current assets</b>		<b>389.03</b>	<b>387.02</b>	<b>461.86</b>
(2) Current assets				
(a) Inventories	7	1,386.62	1,013.39	845.46
(b) Financial assets				
(i) Trade receivables	8	1,992.82	526.82	475.89
(ii) Cash and cash equivalents	9	6.58	3.42	1.32
(iii) Bank Balances other than cash and cash equivalents	10	15.79	15.04	14.39
(iv) Other financial assets	11	4.78	-	0.80
(c) Current tax assets (net)	32B	-	-	8.24
(d) Other current assets	12	37.85	36.98	44.73
<b>Total current assets</b>		<b>3,444.44</b>	<b>1,595.65</b>	<b>1,390.83</b>
<b>Total assets</b>		<b>3,833.47</b>	<b>1,982.67</b>	<b>1,852.69</b>
<b>EQUITY AND LIABILITIES</b>				
(1) EQUITY				
(a) Equity share capital	13	1,054.80	412.50	412.50
(b) Other equity	14	1,444.50	656.07	556.65
<b>Total equity</b>		<b>2,499.30</b>	<b>1,068.57</b>	<b>969.15</b>
(2) LIABILITIES				
(i) Non - current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	64.86	179.47	266.77
(ia) Lease liabilities		45.56	51.73	57.49
(ii) Other Financial Liabilities	16	-	4.00	4.50
(b) Provisions	17	28.71	21.19	22.29
(c) Deferred Tax Liabilities (Net)	32A	-	-	-
(d) Other Non-current liabilities		-	-	-
<b>Total non current liabilities</b>		<b>139.13</b>	<b>256.39</b>	<b>351.05</b>
(ii) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	600.92	358.38	189.03
(ia) Lease liabilities		6.18	5.76	5.37
(ii) Trade payables	19			
(a) Total outstanding dues of micro enterprises and small enterprises		78.13	30.77	37.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		180.69	103.21	173.32
(iii) Others financial liabilities	20	138.33	85.08	65.57
(b) Other current liabilities	21	134.43	39.22	43.39
(c) Provisions	22	4.22	7.33	6.64
(d) Current tax liabilities (net)	32B	52.14	27.96	12.16
<b>Total current liabilities</b>		<b>1,195.04</b>	<b>657.71</b>	<b>532.49</b>
<b>Total equity and liabilities</b>		<b>3,833.47</b>	<b>1,982.67</b>	<b>1,852.69</b>

The accompanying notes 1 to 51 form an integral part of the financial statements  
As per our report of even date attached

For and on behalf of Board of Directors

For K C Khanna & Co.  
Chartered Accountants  
Firm Reg No. 000481N

**Amit Jain**  
Managing Director  
(DIN 01063087)

**Vimal Parkash Jain**  
Whole time Director  
(DIN 01063027)

**Abhishek Goel**  
Partner  
M.No. 521575  
Place: Jalandhar  
Date: May 11, 2023

**Pamila Jain**  
Whole time Director & Chief Financial Officer  
(DIN 01063136)

**Natisha Choudhary**  
Company Secretary  
(M No. A39201)

# Statement of Profit and Loss

for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	23	4,900.89	2,033.06
II Other income	24	23.95	9.21
III <b>Total income (I + II)</b>		<b>4,924.84</b>	<b>2,042.27</b>
IV <b>EXPENSES</b>			
Cost of materials consumed	25	2,865.14	1,053.11
Purchases of Stock-in-trade	26	204.54	193.96
Changes in inventories of finished goods, stock in trade and work in progress	27	(300.72)	(224.62)
Employee benefits expense	28	573.42	410.25
Finance costs	29	39.76	43.51
Depreciation and amortization expenses	30	71.72	91.31
Other expenses	31	467.45	286.16
<b>Total expenses (IV)</b>		<b>3,921.31</b>	<b>1,853.68</b>
V <b>Profit before tax (III - IV)</b>		<b>1,003.53</b>	<b>188.59</b>
VI Tax expense	32C		
Current tax		254.73	59.48
Taxes for earlier years		(5.95)	0.41
Deferred tax		(12.01)	(7.91)
<b>Total tax expense</b>		<b>236.77</b>	<b>51.98</b>
VII <b>Profit for the year (V - VI)</b>		<b>766.76</b>	<b>136.61</b>
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
-Remeasurement of defined benefit plans		5.30	5.63
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.33)	(1.57)
<b>Total Other Comprehensive Income</b>		<b>3.97</b>	<b>4.06</b>
IX Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year) (VII+VIII)		<b>770.73</b>	<b>140.67</b>
X Earnings per equity share of ₹10/- each	33		
Basic (Amount in ₹)		7.67	1.45
Diluted (Amount in ₹)		6.93	1.45

The accompanying notes 1 to 51 form an integral part of the financial statements  
As per our report of even date attached

For and on behalf of Board of Directors

For K C Khanna & Co.  
Chartered Accountants  
Firm Reg No. 000481N

**Amit Jain**  
Managing Director  
(DIN 01063087)

**Vimal Parkash Jain**  
Whole time Director  
(DIN 01063027)

**Abhishek Goel**  
Partner  
M.No. 521575  
Place: Jalandhar  
Date: May 11, 2023

**Pamila Jain**  
Whole time Director & Chief Financial Officer  
(DIN 01063136)

**Natisha Choudhary**  
Company Secretary  
(M No. A39201)

# Statement of Cash flows

for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A Cash flow from operating activities:</b>		
Profit before tax	1,003.53	188.59
Adjustments for :		
Depreciation and amortization expenses	71.72	91.31
Interest and other financial charges	39.76	43.51
Allowance for expected credit loss	15.08	4.41
Interest income	(0.94)	(1.54)
(Gain)/loss on sale of Property plant and equipment	(21.59)	(7.50)
<b>Operating profit before working capital adjustments</b>	<b>1,107.56</b>	<b>318.78</b>
Adjustments for changes in working capital :		
- (Increase)/Decrease in Inventories	(373.23)	(167.93)
- (Increase)/Decrease in Trade and other receivables	(1,486.73)	(46.84)
- Increase/(Decrease) in trade and other payables	253.90	(60.39)
- Increase/(Decrease) in provisions	9.71	5.22
<b>Cash generated from operations</b>	<b>(488.79)</b>	<b>48.84</b>
- Income Tax paid (net of refund, if any)	(224.60)	(35.85)
<b>Net cash flow from / (used in) operating activities ( A )</b>	<b>(713.39)</b>	<b>12.99</b>
<b>B. Cash flow from investing activities</b>		
Payment for purchase of property, plant and equipment and intangible assets (including adjustment of capital work in progress, capital advances and trade payables against capital expenditure)	(90.07)	(12.00)
Proceeds from sale of property, plant and equipment	64.66	8.50
Increase/(decrease) in bank balances not considered as cash and cash equivalents	0.19	0.89
<b>Net cash flow from /(used in) investing activities ( B )</b>	<b>(25.22)</b>	<b>(2.61)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of equity shares (shares issued on conversion of share warrants into equity shares)	597.48	-
Proceeds from issue of share warrants convertible into equity shares (net off shares issued on conversion of share warrants into equity shares)	156.00	-
Proceeds from non-current borrowings	-	55.00
Repayment of non-current borrowings	(133.07)	(125.90)
Proceeds/(repayment) from current borrowings (net)	261.00	152.95
Payment of interest and other financial charges	(36.68)	(39.48)
Principal payment of lease liabilities	(5.76)	(5.37)
Interest payment of lease liabilities	(3.84)	(4.23)
Dividend paid to the equity shareholders	(93.36)	(41.25)
<b>Net cash flow from /(used in) financing activities ( C )</b>	<b>741.77</b>	<b>(8.28)</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A+B+C )</b>	<b>3.16</b>	<b>2.10</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3.42</b>	<b>1.32</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6.58</b>	<b>3.42</b>
Refer note 9 for components of cash and cash equivalents		



## Statement of Cash flows (Contd.)

for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

### Reconciliation of liabilities arising from financing activities

Particulars	Total borrowings	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	537.85	455.80
Non cash changes during the year	-	-
Cash flows during the year	127.93	82.05
<b>Balance at the end of the year</b>	<b>665.78</b>	<b>537.85</b>

The accompanying notes 1 to 51 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of Board of Directors

**For K C Khanna & Co.**  
Chartered Accountants  
Firm Reg No. 000481N

**Amit Jain**  
Managing Director  
(DIN 01063087)

**Vimal Parkash Jain**  
Whole time Director  
(DIN 01063027)

**Abhishek Goel**  
Partner  
M.No. 521575  
Place: Jalandhar  
Date: May 11, 2023

**Pamila Jain**  
Whole time Director & Chief Financial Officer  
(DIN 01063136)

**Natisha Choudhary**  
Company Secretary  
(M No. A39201)

# Statement of Changes in Equity

for the year ended March 31, 2023

(Amount ₹ in Lakhs unless otherwise stated)

## A. Equity Share Capital

Particulars	Amount
<b>(i) Year ended March 31, 2023</b>	
Balance at the beginning of the year	412.50
Changes during the Year	
-Fresh allotment during the year (refer note 46)	114.90
-Bonus shares issued during the year (refer note 47)	527.40
Balance at the end of the year	1,054.80
<b>(ii) Year ended March 31, 2022</b>	
Balance at the beginning of the year	412.50
Changes during the Year	-
Balance at the end of the year	412.50

## B. Other Equity

Particulars	Share warrants convertible into equity shares	Reserves and Surplus			Total
		Securities premium	General reserve	Retained earnings	
<b>(i) Year ended March 31, 2023</b>					
Balance as at April 1, 2022	-	311.41	47.44	297.22	656.07
Profit for the year	-	-	-	766.76	766.76
Other comprehensive income for the year- Remeasurement of defined benefit plans	-	-	-	3.97	3.97
Total comprehensive income for the year	-	-	-	770.73	770.73
Share warrants issued (refer note 46)	305.37	-	-	-	305.37
Share warrants converted into equity shares (refer note 46)	(149.37)	-	-	-	(149.37)
Amount received on issue of equity shares (refer note 46)	-	482.58	-	-	482.58
Amount utilized on issue of Bonus shares (refer note 47)	-	(527.40)	-	-	(527.40)
Final Dividend for the year ended March 31, 2022 (₹ 2/- per equity share)	-	-	-	(93.48)	(93.48)
<b>Balance as at March 31, 2023</b>	<b>156.00</b>	<b>266.59</b>	<b>47.44</b>	<b>974.47</b>	<b>1,444.50</b>
<b>(ii) Year ended March 31, 2022</b>					
Balance as at April 1, 2021	-	311.41	47.44	197.80	556.65
Profit for the year	-	-	-	136.61	136.61
Other comprehensive income for the year- Remeasurement of defined benefit plans	-	-	-	4.06	4.06
Total comprehensive income for the year	-	-	-	140.67	140.67
Final Dividend for the year ended March 31, 2021 (₹ 1/- per equity share)	-	-	-	(41.25)	(41.25)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>311.41</b>	<b>47.44</b>	<b>297.22</b>	<b>656.07</b>

The accompanying notes 1 to 51 form an integral part of the financial statements  
As per our report of even date attached

For and on behalf of Board of Directors

For K C Khanna & Co.  
Chartered Accountants  
Firm Reg No. 000481N

**Amit Jain**  
Managing Director  
(DIN 01063087)

**Vimal Parkash Jain**  
Whole time Director  
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**Abhishek Goel**  
Partner  
M.No. 521575  
Place: Jalandhar  
Date: May 11, 2023

**Pamila Jain**  
Whole time Director & Chief Financial Officer  
(DIN 01063136)

**Natisha Choudhary**  
Company Secretary  
(M No. A39201)

# Notes to the Financial Statements for the year ended March 31, 2023

## Note 1 Corporate Information

Atam Valves Limited (hereinafter referred to as “the Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and has its registered office at 1051, Industrial Area, Jalandhar, Punjab. The Company is listed on SME platform of Bombay Stock Exchange (BSE) and has initiated the process of migration of Equity Shares of the Company to Main Board Platform of Bombay Stock Exchange Limited (BSE) and simultaneously to the Main Board Platform of National Stock Exchange of India Limited (NSE) during the current year. The Company is engaged in the business of manufacturing of Valves and fittings, steam traps and strainers.

The financial statements were approved and authorized for issue by the Company’s Board of Directors in the meeting held on May 11, 2023.

## Note 2 Statement of Compliance with Ind AS and Basis of preparation and measurement

### I. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as “Ind AS”) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2022 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 as amended (hereinafter referred to as “Previous GAAP”) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2021.

Refer note 51 for the details of first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

### II. Basis of Preparation and Measurement

(i) The financial statements have been prepared on historical cost convention on accrual basis except for

certain financial instruments (including derivative instruments) which are measured at fair value at the end of each reporting period as required under Ind AS.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
  - Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
  - Level 3 inputs are unobservable inputs for the asset or liability.
- (ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (iii) The functional and presentation currency of the Company is Indian rupees (₹) and all values are rounded to the nearest lakhs and two decimals thereof, unless otherwise stated.

# Notes to the Financial Statements for the year ended March 31, 2023

## Note 3 Significant Accounting Policies, Significant Accounting Estimates, Judgements and Assumptions and Applicability of New and Revised Ind AS

### I. Significant Accounting Policies

#### A. Revenue Recognition

##### (i) Sale of goods

Revenue from sale of goods is recognised as and when the company satisfies performance obligation by transfer of control of goods.

Generally control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risk of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled in exchange for transferring promised goods to a customer as specified in the contract, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Consideration is generally due upon satisfaction of performance obligation and receivable is recognized when it becomes unconditional and only passage of time is required before the payment is due. No element of financing is deemed present as the sales are made with the short term credit period generally consistent with market practices.

If the Company receives consideration before transfer of goods to the customer, such amount is presented as a contract liability. The company does not adjust such liability for the effects of significant financing component if it is expected that the promised goods will be transferred to the customer within a period of one year. Contract liabilities are recognised as revenue when the Company satisfies performance obligation as per the contract.

##### (ii) Interest Income

Interest Income from financial assets is recognized when it is probable that economic benefits will flow to the company and amount of income can be measured reliably. Interest income is accrued on time basis, by reference to principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

##### (iii) Insurance and other claims

Insurance and other claims are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

##### (iv) Other Income

Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

### B. Employee Benefits

#### (i) Short term Employee Benefits:

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. The amount of short term employee benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

#### (ii) Post-Employment benefit plans

##### (a) Defined Contribution Plan:

Provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

##### (b) Defined Benefit Plan:

###### Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liability with regard to the defined benefit plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the obligation of the defined benefit plan in its balance sheet as a liability. Re-measurements comprising of actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods. All other expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of profit and loss.

# Notes to the Financial Statements for the year ended March 31, 2023

## C. Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment loss, if any. The cost directly attributable to acquisition are capitalised until the property plant and equipment are ready for use as intended by the management.

The cost of an item of Property, plant and equipment comprises of: (i) Purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates. (ii) Any expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and (iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Property, plant and equipment which are not ready for intended use at each balance sheet date are disclosed as "Capital work-in-progress" and advances paid towards the acquisition of Property, plant and equipment outstanding at each balance sheet date are classified as Capital advances under "Other non-current assets".

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at April 1, 2021 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The cost/deemed cost and the related accumulated depreciation are eliminated from the financial statements upon disposal or retirement of the asset and any gain or loss arising thereon is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

## D. Intangible Assets

Intangible assets are stated at cost or deemed cost applied on transition to Ind AS, less accumulated amortization and impairment, if any. The cost of intangible asset comprises of its purchase price, net of recoverable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as and when incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets recognised as at April 1, 2021 (transition date) measured as per the previous GAAP and use that carrying value as deemed cost of intangible assets.

An intangible asset is derecognised upon disposal or retirement of the asset. The cost/deemed cost and the related accumulated amortization are eliminated from the financial statements upon disposal or retirement of the asset and resultant gains or losses are recognized in the statement of Profit and Loss when the asset is derecognized.

## E. Depreciation and amortization

Depreciation is provided on Property, plant and equipment on written down value method on the basis of useful lives of such assets specified in Schedule II to the Act.

Depreciation method, useful lives and residual values are reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis.

### Amortization

Intangible assets are amortized on straight line method over the estimated useful life. The amortization method, useful life and residual value are reviewed at each financial year end. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and is as under:

Assets description	Useful Life
Computer Software	5 Years

## F. Inventories

Inventories are valued at cost or net realizable value, whichever is lower except production waste/scrap which is valued at net realizable value. The raw materials and other supplies held for use in the production are valued at net realisable value only if the finished products in which they are to be incorporated are expected to be sold below cost.



## Notes to the Financial Statements for the year ended March 31, 2023

Net Realisable Value is the estimated selling price in ordinary course of business less estimated cost necessary to make the sales.

### G. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets i.e. the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

### H. Earnings per Share

Basic earnings per share are computed by dividing the profit for the period attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, if any.

### I. Income Taxes

**Income tax expense comprises current tax and deferred tax.**

Current tax is the tax payable/receivable on the taxable profit/loss for the year using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities

is recognized as income or expense in the period that includes the enactment or the substantive enactment date

A deferred tax asset is recognized to the extent, it is probable that future taxable profit will be available against where the deductible temporary differences and tax losses can be utilized. The carrying amount of deferred 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 tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Income tax expense is recognised in statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

### J. Government Grants

Government grants are not recognized until there is reasonable assurance that all attached conditions will be complied with and the grant will be received.

When the grants relates to an expense item, it is recognised in the Statement of profit and loss by way of reduction from the related cost, which the grants are intended to compensate, except where the related expense is not directly identifiable. In such cases, the grant is presented in the 'Other Income'.

Government grants that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Company with no related costs is recognised in the Statement of profit or loss of the period in which it becomes receivable under 'Other operating income'/'Other income' based on the nature of grant.

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic over the expected useful lives of the related assets by way of reduced depreciation.

## Notes to the Financial Statements for the year ended March 31, 2023

### K. Foreign Currency translations

Transactions in foreign currency are initially recorded in the functional currency i.e. Indian Rupees using the exchange rate prevailing at the date of transactions.

Monetary items denominated in foreign currency are reported using the exchange rate prevailing at the end of reporting period. The exchange difference arising on the settlement or reporting of monetary items at rates different from rates at which these were initially recorded / reported in previous financial statements, are recognised in the statement of profit and loss in the period in which it arise.

Non-monetary items denominated in foreign currency and measured at historical cost are recorded at the exchange rate prevalent at the date of transaction, Non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

### L. Leases

#### Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for which underlying asset is of low value. For these short-term and leases for which underlying asset is of low value, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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 is 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 lessee's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liabilities and Right of Use assets have been separately presented in the financial statements. Lease Payments and interest thereon have been classified as cash flows from financing activities in the Statement of Cash flows.

### M. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Initial Recognition and measurement

The company recognises the financial assets and financial liabilities when it becomes party to the contractual provision of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets and or issue of financial liabilities that are not recognized at fair value through profit or loss, are added to or reduced from the fair value of the financial assets or financial liabilities, as appropriate. Transaction cost directly attributable to the acquisition of financial assets and financial liabilities recognized at fair value through Profit or Loss are recognised immediately in the Statement of Profit and Loss.

## Notes to the Financial Statements for the year ended March 31, 2023

Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

### (ii) Subsequent measurement

For the purposes of subsequent measurement, financial instruments are classified as follows:

#### Non-derivative financial instruments

#### (a) Financial assets carried at amortised cost

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

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

The carrying amounts of financial assets that are subsequently measured at amortised cost are determined based on the effective interest method less any impairment losses.

#### (b) Financial assets at fair value through other comprehensive income

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

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

Fair value movements are recognised in the other comprehensive income (OCI) until the financial asset is derecognised. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the profit or loss.

#### (c) Financial assets at fair value through profit or loss

A financial asset is subsequently measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Such financial assets are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Dividend and interest income from such instruments is recognized in the statement of profit and loss, when the right to receive the payment is established.

Fair value changes on such assets are recognised in the statement of profit and loss.

#### (d) Financial liabilities

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

All other financial liabilities are subsequently measured at amortized cost using the effective interest method unless at initial recognition, they are classified as measured at fair value through profit and loss.

Financial liabilities carried at fair value through profit or loss, are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Interest expense for the financial liabilities subsequently measured at amortized cost is recognised in profit or loss using the effective interest rate (EIR) method.

#### (e) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received. Incremental costs directly attributable to the issuance of equity instruments and buy back of equity instruments are recognized as a deduction from equity, net of any tax effects.

#### (iii) De-recognition of financial instrument

a) A financial asset (or, a part of a financial asset) is primarily derecognized when the contractual right to the cash flows from the financial asset expires, or the company transfers its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the

## Notes to the Financial Statements for the year ended March 31, 2023

consideration received/receivable is recognised in the profit or loss.

- b) A financial liability (or a part of financial liability) is derecognized when obligation specified in the contract is discharged or cancelled or expires.

On de-recognition of a financial liability, the difference between the carrying amount of the financial liability de-recognised and the consideration paid/payable is recognised in profit or loss.

### (iv) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### (v) Impairment of Financial Assets

Financial assets that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

For trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of Ind AS 115 and Ind AS 116, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

For other assets, the company uses 12 months ECL to provide for impairment loss where no significant increase in credit risk is. If there is significant increase in credit risk full lifetime ECL is used.

### (vi) Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations

of recovering the financial asset in its entirety or a portion thereof.

### N. Impairment of Non-financial assets

Property, plant and equipment, other intangible assets and other non-financial assets are tested for impairment 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.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however that the increased carrying amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised in the statement of profit and loss.

Impairment is reviewed periodically including at the end of each financial year.

### O. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and 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.

## Notes to the Financial Statements for the year ended March 31, 2023

A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).

A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### P. Dividends

Final dividends on equity shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

### Q. Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### R. Statement of Cash flows

The statement of cash flows is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities whereby profit for the period is adjusted for the effects of transaction of a non-cash nature, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

## II. Current – Non-Current Classification

All assets and liabilities have been classified as current and non-current on the basis of the following criteria:

### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;

- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or use to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterpart, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing/servicing and their realisation in cash or cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

## III. Significant Accounting Estimates, Judgements and Assumptions

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amount of income, expenses, assets and liabilities and disclosure of contingent liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these



## Notes to the Financial Statements for the year ended March 31, 2023

estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and the effect of revision to accounting estimates is recognized prospectively from the period in which the estimate is revised.

### Critical accounting estimates, Judgements and assumptions

#### i. Income taxes

Significant judgement is required in determination of provision for current tax and deferred tax e.g. determination of taxability of certain incomes and deductibility of certain expenses etc. The carrying amount of income tax assets/liabilities is reviewed at each reporting date. The factors used in estimates may differ from actual outcome which could lead to signification adjustment to the amounts reported in financial statements.

#### ii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, the obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### iii. Inventories

Management has estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

#### iv. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting process. In estimating the fair value of an asset or liability, the company uses market-observable data to the extent is available.

#### v. Provisions / Contingencies

Significant judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount etc. The Company assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

#### vi. Useful lives of property plant and equipment and Intangible assets

The estimated useful lives of property plant and equipment and intangible assets are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the known technological advancements, commercial obsolescence of the asset etc.). The useful life of property plant and equipment and intangible assets is reviewed on an ongoing basis.

#### vii. Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

### IV. Applicability of New and Revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- i. Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements. The Company does not expect this amendment to have any significant impact on its financial statements.
- ii. Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
- iii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.



## Notes to the Financial Statements for the year ended March 31, 2023

### Note 4 (a) : Property, Plant and Equipment

#### Carrying value of Property, Plant and Equipment

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Plant and Equipment	213.75	160.26	186.94
Furniture and Fixtures	4.01	3.30	4.33
Office Equipment	9.10	5.52	4.79
Vehicles	36.49	103.78	150.87
Books and Periodicals	-	-	-
<b>Total</b>	<b>263.35</b>	<b>272.86</b>	<b>346.93</b>

#### Property, Plant and Equipment

Particulars	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Books and Periodicals	Total
<b>Cost/ Deemed Cost</b>						
<b>At April 1, 2021</b>	186.94	4.33	4.79	150.87	-	346.93
Additions during the year	7.89	0.04	3.15	-	-	11.08
Disposals/Deletions during the year	(1.02)	-	-	-	-	(1.02)
<b>At March 31, 2022</b>	<b>193.81</b>	<b>4.37</b>	<b>7.94</b>	<b>150.87</b>	<b>-</b>	<b>356.99</b>
<b>At April 1, 2022</b>	193.81	4.37	7.94	150.87	-	356.99
Additions during the year	89.00	1.72	7.40	-	-	98.12
Disposals/Deletions during the year	(0.09)	-	-	(73.80)	-	(73.89)
<b>At March 31, 2023</b>	<b>282.72</b>	<b>6.09</b>	<b>15.34</b>	<b>77.07</b>	<b>-</b>	<b>381.22</b>
<b>Accumulated Depreciation</b>						
<b>At April 1, 2021</b>	-	-	-	-	-	-
Depreciation charge for the year	33.57	1.07	2.42	47.09	-	84.15
Accumulated Depreciation on Disposals	(0.02)	-	-	-	-	(0.02)
<b>At March 31, 2022</b>	<b>33.55</b>	<b>1.07</b>	<b>2.42</b>	<b>47.09</b>	<b>-</b>	<b>84.13</b>
<b>At April 1, 2022</b>	33.55	1.07	2.42	47.09	-	84.13
Depreciation charge for the year	35.42	1.01	3.82	24.31	-	64.56
Accumulated Depreciation on Disposals	-	-	-	(30.82)	-	(30.82)
<b>At March 31, 2023</b>	<b>68.97</b>	<b>2.08</b>	<b>6.24</b>	<b>40.58</b>	<b>-</b>	<b>117.87</b>
<b>Net carrying value</b>						
<b>At March 31, 2023</b>	213.75	4.01	9.10	36.49	-	263.35
<b>At March 31, 2022</b>	160.26	3.30	5.52	103.78	-	272.86
<b>At April 1, 2021</b>	186.94	4.33	4.79	150.87	-	346.93

#### Note:

- (i) Refer note 34 for detail of contractual Commitment towards purchase of Property, Plant and Equipment.
- (ii) Refer note 43 alongwith footnote 3 of note 15 and 18 for detail of assets pledged as security.
- (iii) No borrowing cost and any other expenditure has been recognised in the carrying amount of Property, Plant and Equipment/ Capital work -in -progress (CWIP) in the course of its construction.
- (iv) The Company has not revalued any of its property, plant and equipment during the year.
- (v) The aggregate depreciation has been included under depreciation and amortization expenses in the statement of Profit and Loss.

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 4 (b) : Right of use asset

#### Carrying value of Right of use asset

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Land and Building	48.54	55.70	62.86
<b>Total</b>	<b>48.54</b>	<b>55.70</b>	<b>62.86</b>

#### Right of use asset

Particulars	Amount
<b>Land and Building</b>	
<b>Gross carrying value</b>	
At April 1, 2021	62.86
Additions	-
Disposals	-
At March 31, 2022	<b>62.86</b>
At April 1, 2022	62.86
Additions	-
Disposals	-
At March 31, 2023	62.86
<b>Accumulated Depreciation</b>	
At April 1, 2021	-
Depreciation charge for the year	7.16
Disposals	-
At March 31, 2022	<b>7.16</b>
At April 1, 2022	7.16
Depreciation charge for the year	7.16
Disposals	-
At March 31, 2023	<b>14.32</b>
<b>Net carrying value</b>	
At March 31, 2023	48.54
At March 31, 2022	55.70
At April 1, 2021	62.86

**Note:**

1. Refer Note 41 for other disclosures related to leases.
2. The aggregate depreciation on Right of use asset is included under depreciation and amortization expenses in the statement of Profit and Loss.

### Note 4 (c) : Other intangible assets

#### Carrying value of other intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Website	0.27	0.27	0.27
<b>Total</b>	<b>0.27</b>	<b>0.27</b>	<b>0.27</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### Other Intangible Assets-Website

Particulars	Amount
<b>Cost/ Deemed Cost</b>	
At April 1, 2021	0.27
Additions during the year	-
Disposals/Deletions during the year	-
At March 31, 2022	0.27
At April 1, 2022	0.27
Additions during the year	-
<b>Disposals/Deletions during the year</b>	-
At March 31, 2023	0.27
<b>Accumulated Amortization</b>	
At April 1, 2021	-
Amortization expense for the year	-
At March 31, 2022	-
At April 1, 2022	-
Amortization expense for the year	-
At March 31, 2023	-
<b>Net carrying value</b>	
At March 31, 2023	0.27
At March 31, 2022	0.27
At April 1, 2021	0.27

**Note:**

- (i) Computer Softwares are amortized over a period of five years.
- (ii) The aggregate amortization has been included under depreciation and amortization expenses in the statement of Profit and Loss.

### Note 5 : Other Financial Assets (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Carried at amortized cost</b>			
Security Deposits	18.52	18.52	18.48
<b>Total</b>	<b>18.52</b>	<b>18.52</b>	<b>18.48</b>

Refer note 37(a) for classification of financial assets

Refer Note 38 for information about credit risk and market risk in respect of financial assets

### Note 6 : Other Non-current Assets

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Unsecured, considered good</b>			
Capital advances	8.00	-	-
<b>Total</b>	<b>8.00</b>	<b>-</b>	<b>-</b>

includes dues from directors or other officers of the company or firms or private companies in which director is a partner or director or member

NIL

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 7 : Inventories

(at cost or net realizable value whichever is lower)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Raw material	202.82	120.62	176.02
Work-in-progress	621.30	494.88	332.33
Finished goods	550.15	353.70	298.98
Stock in trade (including stock in transit Nil ; March 31, 2022: ₹ 7.94 Lakhs; April 1, 2021 Nil)	-	30.09	14.80
Stores and spares	12.35	14.10	23.33
<b>Total</b>	<b>1,386.62</b>	<b>1,013.39</b>	<b>845.46</b>

#### Note

- (i) The amount of inventories recognised as an expense during the year is ₹ 2849.69 lakhs (March 31, 2022 ₹ 1087.56)
- (ii) Refer note 43 alongwith footnote 3 of note 15 and 18 for inventories pledged as security.

### Note 8 : Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Carried at amortized cost			
- Trade Receivables considered good - Secured	-	-	-
- Trade Receivables considered good - Unsecured	1,995.07	519.22	474.85
Less: Allowance for expected credit loss	(12.05)	(3.79)	(3.41)
	1,983.02	515.43	471.44
-Trade Receivables which have significant increase in Credit Risk	18.05	16.37	6.20
Less: Allowance for expected credit loss	(8.25)	(4.98)	(1.75)
	9.80	11.39	4.45
- Trade Receivables - credit impaired	37.72	34.17	33.37
Less: Allowance for credit impairment	(37.72)	(34.17)	(33.37)
	-	-	-
<b>Total</b>	<b>1,992.82</b>	<b>526.82</b>	<b>475.89</b>

includes dues from directors or other officers of the company or firms or private companies in which director is a partner or director or member

Nil

Nil

Nil

- (i) Refer note 43 alongwith footnote 3 of note 15 and 18 for detail of trade receivables pledged as security
- (ii) Refer note 37(a) for classification of financial assets
- (iii) Refer Note 38 for information about credit risk and market risk in respect of financial assets

## Notes to the Financial Statements for the year ended March 31, 2023

### Ageing schedule of Trade receivables

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>							
(i) Undisputed Trade receivables – considered good	1,748.99	237.37	8.71	-	-	-	1,995.07
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	3.08	14.96	-	18.05
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	37.72	37.72
<b>Total</b>	<b>1,748.99</b>	<b>237.37</b>	<b>8.71</b>	<b>3.08</b>	<b>14.96</b>	<b>37.72</b>	<b>2,050.84</b>
Allowance for expected credit loss/ credit impairment							(58.02)
<b>Net</b>							<b>1,992.82</b>
<b>As at March 31, 2022</b>							
(i) Undisputed Trade receivables – considered good	348.03	168.27	2.92	-	-	-	519.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	12.82	3.55	-	16.37
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	34.17	34.17
<b>Total</b>	<b>348.03</b>	<b>168.27</b>	<b>2.92</b>	<b>12.82</b>	<b>3.55</b>	<b>34.17</b>	<b>569.76</b>
Allowance for expected credit loss/ credit impairment							(42.94)
<b>Net</b>							<b>526.82</b>
<b>As at April 1, 2021</b>							
(i) Undisputed Trade receivables – considered good	347.44	123.83	3.58	-	-	-	474.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	5.39	0.81	-	6.20
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	33.37	33.37
<b>Total</b>	<b>347.44</b>	<b>123.83</b>	<b>3.58</b>	<b>5.39</b>	<b>0.81</b>	<b>33.37</b>	<b>514.42</b>
Allowance for expected credit loss/ credit impairment							(38.53)
<b>Net</b>							<b>475.89</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 9 : Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Cash and cash equivalents</b>			
(i) Balances with Banks			
-in current accounts	2.74	2.06	0.46
(ii) Cash in hand	3.84	1.36	0.86
<b>Total</b>	<b>6.58</b>	<b>3.42</b>	<b>1.32</b>

Refer note 37(a) for classification of financial assets

Refer Note 38 for information about credit risk and market risk in respect of financial assets

### Note 10 : Bank Balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Balances in fixed deposits maturing within 12 months from reporting date #	15.67	15.04	14.39
Unpaid Dividend Account	0.12	-	-
<b>Total</b>	<b>15.79</b>	<b>15.04</b>	<b>14.39</b>

# includes earmarked balances against bank guarantees

Refer note 37(a) for classification of financial assets

Refer Note 38 for information about credit risk and market risk in respect of financial assets.

### Note 11 : Other Financial Assets (current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Carried at amortized cost			
Advance to Employees	4.78	-	0.35
Others	-	-	0.45
<b>Total</b>	<b>4.78</b>	<b>-</b>	<b>0.80</b>

Refer note 37(a) for classification of financial assets

Refer Note 38 for information about credit risk and market risk in respect of financial assets

### Note 12 : Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Unsecured, considered good			
Advances to suppliers (other than capital advances)	23.00	19.00	22.00
Export Incentives receivable	2.41	1.23	1.24
Prepaid expenses	4.24	5.75	6.49
Balances with Government authorities	8.20	11.00	15.00
<b>Total</b>	<b>37.85</b>	<b>36.98</b>	<b>44.73</b>

Advances include dues from directors or other officers of the company or firms or private companies in which director is a partner or director or member



## Notes to the Financial Statements for the year ended March 31, 2023

### Note 13 : Equity Share Capital

#### i) Authorized, Issued and Subscribed Equity Share Capital

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	April 1, 2021
<b>Authorized</b>			
1,50,00,000 (March 31, 2022: 50,00,000; March 31, 2021: 50,00,000) Equity Shares of ₹ 10 each	1,500.00	500.00	500.00
<b>Issued, Subscribed and fully paid up</b>			
1,05,48,000 (March 31, 2022: 41,25,000; March 31, 2021: 41,25,000) Equity Shares of ₹ 10 each (refer note 46 and 47)	1,054.80	412.50	412.50
<b>Total</b>	<b>1,054.80</b>	<b>412.50</b>	<b>412.50</b>

#### ii) Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares having face value of ₹ 10 per share. Each share holder is entitled to one vote per share. The dividend if any proposed by the Board of Directors will be subject to approval of the share holders in the ensuing Annual General Meeting except interim dividend which is approved by Board of Directors. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by each equity share holder.

#### iii) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
As at the beginning of the Year	41,25,000	412.50	41,25,000	412.50
<b>Add/(Less) :Movement during the Year</b>				
-Fresh allotment during the year (refer note 46)	11,49,000	114.90	-	-
-Bonus shares issued during the year (refer note 47)	52,74,000	527.40	-	-
As at the end of the Year	1,07,54,000	1,054.80	41,25,000	412.50

#### iv) Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding or ultimate holding company of the company.

#### v) Shares held by shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity Shares						
Vimal Parkash Jain	17,94,060	17.01%	8,97,030	21.75%	8,97,030	21.75%
Amit Jain	40,61,900	38.51%	14,30,950	34.69%	14,30,950	34.69%
Pamila Jain	13,20,000	12.51%	6,60,000	16.00%	6,60,000	16.00%

## Notes to the Financial Statements for the year ended March 31, 2023

vi) Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) shares bought back during the period of five years immediately preceding the balance sheet date:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	Number	Number	Number	Number	Number
a) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
b) Equity shares allotted as fully paid up by way of bonus shares (refer note 47)	52,74,000	-	-	-	-
c) Equity shares bought back by the company	-	-	-	-	-

### vii) Terms of securities convertible into equity shares issued

Pursuant to the resolution passed in the board meeting held on May 10, 2022, the company allotted 23,49,000 share warrants on the payment of ₹ 13/- per warrant on preferential allotment basis, convertible into same number of equity shares having face value of ₹ 10/- each at a premium of ₹ 42/- per share on payment of balance amount of ₹ 39/- per warrant, at the option of the warrant holders within 18 months from the date of allotment of the warrants. During the year, the warrant holders exercised the option against 11,49,000 warrants and 12,00,000 warrants are outstanding as at March 31, 2023 shown under 'Share Warrants convertible into equity shares' in note 14 'Other Equity'.

### viii) Shareholding of Promoters

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Vimal Parkash Jain	17,94,060	17.01%	-4.74%	8,97,030	21.75%	0.00%
Amit Jain	40,61,900	38.51%	3.82%	14,30,950	34.69%	0.00%
Vimal Parkash Jain HUF	12,000	0.11%	-0.03%	6,000	0.15%	0.00%
Amit Jain HUF	12,000	0.11%	-0.03%	6,000	0.15%	0.00%
Anu Jain	20	0.00%	0.00%	10	0.00%	0.00%
Pamila Jain	13,20,000	12.51%	-3.49%	6,60,000	16.00%	0.00%

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 14: Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>A. Reserve and Surplus</b>			
<b>(i) Securities Premium</b>			
Balance as at the beginning of the year	311.41	311.41	311.41
Add: Amount received on issue of equity shares (refer note 46)	482.58	-	-
Less: Amount utilized on issue of Bonus shares (refer note 47)	(527.40)	-	-
Balance as at the end of the year	266.59	311.41	311.41
<b>(ii) General Reserve</b>			
Balance as at the beginning of the year	47.44	47.44	47.44
Add: Additions during the year	-	-	-
Less: Utilised during the year	-	-	-
Balance as at the end of the year	47.44	47.44	47.44
<b>(iii) Retained Earnings</b>			
Balance as at the beginning of the year	297.22	197.80	197.80
Add: Profit for the year	766.76	136.61	-
Add: Other comprehensive income for the year -Remeasurement of defined benefit plans	3.97	4.06	-
Less: Final Dividend for the year ended March 31, 2021 (₹1/- per equity share)		(41.25)	
Less: Final Dividend for the year ended March 31, 2022 (₹ 2/- per equity share)	(93.48)		
Balance as at the end of the year	974.47	297.22	197.80
<b>B. Share Warrants convertible into equity shares</b>			
Balance as at the beginning of the year	-	-	-
Add: Share warrants issued (refer note 46)	305.37	-	-
Less: Share warrants converted into equity shares (refer note 46)	(149.37)	-	-
Balance as at the end of the year	156.00	-	-
<b>Total (A+B)</b>	<b>1,444.50</b>	<b>656.07</b>	<b>556.65</b>

### Nature and Purposes of Reserves

#### Securities Premium

This represents amount of premium received on issue of shares at a price more than its face value. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

#### General Reserve

This represents retained earnings which are kept aside out of company's profit. It is a free reserve which can be utilized for distribution to shareholders.

#### Retained Earnings

Retained earnings are the profits earned till date after transfers to general reserve, dividends or other distributions paid to the shareholders. It is a free reserve which can be utilized for distribution to shareholders.

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 15 : Borrowings (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Carried at amortised cost</b>			
<b>(i) Loans from banks</b>			
- From Bank (Secured)	118.13	218.56	229.24
Less: Current maturities shown under the head short term borrowings	(53.27)	(79.61)	(65.68)
	64.86	138.95	163.56
- From Bank (Unsecured)	16.53	49.17	79.39
Less: Current maturities shown under the head short term borrowings	(16.53)	(32.69)	(30.22)
	-	16.48	49.17
<b>(ii) Loans From related parties (unsecured)</b>			
-Loan from directors	-	24.04	54.04
Less: Current maturities shown under the head short term borrowings	-	-	-
	-	24.04	54.04
<b>Total</b>	<b>64.86</b>	<b>179.47</b>	<b>266.77</b>

1. Refer note 37(a) for classification of financial liabilities

2. Refer note 38 for information about liquidity risk and market risk in respect of financial liabilities

#### 3. Nature of securities for the borrowings

Working capital term loans from banks are secured by hypothecation of inventories and by charge on book debts and property plant and equipment of the Company.

Further, there is a collateral security of property situated at H No 95, Near Chawla Hospital, Shaheed Udham Singh Nagar, 144001 and property situated at Khasra No. 15953/1, 15952, Industrial Area, GT Road, Bypass, Near Hind Metal Works, Jalandhar owned by directors of the company.

These loans are also guaranteed by Amit Jain, Vimal Parkash Jain and Pamila Jain (directors of the company).

Loans from banks for purchase of vehicles are secured against hypothecation of vehicle so purchased.

Unsecured loan from banks is against collateral security of property situated at 95, Saheed Udam Singh Nagar, Jalandhar owned by directors of the company and also guaranteed by Amit Jain, Vimal Parkash Jain and Pamila Jain (directors of the company).

#### 4. Terms of repayment of borrowings

Particulars	Loan Amount	Outstanding Amount			No. of outstanding Instalments			Detail of Instalments	
		As on 31.03.2023	As on 31.03.2022	As on 01.04.2021	As on 31.03.2023	As on 31.03.2022	As on 01.04.2021	Instalment Amount (including interest)	Instalment Frequency
<b>Secured Loans</b>									
HDFC Bank Auto Loan	78.60	-	48.02	72.71	-	21	33	2.45	Monthly
HDFC Bank Auto Loan	50.00	13.51	30.36	45.97	9	21	33	1.55	Monthly
HDFC Bank Working Capital Term Loan-GECL	110.56	49.62	85.18	110.56	15	27	39	3.44	Monthly
HDFC Bank Working Capital Term Loan-GECL	55.00	55.00	55.00	-	36 #	36 #	-	1.70	Monthly
<b>Total</b>		118.13	218.56	229.24					
<b>Unsecured Loans</b>									
HDFC Bank Loan Against Property	143.00	16.53	49.17	79.39	6	18	30	2.95	Monthly
<b>Total</b>		16.53	49.17	79.39					

# Instalment shall begin from March 2024 i.e. after a moratorium period of 24 months.

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 16: Other Financial Liabilities (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Carried at amortised cost</b>			
Security deposits received	-	4.00	4.50
<b>Total</b>	<b>-</b>	<b>4.00</b>	<b>4.50</b>

Refer note 37(a) for classification of financial liabilities

Refer note 38 for information about liquidity risk and market risk in respect of financial liabilities

### Note 17 : Provisions (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Provision for Employees Benefits:			
-Provision for Gratuity (Unfunded)	28.71	21.19	22.29
<b>Total</b>	<b>28.71</b>	<b>21.19</b>	<b>22.29</b>

### Note 18 : Borrowings (current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Carried at amortised cost</b>			
<b>(i) Loans From Banks</b>			
Loans repayable on demand (Secured)			
- Cash credit account	519.28	246.08	93.13
<b>(ii) Loans From related parties (unsecured)</b>			
-Loan from directors	11.84		
<b>(iii) Current maturities of long term borrowings</b>	<b>69.80</b>	<b>112.30</b>	<b>95.90</b>
<b>Total</b>	<b>600.92</b>	<b>358.38</b>	<b>189.03</b>

#### Notes:

1. Refer note 37(a) for classification of financial liabilities
2. Refer note 38 for information about liquidity risk and market risk in respect of financial liabilities
3. Nature of securities for the borrowings

Loans repayable on demand from banks are secured by hypothecation of inventories and by charge on book debts and property plant and equipment of the Company.

Further, there is a collateral security of property situated at H No 95, Near Chawla Hospital, Shaheed Udham Singh Nagar, 144001 and property situated at Khasra No. 15953/1, 15952, Industrial Area, GT Road, Bypass, Near Hind Metal Works, Jalandhar owned by directors of the company.

These loans are also guaranteed by Amit Jain, Vimal Parkash Jain and Pamila Jain (directors of the company).

### Note 19 : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Total outstanding dues of micro enterprises and small enterprises	78.13	30.77	37.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	180.69	103.21	173.32
<b>Total</b>	<b>258.82</b>	<b>133.98</b>	<b>210.33</b>

Refer note 37(a) for classification of financial liabilities

Refer note 38 for information about liquidity risk and market risk in respect of financial liabilities

## Notes to the Financial Statements for the year ended March 31, 2023

### Ageing schedule of Trade Payables

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>						
(i) Micro and small enterprises	75.31	1.94	-	0.11	0.77	78.13
(ii) Others	140.34	33.58	5.79	0.10	0.88	180.69
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>215.65</b>	<b>35.52</b>	<b>5.79</b>	<b>0.21</b>	<b>1.65</b>	<b>258.82</b>
<b>As at March 31, 2022</b>						
(i) Micro and small enterprises	26.01	3.99	-	0.77	-	30.77
(ii) Others	90.58	11.12	1.51	-	-	103.21
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>116.59</b>	<b>15.11</b>	<b>1.51</b>	<b>0.77</b>	<b>-</b>	<b>133.98</b>
<b>As at April 1, 2021</b>						
(i) Micro and small enterprises	12.36	24.65	-	-	-	37.01
(ii) Others	149.47	21.97	1.88	-	-	173.32
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>161.83</b>	<b>46.62</b>	<b>1.88</b>	<b>-</b>	<b>-</b>	<b>210.33</b>

### Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year			
-Principal			
-Trade payables	78.13	30.77	37.01
-Payable for property plant and equipment	-	-	0.92
-Interest	0.12	0.03	0.38
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(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 the Micro, Small and Medium Enterprises Development Act, 2006	0.69	1.08	0.72
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	0.81	1.11	1.10
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.08	0	0.25

Note: The amounts have been determined to the extent micro and small enterprises have been identified on the basis of information available with the company.



## Notes to the Financial Statements for the year ended March 31, 2023

### Note 20: Other Financial Liabilities (current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Carried at amortised cost</b>			
Interest accrued but not due on borrowings	0.61	1.37	1.57
Payable for purchase of property plant and equipments and intangible assets:			
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	0.92
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.05	-	-
Payable to employees	53.85	33.38	34.59
Due to directors against salary and rent	15.96	16.03	20.75
Security deposits received	4.00	-	-
Expenses / Other Payables	47.86	14.30	7.74
Cheque issued but not presented	-	20.00	-
<b>Total</b>	<b>138.33</b>	<b>85.08</b>	<b>65.57</b>

Refer note 37(a) for classification of financial liabilities

Refer note 38 for information about liquidity risk and market risk in respect of financial liabilities

### Note 21 : Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Statutory dues payable	124.57	18.10	32.43
Unpaid Dividend #	0.12	-	-
Advances received from customers	9.74	21.12	10.96
<b>Total</b>	<b>134.43</b>	<b>39.22</b>	<b>43.39</b>

# There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### Note 22 : Provisions (current)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Provision for Employees Benefits:			
-Provision for Gratuity (Unfunded)	4.22	7.33	6.64
<b>Total</b>	<b>4.22</b>	<b>7.33</b>	<b>6.64</b>

### Note 23 : Revenue from Operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of goods	4,895.50	2,026.99
(b) Other Operating Revenue		
Duty drawback and other export incentives	2.46	2.18
Freight and other receipts	2.93	3.89
<b>Total</b>	<b>4,900.89</b>	<b>2,033.06</b>

## Notes to the Financial Statements for the year ended March 31, 2023

Disclosures as per Ind AS 115 "Revenue from Contracts with Customers"

### (i) Disaggregation of revenue

#### (a) Type of goods

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Valves and fittings	4,895.50	2,026.99
<b>Total</b>	<b>4,895.50</b>	<b>2,026.99</b>

#### (b) Geographical

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from customers based in India #	4,822.96	1,963.83
Revenue from customers based outside India	72.54	63.16
<b>Total</b>	<b>4,895.50</b>	<b>2,026.99</b>

# including sale of goods to Nepal

#### (c) Timing of revenue recognition

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from goods transferred to customers at a point of time	4,895.50	2,026.99
Revenue from goods transferred to customers over the period	-	-
<b>Total</b>	<b>4,895.50</b>	<b>2,026.99</b>

### (ii) Contract Balances

(a) The company classifies the right to consideration in exchange for deliverables as receivable. The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 8 and 21 respectively.

(b) The revenue recognised during the year ended 31<sup>st</sup> March 2023 includes revenue against advances from customers amounting to ₹21.12 lakhs (previous year ₹10.96 Lakh) at the beginning of the year.

(c) The revenue of Nil has been recognised during the year ended 31<sup>st</sup> March 2023 (previous year Nil) against performance obligations satisfied (or partially satisfied) in previous periods.

### (iii) Reconciliation of revenue from contract with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Revenue from contract with customer as per the contract price	5,041.42	2,035.41
B. Adjustments made to contract price on account of :-		
(i) Discounts / Rebates	65.63	-
(ii) Sales Returns / Credits	80.29	8.42
Revenue from contract with customer (A-B)	4,895.50	2,026.99

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 24 : Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest income on financial assets carried at amortized cost</b>	0.94	1.54
Net gain on foreign currency fluctuation	1.31	0.08
Net gain on sale of property plant and equipments	21.59	7.50
Miscellaneous income	0.11	0.09
<b>Total</b>	<b>23.95</b>	<b>9.21</b>

### Note 25 : Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	120.62	176.02
Add: Purchases during the year	2,947.34	997.71
Less: Inventories at the end of the year	202.82	120.62
<b>Cost of materials consumed</b>	<b>2,865.14</b>	<b>1,053.11</b>

### Note 26 : Purchases of stock-in-trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of stock in trade	204.54	193.96
<b>Total</b>	<b>204.54</b>	<b>193.96</b>

### Note 27 : Changes in Inventories of finished goods, stock in trade and work in progress

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-progress	494.88	332.33
Finished Goods	353.70	298.98
Stock-in-trade	22.15	14.80
<b>Total (A)</b>	<b>870.73</b>	<b>646.11</b>
Inventories at the end of the year		
Work-in-progress	621.30	494.88
Finished Goods	550.15	353.70
Stock-in-trade	-	22.15
<b>Total (B)</b>	<b>1,171.45</b>	<b>870.73</b>
<b>Changes in inventories (A-B)</b>	<b>(300.72)</b>	<b>(224.62)</b>

### Note 28 : Employee Benefits Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	533.11	382.19
Contribution to Provident Fund and other funds	27.24	24.63
Staff welfare expenses	13.07	3.43
<b>Total</b>	<b>573.42</b>	<b>410.25</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### Disclosures as per Ind AS 19 Employee Benefits

#### (a) Defined Contribution Plan

The employer contribution to Provident Fund is ₹ 19.75 Lakhs for the year ended March 31, 2023 (Previous Year ₹18.23 Lakhs). The contributions during the year have been recognized as expense under the head 'Contribution to Provident Fund and other funds' above.

#### (b) Defined Benefit Plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees and this is a non-funded plan. The Company accounts for the liability for gratuity benefits payable in the future based on actuarial valuation using projected unit credit method.

The defined benefit plans typically expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

#### Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

#### Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

### I. Amounts recognized in balance sheet and statement of profit and loss in respect of defined benefit plan:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>1. Movement in Present Value of Obligation</b>		
Present value of obligation at the beginning of the period	28.52	28.93
Interest cost	2.00	2.02
Current service cost	9.48	7.81
Benefits paid	(1.77)	(4.61)
Actuarial (gain)/loss on obligation	(5.30)	(5.63)
Present value of obligation at end of period	32.93	28.52
<b>2. Movement in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Remeasurement- Return on plan assets excluding amount included in net Interest on net defined benefit liability/asset	-	-
Fair value of plan assets at the end of the period	-	-

## Notes to the Financial Statements for the year ended March 31, 2023

### I. Amounts recognized in balance sheet and statement of profit and loss in respect of defined benefit plan: (Contd.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>3. Amount recognized in Balance Sheet</b>		
Present value of obligation as at end of the period	32.93	28.52
Fair value of plan assets as at the end of the period	-	-
Surplus/(Deficit)	(32.93)	(28.52)
Effect of asset ceiling if any	-	-
Net Asset/(liability) recognised in Balance Sheet	(32.93)	(28.52)
<b>4. Amount recognised in Statement of Profit and loss</b>		
a. Current service cost	9.48	7.81
b. Net Interest on net defined benefit liability/asset	2.00	2.02
Expense recognised in the statement of Profit & Loss #	11.48	9.83
<b>5. (Income)/Loss recognised in other comprehensive income</b>		
a. Actuarial (gain) / loss on obligation	(5.30)	(5.63)
b. Remeasurement- Return on plan assets excluding amount included in net Interest on net defined benefit liability/asset	-	-
(Income)/Loss recognised in other comprehensive income	(5.30)	(5.63)
<b>6. Bifurcation of Actuarial (Gain)/Loss on obligation</b>		
a. Actuarial (Gain)/Loss on arising from change in Demographic Assumption	-	-
b. Actuarial (Gain)/Loss on arising from change in Financial Assumption	(0.90)	-
c. Actuarial (Gain)/Loss on arising from change in Experience Assumption	(4.39)	(5.63)
Total Actuarial (Gain)/Loss on obligation	(5.30)	(5.63)

# The expense recognized in the statement of profit and loss during the year have been included under the head 'Salaries and Wages' above.

### II. Assumptions used for the purpose of actuarial valuation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i. Discount Rate (per annum)	7.50 % p.a	7.00 % p.a
ii. Rate of salary escalation (per annum)	5.00 % p.a	5.00 % p.a
iii. Mortality rates	IALM 2012-14	IALM 2012-14

### III. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and rate of salary escalation. The sensitivity is computed by varying one actuarial assumption used for valuation of defined benefit obligation by 0.50% keeping all other actuarial assumptions constant. There is no change from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

## Notes to the Financial Statements for the year ended March 31, 2023

Quantitative sensitivity analysis for significant assumptions is as below

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(i). Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period		
a. Impact due to increase of 0.50 %	(2.33)	(1.75)
b. Impact due to decrease of 0.50 %	2.67	2.01
<b>(ii) Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period		
a. Impact due to increase of 0.50 %	2.71	2.03
b. Impact due to decrease of 0.50 %	(2.41)	(1.79)

#### IV. Maturity Profile of Defined Benefit Obligation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1. Within the next 12 months (next annual reporting period)	4.22	7.33
2. Between 1 and 5 years	5.32	4.39
3. More than 5 years	23.39	16.80

The weighted average duration of the defined gratuity obligation as at March 31, 2023 is 13 years (March 31, 2022: 12 years)

#### Note 29 : Finance Costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings from banks	32.52	36.57
Interest expense on lease liabilities	3.84	4.23
Interest on Income tax	2.63	1.68
Other borrowing costs	0.77	1.03
<b>Total</b>	<b>39.76</b>	<b>43.51</b>

#### Note 30 : Depreciation and amortisation expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation / amortisation on		
-Property, Plant and Equipment	64.56	84.15
-Intangible assets	-	-
-Right of use assets	7.16	7.16
<b>Total</b>	<b>71.72</b>	<b>91.31</b>



## Notes to the Financial Statements for the year ended March 31, 2023

### Note 31 : Other Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and Spares	37.38	35.26
Consumption of Packing Material	43.35	29.85
Job Work charges	10.23	8.00
Power and fuel	49.13	39.66
Repair and maintenance		
-Building	4.08	2.23
-Plant and Machinery	11.67	8.57
-Others	8.91	4.56
Insurance	6.09	6.85
Fee and Subscription	27.25	10.59
Freight and forwarding charges	28.10	13.31
Vehicle running and maintenance expenses	17.32	9.60
Sales Promotion expenses	11.99	8.82
Legal and Professional charges	51.88	28.06
Donation	2.11	1.50
Allowance for expected credit loss/ credit impairment	15.08	4.41
Director sitting fee	2.45	1.73
Payment to Auditors		
-Audit fee	7.00	1.50
-Certification and other services	0.50	-
Commission on Sale	49.74	47.58
Miscellaneous Expenses #	83.19	24.08
<b>Total</b>	<b>467.45</b>	<b>286.16</b>

# does not include any item of expenditure with a value of more than 1% of revenue from operations.

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 32A: Deferred Tax Assets/(Liabilities) (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>(A) Deferred Tax Liabilities</b>			
-Others	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(B) Deferred Tax Assets</b>			
-Difference in carrying values of property, plant and equipment and intangible assets	26.66	19.28	15.08
-Provision for post retirement benefits and other employee benefits	8.29	7.94	7.52
-Allowance for expected credit loss	14.60	11.95	10.72
-Others	0.80	0.50	-
<b>Total</b>	<b>50.35</b>	<b>39.67</b>	<b>33.32</b>
<b>Net deferred tax Assets/(Liabilities) (B-A)</b>	<b>50.35</b>	<b>39.67</b>	<b>33.32</b>

### Movement in Deferred tax Assets/(Liabilities)

Particulars	Property Plant and Equipment	Provision for Employee Benefits	Allowance for expected credit loss	Others	Total
<b>At April 1, 2021</b>	15.08	7.52	10.72	-	33.32
(Charged)/credited:-					
-to profit or loss	4.20	1.98	1.23	0.50	7.91
-to other Comprehensive Income	-	(1.57)	-	-	(1.57)
<b>At March 31, 2022</b>	<b>19.28</b>	<b>7.94</b>	<b>11.95</b>	<b>0.50</b>	<b>39.67</b>
<b>At April 1, 2022</b>	19.28	7.94	11.95	0.50	39.67
(Charged)/credited:-					
-to profit or loss	7.38	1.68	2.65	0.30	12.01
-to other Comprehensive Income	-	(1.33)	-	-	(1.33)
<b>At March 31, 2023</b>	<b>26.66</b>	<b>8.29</b>	<b>14.60</b>	<b>0.80</b>	<b>50.35</b>

There are no unrecognised deferred tax assets as at March 31, 2023, March 31, 2022 and April 1, 2021. Deferred tax assets and liabilities have been set off as they are governed by the same taxation laws.

### Note 32B : Current Tax Liabilities/(Asset) (Net)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
(i) Shown as Current tax asset (net of current tax liabilities)	-	-	8.24
(ii) Shown as Current tax liabilities (net of current tax assets)	52.14	27.96	12.16

Current tax assets and current tax liabilities have been offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 32C: Tax Expense

#### (i) Tax Expense recognized

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Tax Expense recognized in profit or loss</b>		
Current tax expense	254.73	59.48
Deferred tax expense	(12.01)	(7.91)
Taxes for earlier years	(5.95)	0.41
<b>Total</b>	<b>236.77</b>	<b>51.98</b>
<b>(b) Tax Expense recognized in other comprehensive Income</b>		
Current tax expense	-	-
Deferred tax expense	1.33	1.57
<b>Total</b>	<b>1.33</b>	<b>1.57</b>
<b>(c) Tax Expense recognized directly in other equity</b>		
Current tax expense	-	-
Deferred tax expense	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total (a+b+c)</b>	<b>238.10</b>	<b>53.55</b>

#### (ii) Reconciliation of Tax Expense and Accounting Profit multiplied by India's Tax rate:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	1,003.53	188.59
Tax Rate	25.17%	27.82%
Tax at Indian tax rate (A)	<b>252.57</b>	<b>52.47</b>
Effect of expenses that are not deductible in determining taxable profits (B)	1.19	0.89
Effect of expenses that are deductible in determining taxable profits (C)	(13.50)	(0.21)
Change in Tax Rate (D)	3.78	-
Others (E)	(5.95)	0.41
<b>Tax expense</b>	<b>238.10</b>	<b>53.55</b>

### Note 33 : Earnings Per Share

The following table reflects the detail of profit and equity shares used in the computation of basic and diluted earnings per share (EPS)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Basic earnings per share</b>		
i. Profit for the year	766.76	136.61
ii. Weighted average number of equity shares (face value of ₹ 10/- each)	99,91,619	93,99,000
iii. Basic Earnings per share (Amount in ₹)	7.67	1.45
<b>B. Diluted earnings per share</b>		
i. Profit for the year	766.76	136.61
ii. Weighted average number of equity shares (face value of ₹10 each)	1,10,63,400	93,99,000
iii. Diluted Earnings per share (Amount in ₹)	6.93	1.45

Also refer note 46 and 47

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 34 : Contingent Liabilities and Commitments

#### I. Contingent Liabilities not provided for:

Particular	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Claims against company not acknowledge as debt			
-Excise matters	2.71	2.71	2.71
-Commercial matters	0.73	0.73	0.73

Based on legal advice and discussions with the solicitors, the management believes that there is fair chance of decisions in the company's favour in respect of above contingent liabilities and hence no provision is considered necessary against the same.

#### II. Commitments

Particular	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Estimated amount of contracts remaining to be executed on capital account (including vehicles) not provided for (net of advances)	480.59	-	-

### Note 35: Segment information

The operating results of the Company are reviewed by the Company's chief operating decision maker, consisting of Managing Director and Chief Finance Officer, to make decisions about resources to be allocated to the segment and assess its performance based on the different type of goods produced and sold by the Company. Based on such review, the company is a single segment company engaged in the business of manufacturing of valves and fittings, steam traps and strainers.

#### Geographical information

The Geographical detail of revenue and assets (property, plant and equipment) based on domicile of customer and location of assets respectively are as follows:

##### (i) Geographical detail of revenue

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	With in India#	Outside India	Total	With in India	Outside India	Total
Revenue from sale of goods	4,822.96	72.54	4,895.50	1,963.83	63.16	2,026.99

# including sale of goods to Nepal

The Company's revenue from operations from external customers by location of the customers is as follows:

Country	Year ended March 31, 2023	Year ended March 31, 2022
India	4,805.52	1,951.03
Nepal	17.44	12.80
Indonesia	39.86	-
Malaysia	16.12	18.81
South Africa	13.95	23.60
England	-	19.78
South Arabia	2.40	-
Khuwair	0.21	-
Oman	-	0.97
<b>Total</b>	<b>4,895.50</b>	<b>2,026.99</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### (ii) Geographical detail of assets

The company has business operations only in India and does not hold any asset (property, plant and equipment) outside India.

Detail of customers who individually contributes more than 10% of the revenue of the Company

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of customers	Total % of sales	No. of customers	Total % of sales
Customers who individually contributed for more than 10% of the revenue	1	14.00%	1	18.00%

### Note 36 : Capital Management

#### (a) Risk Management

For the purposes of the Company's capital management, capital includes equity share capital, securities premium and all other reserves attributable to the equity shareholders. The primary objective of the Company's Capital Management is to maximize the return to shareholders and also maintain an optimal capital structure to reduce cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'Net debt' to 'Total Equity'. For this purpose, net debt is defined as total interest-bearing loans and borrowings less cash and cash equivalents. The Company's Net debt to equity ratio is as follows.

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Total Debt	665.78	537.85	455.80
Less: Cash and cash equivalents	6.58	3.42	1.32
Net Debt (A)	659.20	534.43	454.48
Total Equity (B)	2,499.30	1,068.57	969.15
<b>Net debt to equity ratio (Gearing Ratio) (A/B)</b>	<b>0.26</b>	<b>0.50</b>	<b>0.47</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

The Company is not subject to any externally imposed capital requirements.

#### (b) Loan Covenants

In order to achieve overall objective of capital management, amongst other things, the management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. The management carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended March 31, 2023 and March 31, 2022.

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 37: Financial Instruments- Classification and Fair Value Measurement

#### (a) Classification of Financial instruments

Particulars	Amortised Cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>As at March 31, 2023</b>							
<b>Financial Assets</b>							
Trade receivables (Refer note 8)	1,992.82	-	-	-	-	1,992.82	1,992.82
Cash and Cash Equivalents (Refer note 9)	6.58	-	-	-	-	6.58	6.58
Bank balances not considered as cash & cash equivalents (Refer note 10)	15.79	-	-	-	-	15.79	15.79
Others financial assets (Refer Note 5 & 11)	23.30	-	-	-	-	23.30	23.30
<b>Total Financial Assets</b>	<b>2,038.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,038.49</b>	<b>2,038.49</b>
<b>Financial Liabilities</b>							
<b>Borrowings (Refer note 15 &amp; 18)</b>	<b>665.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>665.78</b>	<b>665.78</b>
Lease Liabilities	51.74	-	-	-	-	51.74	51.74
Trade payables (Refer note 19)	258.82	-	-	-	-	258.82	258.82
Other Financial Liabilities (Refer note 16 & 20)	138.33	-	-	-	-	138.33	138.33
<b>Total Financial Liabilities</b>	<b>1,114.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,114.67</b>	<b>1,114.67</b>
<b>As at March 31, 2022</b>							
<b>Financial Assets</b>							
Trade receivables (Refer note 8)	526.82	-	-	-	-	526.82	526.82
Cash and Cash Equivalents (Refer note 9)	3.42	-	-	-	-	3.42	3.42
Bank balances not considered as cash & cash equivalents (Refer note 10)	15.04	-	-	-	-	15.04	15.04
Others financial assets (Refer Note 5 & 11)	18.52	-	-	-	-	18.52	18.52
<b>Total Financial Assets</b>	<b>563.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563.80</b>	<b>563.80</b>
<b>Financial Liabilities</b>							
Borrowings (Refer note 15 & 18)	537.85	-	-	-	-	537.85	537.85
Lease Liabilities	57.49	-	-	-	-	57.49	57.49
Trade payables (Refer note 19)	133.98	-	-	-	-	133.98	133.98
Other Financial Liabilities (Refer note 16 & 20)	89.08	-	-	-	-	89.08	89.08
<b>Total Financial Liabilities</b>	<b>818.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>818.40</b>	<b>818.40</b>



# Notes to the Financial Statements for the year ended March 31, 2023

## Note 37: Financial Instruments- Classification and Fair Value Measurement (Contd.)

### (a) Classification of Financial instruments

Particulars	Amortised Cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>As at April 1, 2021</b>							
<b>Financial Assets</b>							
Trade receivables (Refer note 8)	475.89	-	-	-	-	475.89	475.89
Cash and Cash Equivalents (Refer note 9)	1.32	-	-	-	-	1.32	1.32
Bank balances not considered as cash & cash equivalents (Refer note 10)	14.39	-	-	-	-	14.39	14.39
Others financial assets (Refer Note 5 & 11)	19.28	-	-	-	-	19.28	19.28
<b>Total Financial Assets</b>	<b>510.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>510.88</b>	<b>510.88</b>
<b>Financial Liabilities</b>							
Borrowings (Refer note 15 & 18)	455.80	-	-	-	-	455.80	455.80
Lease Liabilities	62.86	-	-	-	-	62.86	62.86
Trade payables (Refer note 19)	210.33	-	-	-	-	210.33	210.33
Other Financial Liabilities (Refer note 16 & 20)	70.07	-	-	-	-	70.07	70.07
<b>Total Financial Liabilities</b>	<b>799.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>799.06</b>	<b>799.06</b>

The carrying value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables, borrowings, lease liabilities, other financial assets and liabilities is a reasonable approximation of its fair value.

### (b) Fair Value Measurement

#### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured, subsequent to initial recognition, at fair value. The below is the fair value measurement hierarchy used by the Company to determine the fair value of financial instruments, grouped into Level 1 to Level 3. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Quoted prices(unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

## Notes to the Financial Statements for the year ended March 31, 2023

### (ii) Financial assets and liabilities measured at fair value

Particulars	Carrying Value	Fair Value Measurement using		
		Level 1	Level 2	Level 3
<b>As at March 31, 2023</b>				
(A) Financial assets	-	-	-	-
(B) Financial Liabilities	-	-	-	-
<b>As at March 31, 2022</b>				
(A) Financial assets	-	-	-	-
(B) Financial Liabilities	-	-	-	-
<b>As at April 1, 2021</b>				
(A) Financial assets	-	-	-	-
(B) Financial Liabilities	-	-	-	-

### Note 38 : FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company. The Company's principal financial asset comprise trade and other receivables, cash and bank balances that arise directly from its operations. These financial liabilities and assets are mainly exposed to market risk, credit risk and liquidity risk.

The monitoring and management of such risks is undertaken by the senior management of the Company. There are appropriate policies and procedures in place through which such financial risks are identified, measured and managed by the Company. The policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

#### 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 prices comprise three types of risk: currency rate risk, interest rate risk and other price risk, such as equity price risk and commodity price risk. The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below:

#### (a) 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.

## Notes to the Financial Statements for the year ended March 31, 2023

### Foreign currency exposure at the end of reporting period

Particulars	Currency	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade receivables	USD	46,622	38.36	-	-	285	0.21

### Foreign Currency sensitivity analysis

The below would be the impact on the Company's profit before tax due to reasonably possible change in foreign currency exchange rate in respect of foreign currency exposure at the end of reporting period, with all other variables held constant:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Impact on account of increase in exchange rate by 5%	1.92	-
Impact on account of decrease in exchange rate by 5%	(1.92)	-

### (b) 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

#### (i) Interest Risk Exposure at the end of reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Variable rate borrowings	665.78	537.85	455.80
Total borrowings	665.78	537.85	455.80

### (ii) Cash flow Sensitivity for variable rate instruments

The below would be the impact on the Company's Profit before tax due to reasonably possible change in interest rates in respect of exposure at the end of the reporting period, with all other variables held constant:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Impact on account of increase in interest rate by 50 basis points	(3.33)	(2.69)
Impact on account of decrease in interest rate by 50 basis points	3.33	2.69

### (c) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any such price risk.

## II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. Financial instruments that are subject to credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets.

The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 5, 8, 9, 10 and 11.

### (a) Credit risk management practices

To manage credit risk in case of trade receivables, the company continuously assesses the creditworthiness of the customer to whom goods are sold on credit terms in the normal course of business. In regard to the cash and bank balances, the

## Notes to the Financial Statements for the year ended March 31, 2023

company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies and ratings are monitored periodically. The Company's credit risk in case of all other financial instruments is negligible and is managed by continuously monitoring the creditworthiness of the counterparty.

### Detail of customers who individually contributes more than 10% of the revenue of the Company

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of customers	Total % of sales	No. of customers	Total % of sales
Customers who individually contributed for more than 10% of the revenue	1	14.00%	1	18.00%

### Detail of revenues generated from top ten customers of the Company

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenues generated from top ten customers	47.02%	43.17%

### (b) Expected Credit Loss for Financial Assets

#### (i) Financial assets to which loss allowance is measured using 12 months Expected Credit Loss:

Particulars	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of impairment provision
<b>As at March 31, 2023</b>				
Cash and cash equivalents	6.58	-	-	6.58
Bank balances not considered as cash & cash equivalents	15.79	-	-	15.79
Other financial assets	23.30	-	-	23.30
<b>As at March 31, 2022</b>				
Cash and cash equivalents	3.42	-	-	3.42
Bank balances not considered as cash & cash equivalents	15.04	-	-	15.04
Other financial assets	18.52	-	-	18.52
<b>As at April 1, 2021</b>				
Cash and cash equivalents	1.32	-	-	1.32
Bank balances not considered as cash & cash equivalents	14.39	-	-	14.39
Other financial assets	19.28	-	-	19.28

#### (ii) Financial assets to which loss allowance is measured on simplified approach using lifetime Expected Credit Loss:

Particulars	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss allowance	Carrying amount net of loss allowance
<b>Trade Receivables</b>				
As at March 31, 2023	2,050.84	refer table below	58.02	1,992.82
As at March 31, 2022	569.76	refer table below	42.94	526.82
As at April 1, 2021	514.42	refer table below	38.53	475.89

## Notes to the Financial Statements for the year ended March 31, 2023

### Expected Probability of default in case of Trade Receivables

Period	Expected probability of default
Not Due	0.50%
1 day- 120 days	1.00%
121 days - 180 days	5.00%
181 days - 365 days	10.00%
1-2 Years	25.00%
2-3 Years	50.00%
More than 3 Years	100.00%

### (iii) Movement in Allowance for Expected credit loss

Particulars	Amount
<b>in case of Trade Receivables</b>	
As at 01-04-2021	38.53
Provided during the year	4.41
As at 31-03-2022	42.94
As at 01-04-2022	42.94
Provided during the year	15.08
As at 31-03-2023	58.02

### III. Liquidity Risk Management

Liquidity risk is the risk that Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The Management monitors the Company's liquidity position on the basis of expected cash flows in near future.

#### (a) Maturity analysis of financial liabilities

The table below provides details regarding the contractual maturities of financial liabilities :

Particulars	Carrying Amount	Less than One Year	More than one year and less than five year	More than five Years	Total
<b>As at March 31, 2023</b>					
Borrowings	665.78	600.92	64.86	-	665.78
Lease Liabilities	51.74	6.18	29.50	16.06	51.74
Trade payables	258.82	258.82	-	-	258.82
Other financial Liabilities	138.33	138.33	-	-	138.33
<b>Total</b>	<b>1,114.67</b>	<b>1,004.25</b>	<b>94.36</b>	<b>16.06</b>	<b>1,114.67</b>
<b>As at March 31, 2022</b>					
Borrowings	537.85	358.38	179.47	-	537.85
Lease Liabilities	57.49	5.76	27.51	24.22	57.49
Trade payables	133.98	133.98	-	-	133.98
Other financial Liabilities	89.08	85.08	4.00	-	89.08
<b>Total</b>	<b>818.40</b>	<b>583.20</b>	<b>210.98</b>	<b>24.22</b>	<b>818.40</b>
<b>As at April 1, 2021</b>					
Borrowings	455.80	189.03	266.77	-	455.80
Lease Liabilities	62.86	5.37	25.66	31.83	62.86
Trade payables	210.33	210.33	-	-	210.33
Other financial Liabilities	70.07	65.57	4.50	-	70.07
<b>Total</b>	<b>799.06</b>	<b>470.30</b>	<b>296.93</b>	<b>31.83</b>	<b>799.06</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### (b) Maturity analysis of financial assets, the Company holds for managing liquidity risk

Particulars	Carrying Amount	Less than One Year	More than one year and less than five year	More than five Years	Total
<b>As at March 31, 2023</b>					
Trade receivables	1,992.82	1,992.82	-	-	1,992.82
Cash and cash equivalents	6.58	6.58	-	-	6.58
Bank Balances other than cash and cash equivalents	15.79	15.79	-	-	15.79
Other financial assets	23.30	4.78	-	18.52	23.30
<b>Total</b>	<b>2,038.49</b>	<b>2,019.97</b>	<b>-</b>	<b>18.52</b>	<b>2,038.49</b>
<b>As at March 31, 2022</b>					
Trade receivables	526.82	526.82	-	-	526.82
Cash and cash equivalents	3.42	3.42	-	-	3.42
Bank Balances other than cash and cash equivalents	15.04	15.04	-	-	15.04
Other financial assets	18.52	-	-	18.52	18.52
<b>Total</b>	<b>563.80</b>	<b>545.28</b>	<b>-</b>	<b>18.52</b>	<b>563.80</b>
<b>As at April 1, 2021</b>					
Trade receivables	475.89	475.89	-	-	475.89
Cash and cash equivalents	1.32	1.32	-	-	1.32
Bank Balances other than cash and cash equivalents	14.39	14.39	-	-	14.39
Other financial assets	19.28	0.80	-	18.48	19.28
<b>Total</b>	<b>510.88</b>	<b>492.40</b>	<b>-</b>	<b>18.48</b>	<b>510.88</b>

In addition to above financial assets, the company has inventories of ₹ 1386.62 Lakhs as on March 31, 2023 (March 31, 2022: ₹ 1013.39 Lakhs; April 1, 2021: ₹ 845.46 Lakhs) which can be realized to meet its financial obligations.

### (c) Financing arrangements

The company has access to the following undrawn committed borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Expiring within one year (Cash credit limit and other facilities)	180.72	103.92	256.87

**Note:** There is no restriction on the use of these facilities

### Note 39: Related party transactions

#### A. List of related parties

(a) Key Management Personnel (KMP)	Amit Jain- Managing Director Vimal Parkash Jain- Whole time director Pamila Jain- Whole time director and Chief Financial Officer Natisha Choudhary- Company Secretary Rajni Sharma- Independent director Ravi Bhushan Jain- Independent director Surinder Kumar Salwan- Independent director
(b) Relatives of Key Management Personnel	Anu Jain
(c) Proprietorship concern of managing director	Amco Industries
(d) Entities in which KMP exercises control	Atam & Febi Valves Pvt. Ltd Febi Valves Pvt. Ltd.
(e) Entities in which KMP exercises significant influence	Vimal Parkash Jain HUF Amit Jain HUF



## Notes to the Financial Statements for the year ended March 31, 2023

Sr. No.	Related party	Nature of transaction	Amount	
			Year ended March 31, 2023	Year ended March 31, 2022
(a)	Key Management Personnel (KMP)	Remuneration	119.10	110.84
		Rent against lease liabilities	9.60	9.60
		Director sitting fee	2.45	1.73
		Dividend paid	60.72	29.88
		Issue of Bonus Shares (at face value)	363.60	-
		Issue of equity shares on conversion of share warrants (including securities premium)	336.96	-
		Issue of convertible share warrants (at issue price) (net of warrants converted into equity shares on exercise of option)	156.00	-
		Unsecured Loan received	20.00	46.00
		Unsecured Loan repaid	32.20	76.00
(b)	Relatives of Key Management Personnel	Dividend paid *	0.00	0.00
		Issue of Bonus Shares (at face value) *	0.00	-
(c)	Proprietorship concern of managing director	Purchase of goods (excluding goods and service tax)	1,868.81	432.65
(d)	Entities in which KMP exercises control	NA	-	-
(e)	Entities in which KMP exercises significant influence	Issue of Bonus Shares (at face value)	1.20	-
		Dividend paid	0.24	0.12

\* zero on account of round off

### C. Detail of amount due to or due from related parties

Sr. No.	Related party	Nature of dues	Amount	
			As at March 31, 2023	As at March 31, 2022
<b>I</b>	<b>Receivables</b>			
(a)	Proprietorship concern of managing director	Amount receivable (included under other current assets)	0.02	-
<b>II</b>	<b>Payables</b>			
(a)	Key Management Personnel (KMP)	Unsecured loans (included under current/non current borrowings)	11.84	24.04
		Remuneration and rent payable (included under other financial liabilities)	15.96	16.03
		Sitting fee payable (included under other financial liabilities)	3.76	1.55
(b)	Proprietorship concern of managing director	Amount Payable (included under trade payables)	-	16.53
(c)	Entities in which KMP exercises control	Amount Payable (included under trade payables)	0.78	0.78

### Terms and conditions of transactions with related parties

- i All related party transactions entered during the year are in ordinary course of the business and on arm's length basis.
- ii Outstanding balances at the year-end are unsecured and settlement occurs in cash.
- iii. There have been no guarantees provided or received for any related party except guarantees provided by directors of the Company against loans availed from banks as mentioned in note no. 15 and 18.
- iv. During the year ended March 31, 2023, the Company has not recorded any impairment loss in respect of any bad or doubtful debts due from related parties (March 31, 2022: Nil).

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 40 : Impairment of Assets

In accordance with Ind AS 36 "Impairment of assets", the company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

### Note 41: Leases

#### (i) Company as a lessee

Assets taken under lease include land and building of factory premises and branch office premises for conducting business of the Company. The leases are not non-cancellable and having unexpired period upto 7 years as at March 31, 2023. The leases are renewable by mutual consent and on mutually agreeable terms. In terms of criteria specified in AS 116 Leases, for these leases, present value of all future lease payments has been recognised as Right-of-use assets and lease liabilities with the charge for depreciation on Right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The disclosures as required by Ind AS 116 are as hereunder:

- The depreciation expense on ROU assets of ₹ 7.16 Lakhs (previous year ₹ 7.16 Lakhs) is included under depreciation and amortization expenses in the statement of Profit and Loss.
- Interest expense on the lease liabilities amounting to ₹ 3.84 Lakhs (previous year ₹ 4.23 Lakhs) has been included under finance costs in the statement of Profit and Loss.
- Payment of lease liabilities amounting to ₹ 5.76 Lakhs (previous year ₹ 5.37 Lakhs) and interest thereon amounting ₹ 3.84 Lakhs (previous year ₹ 4.23 Lakhs) has been shown under cash flows from financing activities in the Statement of cash flows.

#### (d) The following is the change in the carrying value of Right of Use asset:

Particulars	Gross Carrying Value	Accumulated Depreciation	Net Carrying Value
<b>Land and Building</b>			
<b>As at April 1, 2021</b>	62.86	-	62.86
Addition during the year	-	-	-
Amortization during the year	-	7.16	(7.16)
As at March 31, 2022	62.86	7.16	55.70
<b>As at April 1, 2022</b>	62.86	7.16	55.70
Addition during the year	-	-	-
Amortization during the year	-	7.16	(7.16)
As at March 31, 2023	62.86	14.32	48.54

## Notes to the Financial Statements for the year ended March 31, 2023

(e) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Current lease liabilities	6.18	5.76	5.37
Non Current lease liabilities	45.56	51.73	57.49
<b>Total</b>	<b>51.74</b>	<b>57.49</b>	<b>62.86</b>

(f) The following is the movement in lease liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	57.49	62.86
Additions during the year	-	-
Finance cost accrued during the year	3.84	4.23
Payment of lease liabilities	(9.60)	(9.60)
Balance at the end of the year	51.74	57.49

(g) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
(i) Not later than one year	6.18	5.76	5.37
(ii) Later than one year and not later than five years	29.50	27.51	25.66
(iii) Later than five years	16.06	24.22	31.83
<b>Total</b>	<b>51.74</b>	<b>57.49</b>	<b>62.86</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(h) The commitments for leases not yet commenced is Nil as at March 31, 2023 (March 31, 2022: Nil)

### Note 42: Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act 2013 regarding corporate social responsibility are not applicable to the Company.

### Note 43: Carrying Amount of assets pledged as security:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>Non-Current Assets</b>			
Property, Plant & Equipment	263.35	272.86	346.93
<b>Total (A)</b>	<b>263.35</b>	<b>272.86</b>	<b>346.93</b>
<b>Current Assets</b>			
(a) Inventories	1,386.62	1,013.39	845.46
(b) Trade receivables	1,992.82	526.82	475.89
<b>Total (B)</b>	<b>3,379.44</b>	<b>1,540.21</b>	<b>1,321.35</b>
<b>Total (A+B)</b>	<b>3,642.79</b>	<b>1,813.07</b>	<b>1,668.28</b>

## Notes to the Financial Statements for the year ended March 31, 2023

**Note 44:** The Company has taken borrowings from banks on the basis of security of inventories and trade receivable (i.e current assets). There are certain differences in value of assets as filed with banks vis-a-vis books of accounts. The summary of reconciliation and reasons of material discrepancies in this regard is as under:-

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for major difference
30 <sup>th</sup> June, 2022	HDFC Bank Ltd	Inventories	1,214.69	675.00	539.69	Refer note 1 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	628.56	886.32	(257.76)	Refer note 2 below
30 <sup>th</sup> Sept, 2022	HDFC Bank Ltd	Inventories	1,162.57	600.00	562.57	Refer note 1 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	974.90	1,139.42	(164.53)	Refer note 2 below
31 <sup>st</sup> Dec, 2022	HDFC Bank Ltd	Inventories	1,519.22	1,290.00	229.22	Refer note 1 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	836.16	1,097.13	(260.97)	Refer note 2 below
31 <sup>st</sup> March, 2023	HDFC Bank Ltd	Inventories	1,386.62	1,450.00	(63.38)	Refer note 3 below
	HDFC Bank Ltd	Trade receivables (before loss allowance)	2,050.84	2,113.89	(63.05)	Refer note 3 below

### Notes:

- The amount of inventory submitted to bank is on lower side as the same has been submitted considering the requirement for drawing power instead of actual inventory.
- The balance of trade receivables submitted to bank includes amount recoverable by head office at Jalandhar from Ahmedabad branch against supply of goods whereas the same has not been included in the figure as per books of account. Further, the amount of trade receivables of Ahmedabad branch is not included in the statement submitted to bank whereas the same has been included in the figure as per books of account.
- The difference is not material. The difference is on account of the amounts submitted to bank were on provisional basis.

### Note 45: Events after the Reporting Period

The Board of directors have recommended the payment of Final dividend of ₹ 1.50/- per equity share (previous year ₹ 2/- per equity share) which is subject to the approval of Shareholders in the ensuing Annual General Meeting.

### Note 46: Issue of Share warrants and equity shares

Pursuant to the resolution passed in the board meeting held on May 10, 2022, the company allotted 23,49,000 warrants on the payment of ₹ 13/- per warrant, convertible into same number of equity shares on preferential basis having face value of ₹10/- each at a premium of ₹ 42/- per share on payment of balance amount of ₹ 39/- per warrant, at the option of the warrant holders within 18 months from the date of allotment of the warrants. During the year, the warrant holders exercised the option against 11,49,000 warrants. Accordingly, 11,49,000 equity shares have been allotted resulting into increase in equity share capital amounting to ₹ 114.90 Lakhs and securities premium amounting ₹ 482.58 Lakhs. For the purpose of computing basic earnings per share, weighted average number of equity shares have been adjusted for additional equity shares issued during the year. Further, for the purpose of computing diluted earnings per share, weighted average number of equity shares have been further adjusted for the outstanding convertible warrants as at the end of the year.

## Notes to the Financial Statements for the year ended March 31, 2023

### Note 47: Issue of Bonus Shares

Pursuant to the approval of shareholders in their Annual General Meeting held on September 30, 2022, the company allotted 52,74,000 fresh equity shares as fully paid-up bonus shares in proportion of 1:1 (i.e. one bonus share for every one equity share held) by utilising securities premium to the eligible members whose names appeared in the register of members/list of beneficial owners as on October 24, 2022, i.e. record date resulting into increase in equity share capital amounting to ₹ 527.40 Lakhs and utilisation of securities premium amounting to ₹ 527.40 Lakhs. Further, earnings per share of the current period and comparative period have been computed based on weighted average number of shares adjusted for issuance of bonus shares as if the event had occurred at the beginning of the comparative period presented.

### Note 48: Government Grants

The Company has recognized export incentives amounting to ₹ 2.46 Lakhs (Previous year: ₹ 2.18 Lakhs) as 'Other operating revenue' under the head 'Revenue from operations' in note 23 which are in the nature of government grant. The amount receivable in this regard as at the end of reporting period is ₹ 2.41 Lakhs (previous year: ₹ 1.23 Lakhs) shown under the head 'Other current assets' in note 12.

### Note 49: Key Financial Ratios

Ratio	Numerator	Denominator	As at and year ended 31 <sup>st</sup> March 2023	As at and year ended 31 <sup>st</sup> March 2022	% Variance	Comments (in case variance is more than 25%)
Current Ratio (in times)	Current Assets	Current Liabilities	2.88	2.43	18.80%	NA
Debt-Equity Ratio (in times)	Total Debt	Total Equity	0.27	0.50	-47.08%	Refer note 1 below
Debt Service Coverage Ratio (in times)	Profit before interest, tax and depreciation & amortisation	Interest+Current maturities of long term borrowings	10.90	0.82	1230.78%	Refer note 1 below
Return on Equity Ratio (in %)	Profit after tax	Average Total Equity	42.98%	13.41%	220.56%	Refer note 1 below
Inventory turnover Ratio (in times)	Sale of products	Average inventory	4.08	2.18	87.06%	Refer note 2 below
Trade Receivables turnover Ratio (in times)	Sale of products	Average trade receivables	3.89	4.04	-3.89%	NA
Trade payables turnover Ratio (in times)	Purchases of goods	Average trade payables	16.46	7.30	125.46%	Refer note 2 below
Net capital turnover Ratio (in times)	Revenue from operations	Average working capital	3.08	2.26	35.85%	Refer note 2 below
Net profit Ratio (in %)	Profit after tax	Total Income	15.57%	6.69%	132.75%	Refer note 1 below
Return on capital employed (in %)	Profit before interest and tax	Total Equity + Short & Long Term Borrowings	32.96%	14.45%	128.14%	Refer note 1 below
Return on investment (in %)	Income from Investments	Average Investments	NA	NA	NA	NA

## Notes to the Financial Statements for the year ended March 31, 2023

### Reasons for variance in ratios

- 1 There is substantial increase in revenue as compared to previous year whereas indirect and fixed expenses have not increased in that proportion resulting into higher profits which further resulting in to improvement in following ratios as compared to previous year: (i) Debt equity ratio (ii) Debt Service Coverage ratio (iii) Return on Equity Ratio (iv) Net profit Ratio (v) Return on capital employed
- 2 There is substantial increase in revenue as compared to previous year leading to quick movement in inventory and working capital which has resulted into improvement in following ratios as compared to previous year: (i) Inventory turnover Ratio (ii) Trade payables turnover Ratio (iii) Net capital turnover Ratio

### Note 50: Other disclosures

- (i) The Company does not have any Benami property, where any proceeding have been initiated against the Company for holding any benami transactions (Prohibition) Act, 1988 ( 45 of 1988).
- (ii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- (iii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) The Company does not have any charge or satisfaction thereof which is pending for registration with ROC beyond the statutory period.
- (v) The Company does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) "The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- (vii) The Company has not received any fund from any person or entity, including foreign entities (Funding parties) with the understanding (whether recorded in writing or otherwise) that the Company shall
  - (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the funding
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (ix) "There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:
  - (a) repayable on demand; or
  - (b) without specifying any terms or period of repayment"
- (x) Compliance with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017 is not applicable as there is no subsidiary.



# Notes to the Financial Statements for the year ended March 31, 2023

## NOTE 51: First time adoption of Ind AS

These financial statements are the first financial statements that have been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended March 31 2022, as described in note 2 of the financial statements. The transition to Ind AS has been carried out in accordance with Ind AS 101-‘First time adoption of Indian Accounting Standards’ with April 1, 2021 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Previous GAAP financial statements as at April 1, 2021 and financial statements as at and for the year ended March 31, 2022 in accordance with Ind AS 101.

### (a) Exemptions as per Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

- The Company has elected to consider carrying amount of property, plant and equipments and intangible assets measured as per Previous GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition.
- The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after April 1, 2021.
- The estimates at April 1, 2021 and at March 31, 2022 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Previous GAAP did not require estimation:
  - Fair values of Financial Assets & Financial Liabilities
  - Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at April 1, 2021 and March 31, 2022.

### (b) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### I. Effect of Ind AS adoption on the Balance Sheet as at March 31, 2022 and April 1, 2021

Particulars	As at March 31, 2022			As at April 1, 2021			
	Note	As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
<b>(1) Non - current assets</b>							
(a) Property, plant and equipment		272.86	-	272.86	346.93	-	346.93
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Right of use asset	(a)	-	55.70	55.70	-	62.86	62.86
(d) Other intangible assets		0.27	-	0.27	0.27	-	0.27
(e) Financial assets		-	-	-	-	-	-
(i) Other financial assets		18.52	-	18.52	18.48	-	18.48
(f) Deferred tax assets(net)	(d)	27.22	12.45	39.67	22.60	10.72	33.32
(g) Other non-current assets		-	-	-	-	-	-
<b>Total non current assets</b>		<b>318.87</b>	<b>68.15</b>	<b>387.02</b>	<b>388.28</b>	<b>73.58</b>	<b>461.86</b>

## Notes to the Financial Statements for the year ended March 31, 2023

Particulars	Note	As at March 31, 2022		As at April 1, 2021			
		As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
<b>(2) Current assets</b>							
(a) Inventories		1,013.39	-	1,013.39	845.46	-	845.46
(b) Financial assets							
(i) Trade receivables	(b)	569.76	(42.94)	526.82	514.41	(38.52)	475.89
(ii) Cash and cash equivalents		3.42	-	3.42	1.32	-	1.32
(iii) Bank Balances other than cash and cash equivalents		15.04	-	15.04	14.39	-	14.39
(iv) Other financial assets		-	-	-	0.80	-	0.80
(c) Current tax assets (net)		-	-	-	8.24	-	8.24
(d) Other current assets		36.98	-	36.98	44.73	-	44.73
<b>Total current assets</b>		<b>1,638.59</b>	<b>(42.94)</b>	<b>1,595.65</b>	<b>1,429.35</b>	<b>(38.52)</b>	<b>1,390.83</b>
<b>Total assets</b>		<b>1,957.46</b>	<b>25.21</b>	<b>1,982.67</b>	<b>1,817.63</b>	<b>35.06</b>	<b>1,852.69</b>
<b>EQUITY AND LIABILITIES</b>							
<b>(1) EQUITY</b>							
(a) Equity share capital		412.50	-	412.50	412.50	-	412.50
(b) Other equity	(a), (b), (c), (d)	688.35	(32.28)	656.07	584.45	(27.80)	556.65
<b>Total equity</b>		<b>1,100.85</b>	<b>(32.28)</b>	<b>1,068.57</b>	<b>996.95</b>	<b>(27.80)</b>	<b>969.15</b>
<b>(2) LIABILITIES</b>							
<b>(i) Non - current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		179.47	-	179.47	266.77	-	266.77
(ia) Lease liabilities	(a)	-	51.73	51.73	-	57.49	57.49
(ii) Other Financial Liabilities		4.00	-	4.00	4.50	-	4.50
(b) Provisions		21.19	-	21.19	22.29	-	22.29
(c) Deferred Tax Liabilities (Net)		-	-	-	-	-	-
(d) Other Non-current liabilities		-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>204.66</b>	<b>51.73</b>	<b>256.39</b>	<b>293.56</b>	<b>57.49</b>	<b>351.05</b>
<b>(ii) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		358.38	-	358.38	189.03	-	189.03
(ia) Lease liabilities	(a)	-	5.76	5.76	-	5.37	5.37
(ii) Trade payables		-	-	-	-	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		30.77	-	30.77	37.01	-	37.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		103.21	-	103.21	173.32	-	173.32
(iii) Others financial liabilities		85.08	-	85.08	65.57	-	65.57
(b) Other current liabilities		39.22	-	39.22	43.39	-	43.39
(c) Provisions		7.33	-	7.33	6.64	-	6.64
(d) Current tax liabilities (net)		27.96	-	27.96	12.16	-	12.16
<b>Total current liabilities</b>		<b>651.95</b>	<b>5.76</b>	<b>657.71</b>	<b>527.12</b>	<b>5.37</b>	<b>532.49</b>
<b>Total equity and liabilities</b>		<b>1,957.46</b>	<b>25.21</b>	<b>1,982.67</b>	<b>1,817.63</b>	<b>35.06</b>	<b>1,852.69</b>

**Note:** The figures of Previous GAAP have been reclassified to confirm to presentation requirements of Division II of Schedule III of Companies Act, 2013.

## Notes to the Financial Statements for the year ended March 31, 2023

### II. Reconciliation of Other Equity as on March 31, 2022 and April 1, 2021

Particulars	Note	As at March 31, 2022	As at April 1, 2021
I Other Equity as per Previous GAAP		688.35	584.45
II Add/(Less): Effect of transition to Ind AS			
Interest on lease liability	(a)	(4.23)	-
Depreciation on ROU asset	(a)	(7.16)	-
Rent Paid	(a)	9.60	-
Allowance for expected credit loss	(b)	(42.94)	(38.52)
Deferred tax Expense	(d)	12.45	10.72
Other Equity as per Ind AS (I+II)		656.07	556.65

### III. Effect of Ind AS adoption on the Statement of profit and loss for the year ended March 31, 2022

Particulars	Note	As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
I Revenue from operations		2,033.06	-	2,033.06
II Other income		9.21	-	9.21
III Total income (I + II)		2,042.27	-	2,042.27
<b>IV EXPENSES</b>				
Cost of materials consumed		1,053.11	-	1,053.11
Purchases of Stock-in-trade		193.96	-	193.96
Changes in inventories of finished goods, stock in trade and work in progress		(224.62)	-	(224.62)
Employee benefits expense	(c)	404.62	5.63	410.25
Finance costs	(a)	39.28	4.23	43.51
Depreciation and amortization expenses	(a)	84.15	7.16	91.31
Other expenses	(a), (b)	291.36	(5.20)	286.16
<b>Total expenses (IV)</b>		<b>1,841.86</b>	<b>11.82</b>	<b>1,853.68</b>
Profit before tax (III - IV)		200.41	(11.82)	188.59
<b>VI Tax expense</b>				
Current tax		59.48	-	59.48
Taxes for earlier years		0.41	-	0.41
Deferred tax	(d)	(4.62)	(3.29)	(7.91)
<b>Total tax expense</b>		<b>55.27</b>	<b>(3.29)</b>	<b>51.98</b>
<b>VII Profit for the year (V - VI)</b>		<b>145.14</b>	<b>(8.53)</b>	<b>136.61</b>
<b>VIII Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss				
-Remeasurement of defined benefit plans	(c)	-	5.63	5.63
(ii) Income tax relating to items that will not be reclassified to profit or loss	(d)	-	(1.57)	(1.57)
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>4.06</b>	<b>4.06</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>145.14</b>	<b>(4.47)</b>	<b>140.67</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### IV. Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2022

Particulars	Note	As per Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
I Net Cash from/(used in) operating activities	(a)	3.39	9.60	12.99
II Net cash from/(used in) in investing activities		(2.61)	0.00	(2.61)
III Net cash from/(used in) financing activities	(a)	1.32	-9.60	(8.28)
Net increase/decrease in cash and cash equivalents (I+II+III)		2.10	0.00	2.10

#### Notes to reconciliations

- (a) Under Previous GAAP, Lease payments under a lease agreement identified as operating lease are recognised as expense in the statement of profit and loss on a systematic basis over the lease term. Under Ind AS, except certain cases, lessee needs to recognise a right-of-use asset and a lease liability at the commencement of lease at the initial cost paid and present value of future lease payments at that date. Subsequently, the asset is amortized over lease period and the carrying amount of lease liability is increased to reflect interest on the lease liability and is reduced to reflect the lease payments made during the year. The effect of this change results in recognition of 'Right-of-use asset' amounting to ₹ 62.86 Lakhs with corresponding recognition of 'Lease liabilities' as at April 1, 2021. This has also resulted in increase in 'Finance cost' amounting to ₹ 4.23 Lakhs, increase in 'Depreciation and amortization expense' amounting to ₹ 7.16 Lakhs and decrease in 'Other expense' amounting to ₹ 9.60 Lakhs in the statement of profit and loss for the year ended March 31, 2022. Further, this has resulted in net decrease in 'Other equity' amounting to ₹ Nil and ₹ 1.78 Lakhs as at April 1, 2021 and March 31, 2022 respectively. The said adjustment has resulted in increase in 'Cash used in financing activities' for the year ended March 31, 2022 by ₹ 9.60 Lakhs with corresponding impact in 'Cash from operating activities'.
- (b) As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the Company has provided allowance for doubtful debts in respect of 'Trade receivables' amounting to ₹ 38.52 Lakhs and ₹ 42.94 Lakhs as at April 1, 2021 and March 31, 2022 respectively. This has resulted in increase in 'Other expenses' amounting to ₹ 4.42 Lakhs for the year ended March 31, 2022. This has further resulted in decrease in 'Other equity' amounting to ₹ 38.52 Lakhs and ₹ 42.94 Lakhs as at April 1, 2021 and March 31, 2022 respectively. This has no effect on 'Statement of cash flows' of the Company.
- (c) Under Previous GAAP, gains and losses on remeasurement and return on plan assets, excluding amounts included in the net interest expense of post employment defined benefit plans are recognised in profit and loss. Under Ind AS, there are recognised in 'Other comprehensive income'. Consequently, the tax effect of the same is also recognised in other comprehensive income. The effect of this change has resulted in increase in 'Employee benefits expenses' by ₹ 5.63 Lakhs in the Statement of profit and loss for the year ended March 31, 2022 with corresponding increase in other comprehensive income for the year ended March 31, 2022. This has no effect on 'Other Equity' and 'Statement of cash flows' of the Company.
- (d) Under the previous GAAP, deferred tax accounting is done using income statement approach, which focuses on timing differences between taxable profits and accounting profits for the period. Ind AS 12 'Income Taxes' requires to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the transitional adjustments also lead to new temporary differences. This has resulted in recognition of deferred tax on temporary differences which was not required under previous GAAP. This has resulted in net increase in 'Deferred tax assets' amounting to ₹ 10.72 Lakhs and ₹ 12.45 Lakhs as at April 1, 2021 and March 31, 2022 respectively with corresponding impact in 'Other equity'. This has further resulted in recognition of deferred tax income amounting to ₹ 3.29 Lakhs in profit or loss and recognition of deferred tax expense amounting to ₹ 1.57 Lakhs in other comprehensive income.









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