

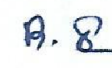


# NATIONAL FITTINGS LIMITED

CIN : L29199TZ1993PLC008034 • GSTIN : 33AAACI4737M1ZG

## FORM A

(For Audit Report with unmodified opinion)  
as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1	Name of the Company	NATIONAL FITTINGS LIMITED
2	Annual Financial Statement for the year ended	31.03.2022
3	Type of Audit observation	Un-modified
4	Frequency of observation	The observation is quarterly since 01.04.2021
5	To be signed by –  Managing Director (A V Palaniswamy)  CFO (J Saravanan)  Auditor of the Company (B Satish Kumar, Partner V Krish & Associates)  Audit Committee Chairman (R Alagar)	    

# NFL

NATIONAL FITTINGS LIMITED



29th Annual Report

2021-2022



## NATIONAL FITTINGS LIMITED

### BOARD OF DIRECTORS

**Mr. A.V. Palaniswamy**, Managing Director

**Mr. R. Alagar**, Non-Executive Independent Director

**Mrs. A. Panath Anitha**, Executive Woman Director

**Mr. Jayaram Govindarajan**, Executive Director

**Mr. Arjunaraj Dhananjayan**, Non-Executive Independent Director

**Mr. Chenniappan Selvakumar**, Non-Executive Independent Director

### BANKERS

#### **BANK OF INDIA**

Main Branch  
324, Oppanakara Street  
Coimbatore - 641 001

### AUDITORS

#### **V KRISH & ASSOCIATES**

M 22/4, 27th Cross Street,  
Besant Nagar, Chennai – 600 090

### REGD. OFFICE

SF No.112, Madhapur Road  
Kaniyur, Sulur Taluk  
Karumathampatti Via - 641 659  
Coimbatore District

### SHARE TRANSFER AGENTS **SKDC CONSULTANTS LTD.,**

Surya 35, Mayflower Avenue,  
Behind Senthil Nagar,  
Sowripalayam Road,  
Coimbatore - 641028



## NATIONAL FITTINGS LIMITED

Registered Office: 112, Madhapur Road, Kaniyur Village,  
Karumathampatti (via), Coimbatore - 641 659

CIN No. : L29199TZ1993PLC008034 Tel : +91 99432 93000 / 99439 93001  
email : admin@nationalfitting.com web : www.nationalfitting.com

### NOTICE OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

Notice is hereby given that the 29th ANNUAL GENERAL MEETING of the Company will be held at the Registered Office of the Company at SF No.112, Madhapur Road, Kaniyur Village, Sulur Taluk, Karumathampatti (via), Coimbatore - 641 659 on Friday the 23rd day of September 2022 at 10.30 AM to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2022 together with Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year 2021-22
3. To appoint a Director in place of Mr A V Palaniswamy (DIN 01817391), who retires by rotation and being eligible offers himself for re-appointment.

#### 4. Appointment of Auditors

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

“Resolved pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, the Company hereby appoint M/s Krishnaa & Co (Firm Registration No: 001453S), Chartered Accountants, as the Auditors of the Company to hold office from the Conclusion of this Annual General Meeting till the conclusion of Thirty Fourth AGM of the Company to be held in the year 2027 at such remuneration plus reimbursement of travelling and other out-of-pocket expenses incurred by them in connection with the audit as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### SPECIAL BUSINESS

#### 5. Appointment of Mr Jayaram Govindarajan as Whole Time Director

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 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under read with Schedule V to the said Act and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for the appointment of Mr Jayaram Govindarajan (DIN 02178416) as Whole Time Director of the Company with effect from 14.12.2021 with the following terms of re-appointment.

Term : Three years with effect from 14.12.2021 to 13.12.2024

Salary : Rs 1,75,000/- per month

“RESOLVED further that in the event in any financial year during the tenure of the Whole Time Director, the Company does not earn any profit or earns inadequate profits the Company may pay to the Whole Time Director, the above remuneration as the minimum remuneration.”

/ By order of the Board /

Place : Coimbatore

Date : 19.05.2022

For NATIONAL FITTINGS LIMITED

Sd/- **A.V. Palaniswamy**

DIN No. 01817391

Managing Director

#### NOTES :

##### Section A

- 1) Pursuant to Clause 16 of the listing agreement with the Stock Exchanges, the Register of Members and Share Transfer Register will remain closed from 17.09.2022 to 23.09.2022 (both days inclusive) in connection with the 29th Annual General Meeting of the Company.
- 2) The Dividend which are not claimed within seven years from the date of transfer to the Unpaid Dividend Account will as per Section 124 of the Companies Act, 2013, be transferred to Investor Education and Protection Fund. Shares on which dividend not claimed for seven years also be transferred to Investor Education and Protection Fund. The Company has uploaded the details of the unpaid and unclaimed dividend amounts on the website of the Company as also on the website of the Ministry of the Corporate Affairs. Members wishing to claim unclaimed dividends are requested to correspond with the Company Secretary.
- 3) This Notice and Annual Report will be available on the website of the Company.
- 4) Members holding shares in electronic form are hereby informed that Bank Account details registered against their depository accounts will be used by the Company for payment of dividend. Any changes of Bank particulars are to be advised to their Depository Participants

##### Section B

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.





3. 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 for 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.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. 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 the various Circulars issued by the Ministry of Corporate Affairs 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. 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 [www.nationalfitting.com](http://www.nationalfitting.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on 20.09.2022 at 09:00 A.M. and ends on 22.09.2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 16.09.2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16.09.2022.**

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” 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 options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting 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.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.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.nsdl.com/">https://www.evoting.nsdl.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 held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their 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/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. 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 provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once 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 options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43



**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bk.scrutiniser@gmail.com](mailto:bk.scrutiniser@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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 [nationalfittingsltd@gmail.com](mailto:nationalfittingsltd@gmail.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [nationalfittingsltd@gmail.com](mailto:nationalfittingsltd@gmail.com) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [nationalfittingsltd@gmail.com](mailto:nationalfittingsltd@gmail.com). The same will be replied by the company suitably.

**Section C**

- (i) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **16.09.2022**
- (ii) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **16.09.2022** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@skdc-consultants.com](mailto:info@skdc-consultants.com)

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- (iii) 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 as well as voting at the VC/OAVM facility
- (iv) **Mr. B Krishnamoorthy**, Chartered Accountant (Membership No. 20439) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (v) The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

- (vi) The Scrutinizer shall after the conclusion of venue voting at the Annual General Meeting, unblock the votes cast through remote e-voting and venue voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (vii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.nationalfitting.com](http://www.nationalfitting.com) and on the website of NSDL 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 BSE Limited, Mumbai.
- (viii) Members are requested to intimate Change of Address, if any, immediately and quote the Registered Folio Number in the correspondence with the Company.
- (ix) All communications should be addressed

The Secretarial Department

**NATIONAL FITTINGS LIMITED**

**(CIN No. : L29199TZ1993PLC008034)**

**Registered Office**

SF No 112, Madhapur Road

Kaniyur, Suler Taluk

Karumathampatti - Via Coimbatore - 641 659

Ph : 99432 93000 / 99439 93001

Email id: [accounts@nationalfitting.com](mailto:accounts@nationalfitting.com), [nationalfittingsltd@gmail.com](mailto:nationalfittingsltd@gmail.com)

## SHAREHOLDER INFORMATION

### A) Stock Exchanges on which the Company's shares are listed:

**The Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001

### B) Share Transfer Services:

Share Transfer Agents/Registrars for Physical and Demat Segments:

**M/s. SKDC Consultants Ltd.**

Surya 35,

Mayflower Avenue,

Behind Senthil Nagar,

Sowripalayam Road,

Coimbatore – 641028

Ph : 0422 - 4958995, 2539835

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

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 5 of the accompanying Notice:

### **Agenda 5: Appointment of Whole Time Director, Mr Jayaram Govindarajan**

The Board of Directors had re-appointed Mr Jayaram Govindarajan as Whole Time Director for a period of three years with effect from 14.12.2021 subject to compliance of applicable provisions of the Companies Act, 2013 and subject to the approval of the members of the Company on the terms and conditions detailed in the resolution.

Except Mr Jayaram Govindarajan none of the Directors of the Company or Key Managerial Personnel and their relatives have any interest, financially or otherwise, in the proposed resolution.

The relevant particulars concerning the Directors as required are set out in the statement attached to the Notice.

**Details of Director seeking appointment/re-appointment at the Annual General Meeting**

<b>Name of the Director</b>	<b>Mr A V Palaniswamy</b>	<b>Mr Jayaram Govindarajan</b>
Date of Birth	02.03.1942	06.09.1979
Date of Appointment	02.01.2019	14.12.2018
Qualification	B E (Electrical)	Degree in Industrial Relations and Computer Application Information Systems; MBA.
Expertise in specific functional areas	A qualified engineer with more than 40 years of experience in manufacturing technologies, expertise in achieving best production and marketing levels.	He has over 20 years of extensive multi- faceted experience in manufacturing, start-up management and operations across the world. His industry experience ranges from automotive engineering to health care.
Directorship held in other companies (excluding foreign companies and section 8 companies)	Haitima India Private Limited	(i) Womens Center and Hospitals Private Ltd (ii) Center for Perinatal Care Private Ltd (iii) Dark System India Private Ltd
Memberships / Chairmanships of committees of the company (includes only Audit Committee and Stakeholders' Relationship Committee.)	(i) Audit Committee (ii) Stakeholders Relationship Committee	NIL
Memberships/ Chairmanships of committees of the other public company (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil	NIL
Number of shares held in the company	30,92,093 Equity Shares	Nil

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Balance Sheet & Profit and Loss Account for the year ended 31.03.2022

### FINANCIAL RESULTS

The operating results for the year 2021-2022 are given below :

	(₹ in Lakhs)	
Profit before Interest and Depreciation and Other adjustments		<b>567.81</b>
Less: Interest	<b>111.53</b>	
Depreciation	<b>289.02</b>	<b>400.55</b>
Net Profit before Tax		<b>167.26</b>
Provision for Tax :		
Current Tax	<b>26.30</b>	
MAT Credit	<b>(11.25)</b>	
Deferred Tax (income) / expenses	<b>17.92</b>	<b>32.97</b>
Net Profit after Tax		<b>134.29</b>
Amount brought forward from previous year		<b>2752.40</b>
Amount available for appropriation		<b>2886.69</b>
<b>Appropriations</b>		
Add : Transfer to Capital Redemption Reserve		<b>200.00</b>
Dividend on Equity Shares		<b>90.83</b>
Dividend on Preference Shares		<b>18.00</b>
Other Comprehensive Income (Net of Tax)		<b>(0.49)</b>
Surplus carried over to Balance Sheet		<b>2578.35</b>

### FINANCIAL PERFORMANCE:

The Company's gross income for the financial year ended 31st March, 2022 was Rs. 6,762.01 lacs compared to Rs. 5,235.78 lacs in the previous year. The profit before tax for the Company is Rs. 167.26 lacs as against Rs. 234.95 lacs in the previous year. The depreciation for the year is Rs.289.02 lacs compared to Rs. 261.61 lacs in the previous year. After providing Taxation, the Company's net profit stands at Rs.134.79 lacs against Rs. 164.14 lacs in the previous year.

An amount of Rs 2,578.35 lacs is to be carried over to Balance Sheet.

The Net worth of the company is at Rs. 5,160.61 lacs as on 31.03.2022 as against Rs. 5,134.65 lacs in the previous year.

#### **DIVIDEND**

The Board of Directors has recommended a dividend of Re 1.00 per Equity shares on 90,83,182 Equity shares of Rs 10/- each aggregating to Rs 90.83 lacs for the financial year ended 31.03.2022, which if approved by the shareholders in the ensuing Annual General Meeting will be paid to all the Equity shareholders, whose name appear in the Register of Members as on 16th September, 2022.

#### **PERFORMANCE:**

Company increased production marginally over previous year in spite of shut down of six weeks due to Covid 2.0. Sales volume in rupees increased nearly 29% due to increase in selling price and better exchange rates of dollar to rupees. However the gross and net margins decreased by 100% due to increase in input costs and total withdrawal of export incentive by Government of India.

Company faced continued competition from China on our exports.

#### **DIRECTORS**

Mr A V Palaniswamy, Director, who retires by rotation, and being eligible, offered himself for reappointment.

Mr Jayaram Govindarajan was re-appointed as the Whole Time Director with effect from 14.12.2021.

#### **KEY MANAGEMENT PERSONNEL**

Mr. A.V. Palaniswamy, Managing Director, Mrs Panath Anitha, Whole Time Director, Mr Jayaram Govindarajan, Whole Time Director, Mr. J. Saravanan, Chief Financial Officer and Mr. S. Aravinthan, Company Secretary of the Company are the Key Management Personnel as per the provisions of the Companies Act, and rules made there under.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors further report that

- (i) in the preparation of annual accounts the applicable accounting standards have been followed and there were no material departures;
- (ii) the accounting policies selected have been applied consistently, prudent judgments and estimates have been made to give a true and fair view of the state of affairs of the company as at 31.03.2022 and of the Profit of the company and the cash flow statement for the year ended 31.03.2022.
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

- (v) 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. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to 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.
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CODE OF CONDUCT**

All Directors and Senior Management of the Company have affirmed Compliance with the Code of Conduct of National Fittings Limited for the financial Year ended 31st March 2022.

**DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**NUMBER OF BOARD MEETINGS**

During the year, 4 (Four) Board Meetings were convened and held, the details of which are given in Corporate Governance Report.

**POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR, KEY MANAGEMENT PERSONNEL AND OTHER EMPLOYEES**

The Company shall have such person on the Board who complies with the requirements of the Companies Act, 2013. Directors/KMPs shall be persons of sound integrity and honesty, apart from knowledge, experience etc in the respective fields. Composition of the Board shall be in compliance with the requirements of the Companies Act, 2013. No person less than the age of 21 years shall be appointed as the director of the Board.

Managing Director, Whole Time Director, Company Secretary and Chief Financial Officer shall be the Key Management Personnel (KMPs) of the Company. All persons who are Directors, KMPs, members of Senior Management and all the employees shall be abide by the code of conduct.

The Executive Directors are paid with remuneration as approved by the members but are not paid sitting fees. Independent directors are not entitled for ESOPs.

**MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

1. Nomination and Remuneration Committee of the Board prepared and sent through its Chairman draft feedback form for evaluation of the Board and Independent Directors.
2. Independent Directors at a meeting of themselves considered and evaluated the performance of the Board, performance of the Chairman and other Non-Independent Directors.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors.



**SHARES**

There was no issue of fresh Equity Shares during the financial year. No Bonus Shares were issued. The Company has not issued any Sweat Equity Shares and not provided any Employee Stock Option Scheme. The Company has not Bought Back any of its securities during the year under review.

Company redeemed 2,00,000 9% Redeemable, Non-cumulative, Non-convertible Preference Shares of Rs 100/- each amounting to Rs 2,00,00,000/- during the financial year.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The company does not have any Subsidiary, Joint Venture or Associate Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the Financial Statements of your Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is attached to the Financial Statements of your Company as Annexure 1.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review are given in para 2.2 of Notes forming part of the financial statements.

There were no loans, guarantees made by the Company under Section 186 of the Companies Act, 2013 during the year.

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

There were no materially significant related party transactions entered by the Company with its Promoters, Directors, Key Management Personnel and other persons which may have a potential conflict with the interest of the Company.

All the related party transactions that were entered during the financial year were in the ordinary course of the business of the Company

All the related party transactions are placed before the Audit Committee for approval. Required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

The Policy on materiality of related party transactions and also on dealing with the related party transactions as approved by the Audit Committee and Board of Directors is uploaded on the Company's web-site and the link for the same is <https://www.nationalfitting.com>.

The particulars of Contracts or Arrangements with the related parties made under Section 188 of the Companies Act, 2013 are furnished in **Annexure – 2** and are attached to this report.

**INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Company has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements.

The Company also assures that internal controls are operating effectively.

**MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### TRENDS & DEVELOPMENT

Company will take steps to increase the selling price for the products and proposes to utilize the balance capacity for manufacturing of components for the pump, valve and automotive segments of the market.

### SIGNIFICANT CHANGES

There are no key changes (more than 25% than in previous financial year) in debtor, inventory turnovers ratios, current ratio and debt equity ratio.

Operating profit margin and net profit margin were decreased by 100% due to increase in input costs and total withdrawal of export incentive by Government of India. Hence the interest coverage ratio also marginally changed.

As indicated above Return on Net Worth was also got affected compared to previous year.

Ratios are detailed in Note 2.30 of the Notes to the Financial Statements.

### RISK MANAGEMENT

Potential risks for the company and steps to handle them have been reviewed regularly. Following are few risks and methods to be adopted to handle them.

#### 1) Market Risk

The Company is facing continued competition from Chinese manufacturers for its products in the export market.

Company's products are well accepted in the domestic market and any decrease in exports due to Chinese competition will be offset by increase in domestic market. Manufacturing components of casting for the domestic market will increase the potential to utilize the unused capacity and also profitability.

#### 2) Manpower

Non-availability of qualified labor force remains as a challenge to increase production. More of the operations are being mechanized to reduce labor.

Proposal to increase production of components to pump, valve and automotive segments will require less labor than the present product line.

Company maintains good relationship with labor and provides acceptable infrastructure and facilities.

#### 3) Raw Material

Increase in input costs due to abnormal price increase in raw-materials will impact margin. Company is taking steps to improve productivity without increase in the cost of operation.

#### 4) Exchange Risk

Foreign currency to rupee exchange rate will continue to be beneficial to the Company during the current year. Steps are being taken to select export markets where prices are better due to non-acceptance of products from China.

Company will increase its sale of exports marginally and concentrate more on domestic market sale to reduce the impact of exchange rate volatilities.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Amount prescribed for CSR Expenditure during 2022-23 is Nil

The company spent Rs 4.30 lacs in this financial year as CSR activities. Amount is unspent Rs. 14.33 Lacs and same is deposited in unspent CSR account.

Details are attached separately to this report in **Annexure 3**

**EXTRACTS OF ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with corresponding rules, the extract of the Annual Return as at 31st March, 2022 in Form MGT 9 is hosted on the website [www.nationalfitting.com](http://www.nationalfitting.com)

**LEGAL COMPLIANCE**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**CORPORATE GOVERNANCE**

Your Company is in compliance with the Corporate Governance guidelines, as laid out in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. A certificate was received from the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel.

The Statutory Auditors of the Company have examined the requirements of Corporate Governance with reference to SEBI Listing Regulations and have certified the compliance, as required under SEBI Listing Regulations. The Certificate in this regard is attached as **Annexure 4** to this Report.

The Chief Executive Officer and Chief Financial officer (CEO/CFO) certification as required under SEBI Listing Regulations is attached as **Annexure 5** to this Report.

Related Party disclosures/transactions are detailed in Note 2.3 of the Notes to the financial statement.

**SEXUAL HARASSMENT**

Company has a policy on prohibition, prevention and redressal of sexual harassment of women at work place and matters connected therewith.

Company has constituted an Internal Control Committee for prevention of sexual harassment of women at work place.

During the year ended 31st March, 2022 no complaint was received under the policy.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company has unclaimed dividend amounting to Rs. 80,14,658/-

- a) Pursuant to Rule 6 (12) of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the dividend entitlement on the shares transferred to IEPF authority on dividend paid for the financial

year 2020-21 amounting to **Rs. 1,87,902/-** have been transferred to the Investor Education and Protection Fund in this financial year

- b) Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, unclaimed dividend of **Rs 7,36,803/-** which remained unpaid or unclaimed for a period of 7 years and have been transferred to the Investor Education and Protection Fund in this financial year.

The details of the unpaid and unclaimed dividend lying with the Company have been uploaded on the website of Ministry of Company Affairs.

- c) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013, **2,25,798** equity shares for which dividend remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund in this financial year.

### DEPOSITS

The Company has neither accepted nor renewed any deposits during the financial year.

### PARTICULARS OF EMPLOYEES

**The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

(i) & (ii) The ratio of the remuneration of each Director to the median and mean remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Directors/Key Management Personnel	Ratio to Median Remuneration (times)	% Increase / Decrease in Remuneration
Mr A V Palaniswamy, Managing Director	8.14	(2.43)
Mr Jayaram Govindarajan	9.56	10.10
Mr. Dhananjayan	0.37	30.00
Mr. Selvakumar	0.34	(25.00)
Mr R Alagar	0.76	(36.45)
Mrs A Panath Anitha	2.12	8.74
Mr J Saravanan (Chief Financial Officer)	3.71	2.60
Mr S Aravinthan (Company Secretary)	3.03	1.91

- iii) The percentage increase in the median remuneration of employees in the financial year: 2.14%
- iv) The number of permanent employees on the rolls of the Company: 222
- v) The increase in employees cost for the financial year 2021-22 was 20.72%
- vi) The average increase in salaries of employees other than managerial personnel in 2021-22 was 22.07%. Percentage increase in the managerial remuneration for the year was 3.89%

vii) The Company affirms that remuneration is as per the remuneration policy of the Company.

**The information required under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 are given below:**

During the period under review, there was no employee drawing remuneration in excess of the limits prescribed under Section 197 of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **STATUTORY AUDITORS**

M/s V Krish & Associates, Chartered Accountants, Chennai were appointed as Statutory Auditors of the Company from the conclusion of the 28th Annual General Meeting held on 22.09.2021 until the conclusion of 29th Annual General Meeting.

The report of the Statutory Auditors for financial year ended 31st March, 2022 is given along with the Financial Statements, which are annexed to and forms part of this report.

M/s Krishnaan & Co, Chartered Accountants, Chennai (Firm Registration No: 001453S) will be appointed as the Statutory Auditor until the conclusion of the 34th Annual General Meeting.

#### **SECRETARIAL AUDITOR**

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed Mr M R L Narasimha, B.Com, FCS, Practicing Company Secretary (Cop No: 799) as the Secretarial Auditor for the financial year 2021-22 whose report on 19th May, 2022 is attached separately to this report. **Annexure 6.**

#### **EXPLANATION OR COMMENTS OR QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors

There is a qualification in the Secretarial Audit Report of the Practicing Company Secretary that in Management Discussion and Analysis Report the Company has not been given Significant Changes in the Key Financial Ratios and change in Net worth as per clause V(B) of SEBI (LODR) Regulations, 2015.

The company has given the explanation for the qualification in the Secretarial Audit Report that due to significant lock down in the operations of the Company due to Covid 19 pandemic the figures could not be comparable and therefore Significant Changes in the Key Financial Ratios and change in Net worth have not been made.

#### **CONSERVATION OF ENERGY**

More of the manufacturing infrastructure units have been replaced with more efficient units. Input and output norms have been improved to reduce energy usage.

More of the energy required is being bought from renewable energy sources.





## TECHNOLOGY ABSORPTION

Company is proposing to increase capex for development of new products to utilize the existing infrastructure and testing facilities to international standards.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange inflow (actual) : Rs. 45,51,41,815/-

Foreign exchange used (actual) : Rs. 14,12,615/-

## INDUSTRIAL RELATIONS

Relationship with the employees/labor was cordial during the year under review.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to thank M/s. Bank of India for the support extended during the period. Your Directors also wish to thank all the suppliers, employees, Government Departments/Agencies and others for their valuable contribution and assistance during the year.

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore

Date : 19.05.2022

Sd/- **A.V. PALANISWAMY** Sd/- **JAYARAM GOVINDARAJAN**

DIN No. 01817391

DIN No. 02178416

Managing Director

Whole time Director

## ANNEXURE 1

## Form No. AOC – 1

Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act 2013  
read with rule 5 of Companies (Accounts) Rules 2014

**Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies and Joint venture**

Since the Company is not having any Subsidiary / Associate Companies and Joint venture disclosure under this section is not applicable.

## ANNEXURE 2

## Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and  
Rule 8(2) of the Companies (Accounts) Rules, 2015)

**A. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2022, which were not at arm's length basis.

**B. Details of material contracts or arrangement or transactions at arm's length basis**

Since no material related party contract / transaction exists, disclosure under this section is not applicable.

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore  
Date : 19.05.2022

Sd/- **A.V. PALANISWAMY** Sd/- **JAYARAM GOVINDARAJAN**  
DIN No. 01817391 DIN No. 02178416  
Managing Director Whole time Director

### Annual Report on CSR Activities

1. **Brief outline on CSR Policy of the Company:** CSR projects focused on environment care, needs of local community, energy and water conservation, promotion of educational & employment opportunities and primary and preventive health care.
2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	—	—	—	—

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: [www.nationalfitting.com](http://www.nationalfitting.com)
4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable - Not Applicable -
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rupees in lacs)	Amount required to be set-off for the financial year, if any (Rupees in lacs)
1	—	—	—
	<b>Total</b>	<b>—</b>	<b>—</b>

6. Average net profit of the company as per section 135(5): **1,72,05,534/-**
7. (a) Two percent of average net profit of the company as per section 135(5) **-Nil-**  
 (b) Surplus arising out of the CSR projects activities of the previous financial years **-Nil-**  
 (c) Amount required to be set off for the financial year, if any: **- Nil-**  
 (d) Total CSR obligation for the financial year (7a+7b-7c). **- Nil-**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (Rupees in lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
4,29,620/-	14,33,947/-	30.07.2021			

- (b) Details of CSR amount spent against ongoing projects for the financial year: **NIL**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (Rupees in lacs)	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR registration number.
1.	Disaster Relief	Schedule VII (xii)	Yes	Kaniyur Village		2.80	Yes	—	—
2.	Community Development	Schedule VII (i)	No	Pan India		1.50	Yes	—	—
	<b>Total</b>	—	—	—		<b>4.30</b>	—	—	—

(d) Amount spent in Administrative Overheads: - Nil-

(e) Amount spent on Impact Assessment, if applicable: -Nil-

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **4.30**

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

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (Rupees in lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	2019-20	5.51	4.61	—	—	—	12.08
2.	2020-21	14.34	13.02	—	—	—	18.64
3.	2021-22	—	4.30	—	—	—	4.30
	<b>Total</b>	—	<b>21.93</b>	—	—	—	<b>14.13</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): - **NIL**-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: - **Not applicable**-



11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Due to Covid-19 the Primary Health Center project earmarked at Kaniyur Village was delayed but the Panchayat has now requested to construct Primary School Buildings at Kaniyur Village and the same is being considered.

FOR AND ON BEHALF OF THE BOARD

Place : Coimbatore

Date : 19.05.2022

Sd/- **A.V. PALANISWAMY** Sd/- **JAYARAM GOVINDARAJAN**

DIN No. 01817391

DIN No. 02178416

Managing Director

Whole time Director

## REPORT ON CORPORATE GOVERNANCE

### I PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to develop, manufacture and supply **effective products** to meet the customer requirements. Striving towards continuous improvement in total quality and keeping abreast of the **latest technologies** have been enabling the Company to achieve its goal. The focus on training and development of the **employees' skills** has been bearing results in the goal attainment. The ultimate benefit of these efforts has been aimed in enrichment of the value to the **shareholders**. The **environment and community** has been well recognized while moving towards the goal.

### II BOARD OF DIRECTORS

#### Composition of the Board

As on 31st March, 2022 the Company had six Directors consisting of three Executive Directors including one Woman Director and three Non-Executive Independent Directors.

The Managing Director is an Executive and Promoter Director.

The Board's composition is in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board the Independent Directors fulfill the conditions specified under the SEBI Regulations and are independent of the management.

Core competencies of Industry knowledge, technical skills, behavioral competencies, strategic expertise, communication, risk management as identified by the Board of Directors as required in the context of the business for the Board to function effectively is available with the Board.

A certificate from the Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Company Affairs or any such statutory authority has been obtained. (**Annexure 7**)

#### Board Meetings, Attendance of Directors and other Directorships held by them

The Board met 4 (four times) during the year and the gap between two meetings did not exceed the stipulated 120 days. The said meetings were held on 21.06.2021, 30.07.2021, 30.10.2021 and 21.01.2022. The necessary quorum was present for all the meetings.

## Composition of Board of Directors

Name and Designation of Directors	Category	Number of Board Meeting during 2021-22		Whether attended last AGM	No of Directorships in other Companies		No of Committee positions held on other Public companies	
		Held	Attended	Yes/No	Chairman	Director	Chairman	Member
A. V. Palaniswamy (Managing Director)	Promoter – Executive Director	4	4	Yes	Nil	1	Nil	Nil
R Alagar	Non Executive - Independent Director	4	4	Yes	Nil	1	Nil	Nil
A Panath Anitha (Whole Time Director)	Executive - Woman Director	4	4	Yes	Nil	Nil	Nil	Nil
Jayaram Govindarajan (Whole Time Director)	Executive Director	4	4	Yes	Nil	3	Nil	Nil
Arjunaraj Dhananjayan	Non Executive - Independent Director	4	2	No	Nil	3	Nil	1
Chenniappan Selvakumar	Non Executive - Independent Director	4	3	Yes	Nil	1	Nil	Nil

For the purpose of Membership / Chairmanship in committees, only the Audit Committee and Shareholder's Relationship Committee are considered.

None of the Directors are related to each other. None of the Non-Executive Directors hold shares in the Company as on 31st March, 2022

The Board periodically reviews the compliance of all applicable laws by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

The minimum information as required under Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board.

The Board has complete access to all information pertaining to the Company inter-alia the following information viz plans, budgets, financial results, financial obligations, appointment of senior officers including appointment and removal of CFO or Company Secretary, labour problems and developments, accidents, pollution problems, public or product liability claims, show cause, demand, prosecution and penalty notices, non-compliance of regulatory, statutory nature or listing requirements.

Information is regularly provided to the Board, wherever applicable and materially significant information either as part of agenda papers well in advance of the Board Meetings or tabled in the course of Board Meetings or tabled before the appropriate Committees of the Board.



**III AUDIT COMMITTEE**

The Audit Committee comprises of four members including three Non-Executive Independent Directors. The Audit Committee at present comprised of Mr R Alagar, who is a Fellow member of Institute of Company Secretaries of India, as its Chairman, Mr A V Palaniswamy, Mr Arjunaraj Dhananjayan, who is a Fellow member of Institute of Chartered Accountants of India and Mr Chenniappan Selvakumar as its members. All members of the Audit Committee have financial and accounting knowledge. The Company Secretary acts as the Secretary of the Committee.

Committees of the Board usually meet on the day of the Board Meeting or whenever the need arises for transacting the business. The recommendations of the Committees are placed before the Board for necessary approval.

The Committee met 4 (four) times during the year on 21.06.2021, 30.07.2021, 30.10.2021 and 21.01.2022. The time gap between any two meetings was less than four months. Necessary quorum was present for all the meetings.

Attendance Record of Audit Committee				
Name of the Member	Category	Status	No of meetings	
			Held	Attended
R Alagar	Independent	Chairman	4	4
A V Palaniswamy	Non-Independent	Member	4	4
Arjunaraj Dhananjayan	Independent	Member	4	2
Chenniappan Selvakumar	Independent	Member	4	3

The functions of the Audit Committee include overseeing financial reporting, transaction of the company with related parties, inter-corporate loans and investment, internal financial controls and risk management systems, valuation of undertakings or assets of the Company, carrying on any other functions as are mentioned in the terms of reference of the Audit Committee.

**IV NOMINATION AND REMUNERATION COMMITTEE**

The Company has a Remuneration Committee consisting of Mr R Alagar, Independent Director, Mr Arjunaraj Dhananjayan, Independent Director and Mr Chenniappan Selvakumar, Independent Director as members.

The Committee met one time during the year on 30.10.2021

Functions of the remuneration committee are:

- Setting the level and composition of remuneration which is reasonable and attractive to retain and motivate quality directors.
- Monitoring the performance and remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

**(i) Remuneration of Directors**

The Remuneration of Whole Time Director is determined by the Remuneration Committee consists of only Non-Executive Directors. The recommendation of the Remuneration Committee are considered and approved by the Board subject to the approval of the Shareholders.

The Company has not paid any remuneration to any of its Non Executive Directors, except the Sitting Fees for attending the meetings of the Board of Directors and Committees.

**(ii) Details of Remuneration paid to Directors during the financial year ended 31<sup>st</sup> March, 2022**

Director	Salary	Perquisites and other benefits	Sitting Fees	Total
A V Palaniswamy (Managing Director)	18,10,000	—	—	<b>18,10,000</b>
Panath Anitha (Whole Time Director)	4,70,750	—	—	<b>4,70,750</b>
Jayram Govindarajan (Whole Time Director)	21,25,000	—	—	<b>21,25,000</b>
R Alagar	—	—	1,70,000	<b>1,70,000</b>
Arjunaraj Dhananjayan	—	—	50,000	<b>50,000</b>
Chenniappan Selvakumar	—	—	75,000	<b>75,000</b>
<b>Total</b>	<b>44,05,750</b>	<b>—</b>	<b>2,95,000</b>	<b>47,00,750</b>

(iii) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

**V STAKE HOLDERS' RELATIONSHIP COMMITTEE**

The Shareholders Relationship Committee is headed by Mr. R Alagar, Non-Executive Independent Director.

Mr. S Aravinthan, Company Secretary is the Compliance Officer.

The Committee monitors redressal of complaints received from shareholders/investors with respect to transfer of shares, transmission of shares, demating of shares, non-receipt of dividend, non-receipt of annual report and notices, change of address for correspondence etc.

The Company has appointed M/s S K D C Consultants Limited, Coimbatore as Share Transfer Agent to handle all matters related to shares and other securities of the Company, as the case may be.

There were no complaints received for this financial year. No instrument of transfers was pending on 31st March, 2022. All the communication received from shareholders was satisfactorily complied with, within the stipulated time.

Investor complaints on non-receipt of dividend, annual reports etc forwarded by SEBI are periodically resolved and uploaded in SCORES website (SEBI Complaints Redressal System) and no complaints were pending during the year under review.

During the year the Committee met 4 times.

**VI INDEPENDENT DIRECTORS MEETING**

During the year, a separate meeting of Independent Directors was held on 21st January 2022 to review the performance of Non-Independent Directors and the Board as a whole. The process for evaluation of Board performance, Non-Independent Non-Executive Directors and the Board Chairman is detailed in the Board's Report.

**VII GENERAL BODY MEETINGS**

**Annual General Meeting**

DATE, TIME AND VENUE OF THE LAST THREE YEARS			
Financial Year	Date	Time	Venue
2018-19	23.09.2019	10.30 AM	S F No: 112, Madhapur Road, Kaniyur Village, Karumathampatti (via), Coimbatore - 641659
2019-20	30.09.2020	10.30 AM	
2020-21	22.09.2021	10.30 AM	

**Extra-Ordinary General Meeting**

There was no Extra-Ordinary General Meeting of the Company held during the year.

**Special Resolutions**

- \* No special resolution was passed at the Annual General Meeting of the Company held on 23.09.2019
- \* At the AGM dated 30.09.2020, a Special Resolution was passed for the re-appointment of Mr R Alagar as Independent Director.
- \* No special resolution was passed at the Annual General Meeting of the Company held on 22.09.2021

**Postal Ballot**

There was no business transacted at the AGMs requiring a special resolution passing through postal ballot.

**Means of Communication**

The quarterly unaudited and annual audited financial results are disseminated to the BSE Limited, where the shares of the Company are listed, within the time limit prescribed in the SEBI (LODR) Regulations. They are published in the English newspaper having Country wide circulation, i.e., Financial Express and also in newspapers having circulation in Tamil Nadu, where the registered office of the Company is situated. The said results are also posted on the Company's website, i.e., www.nationalfitting.com

The Company also communicates the dates of Board meetings and General meetings & e-voting, etc. as per the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations through Stock Exchanges, newspaper publications and by posting on the Company's website.

## **VIII DISCLOSURES**

### **Related Party Transactions**

The disclosures in compliance with the Accounting Standard on "Related Party Disclosure" are given at Note No. 2.31 of the Financial Statements.

No materially significant related party transactions, having potential conflict with the interests of the Company have been entered into during the Financial Year 2021-22.

The Related Party Transactions Policy is posted at <http://www.nationalfitting.com/investors/policies/>

### **Compliance**

The Company is fully compliant with the applicable mandatory requirements of SEBI (LODR) Regulations (including Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46) and also with other regulatory requirements on capital markets.

No penalties/strictures have been imposed on it by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets during last three years.

### **Adoption of non-mandatory requirements**

In terms of Regulation 27(1) read with Part E of Schedule II of SEBI (LODR) Regulations, the Company has adopted the following discretionary requirements –

- 1) The Chairman of the Board is an Executive Director who is entitled to managerial remuneration as approved by the Shareholders.
- 2) The Company regularly does statutory filings as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and also updates the website of the Company on regular basis. The financial results as when approved by the Board is hosted in the investor column of the Company's website from which any shareholders can easily access and obtain the requisite information on the Company.
- 3) There are no Audit qualifications during the year under review
- 4) The Company has appointed separate persons to the post of Chairman, Managing Director and Chief Executive Officer as under: a) Mr Jayaram Govindarajan – Chairman and Whole Time Director  
b) Mr A V Palaniswamy – Managing Director
- 5) The Internal Auditors' Report is placed before the Audit Committee during its quarterly meetings and Internal Auditors has full access to the Audit Committee to report any findings during their audit.

**Policies of the Company****Whistle Blower Policy**

All Stakeholders, Directors and Employees can have the direct access to the Audit Committee Chairman in appropriate cases. The Company has framed Whistle Blower Mechanism and the same is posted at <http://www.nationalfitting.com/investors/policies/>

**Policy on Material Subsidiary Companies**

Though the Company is not having any material unlisted subsidiary, the Company has a Policy on Material Subsidiary Companies and the same is posted on the Company's website at <http://www.nationalfitting.com/investors/policies/>

**Policy on determination of materiality for disclosures**

The Company has adopted a policy on determination of materiality for disclosures to facilitate timely and adequate disclosure of material information or events which are unpublished and price sensitive, have a bearing on performance or operations of the Company and the same is posted on the Company's website at <http://www.nationalfitting.com/investors/policies/>

**Policy for preservation of documents**

The Company has adopted a policy for preservation of documents to preserve Documents /Records maintained by the Company either in Physical Mode or Electronic Mode and the same is posted on the Company's website at <http://www.nationalfitting.com/investors/policies/>

**Code of Conduct**

The Company has laid down a Code of Conduct for its Members and Senior Management Personnel of the Company. This Code of Conduct is available on the website of the Company, [www.nationalfitting.com](http://www.nationalfitting.com).

The Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March, 31, 2022. The Managing Director has affirmed the same to the Board.

**Code for Prevention of Insider Trading Practices**

In compliance with the SEBI Regulation on Prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff.

The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of violations.

Dealings in Company's shares by the Board Members and Senior Management Personnel have been reported to the Board of Directors periodically.



## **Reconciliation of Share Capital Audit Report**

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services Limited (“CDSL”) and the total issued and listed equity share capital.

The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## **Disclosure of accounting treatment in preparation of Financial Statements**

The accounting treatment(s) in preparation of Financial Statements is/are the same as prescribed in the Accounting Standards.

## **CEO and CFO certification**

The CEO and CFO certificate on the Financial Statements for the financial year 2021-22 is attached at the end of the report.

## **IX GENERAL SHAREHOLDER INFORMATION**

### **Annual General Meeting for the Financial Year 2021-22**

Date : September 23, 2022

Time : 10.30 a.m.

Venue : Registered Office at 112, Madhapur Road, Kaniyur Village, Coimbatore - 641 659

### **Financial Year**

The financial year followed by the Company is from 1st April to 31st March.

### **Date of Book Closure/ Record Date**

Record Date: 16.09.2022

Book closure: 17.09.2022 to 23.09.2022

### **Listing**

The Company's equity shares continue to be listed on the BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 (Stock Code: 531289).

The Company has paid the listing fees for the financial year 2021-22 to BSE Limited

**Stock Market Data**

The market price data as per quotations of BSE Limited i.e., high, low and close during each month during the financial year 2021-22

Month	No of shares traded	High	Low
April 2021	88,236	40.05	30.50
May 2021	96,968	48.00	36.30
June 2021	2,58,810	73.90	43.30
July 2021	79,776	64.65	56.80
August 2021	81,783	56.45	45.45
September 2021	58,870	58.85	48.80
October 2021	73,441	61.60	54.75
November 2021	52,452	61.90	50.50
December 2021	45,149	58.35	51.55
January 2022	2,02,421	81.90	53.20
February 2022	64,279	68.95	52.30
March 2022	58,269	62.00	53.30

**Share Transfer Agents:** M/s. SKDC Consultants Limited, Coimbatore.

**Share Transfer System:** All shares have been transferred and returned within 30 days from the date of lodgment, provided the necessary documents were in order.

**Shareholding as on March, 31, 2022:**

a. **Distribution of shareholding as on 31.03.2022**

Shareholding Range	No of Holders	% of Holders	No of Shares	% of Shares
1 - 500	3365	78.25	467712	5.15
501 – 1000	423	9.84	327237	3.60
1001 – 2000	260	6.05	385829	4.25
2001 – 3000	88	2.05	231662	2.55
3001 – 4000	23	0.53	80423	0.89
4001 – 5000	23	0.53	105783	1.16
5001 – 10000	39	0.91	288664	3.18
10000 above	79	1.84	7195872	79.22
<b>Total</b>	<b>4300</b>	<b>100.00</b>	<b>9083182</b>	<b>100.00</b>



**b. Category wise shareholding pattern as on 31.03.2022**

	Category	No. of Shares	%
<b>a.</b>	<b>Promoters holdings</b>		
<b>1.</b>	<b>Promoters</b>		
	Indian Promoters	—	—
	Foreign Promoters	30,92,093	34.04
<b>2.</b>	<b>Person acting in concert</b>	Nil	Nil
	<b>Sub Total</b>	<b>30,92,093</b>	<b>34.04</b>
<b>B.</b>	<b>Non-Promoters</b>		
<b>3.</b>	<b>Institutional investors</b>		
	a) Mutual Funds and UTI	500	0.01
	b) Bank, Financial Institutions, Insurance companies (Central / State Government Institutions / Non-Gov- ernment Institutions)	—	—
	c) FIs	—	—
	<b>Sub Total</b>	<b>500</b>	<b>0.01</b>
<b>4.</b>	<b>Others</b>		
	a) Directors and Relatives	6,98,596	7.69
	b) Private Corporate Bodies	3,85,014	4.24
	c) Indian Public	36,22,048	39.88
	d) NRI-NRE / NRI-NRO/OCBs	7,32,392	8.06
	e) Hindu Undivided Family	1,41,745	1.56
	f) Clearing Members	2,170	0.02
	g) Body Corporate – Limited Liability Partnership	18,627	0.21
	h) Any other (IEPF)	3,89,997	4.29
	<b>Sub total</b>	<b>59,90,489</b>	<b>65.95</b>
	<b>Grand total</b>	<b>90,83,182</b>	<b>100</b>

c. Top ten equity shareholders of the Company as on March, 31, 2022

S L No	Name of the Share holder	Number of equity shares held	Percentage of holding
1	Kumudha Palaniswamy	6,83,396	7.52
2	Rajeswara Rao Yanamadala	2,99,163	3.29
3	Mina Pruthviraj Parikh	1,88,868	2.08
4	P Shunmugavelu	1,75,707	1.93
5	Pravin Chandra Batavia	1,49,164	1.64
6	Prithviraj Somchand Parikh	1,43,430	1.58
7	Krishnaveni Thangavel	1,38,945	1.53
8	Him Kanchan Impex Private Limited	1,29,729	1.43
9	Amoha Traders Private Limited	1,20,035	1.32
10	Mahendra Giridharilal Wadhvani	1,07,323	1.18
		<b>21,35,760</b>	<b>23.50</b>

d. Investor Education and Protection Fund: 3,89,997 Equity Shares (4.29%)

e. **Dematerialisation of Shares:** Trading in the Company's shares in dematerialised form has been made compulsory. The Company entered into an agreement with the Depositories NSDL and CDSL for dematerialised form of shares and the Company provides option to members for dematerialisation. All requests for dematerialisation of shares are processed and confirmed through the Electronic Agent and the concerned depository.

Dematerialization of shares and Liquidity	
Total No. of Shares	90,83,182 Equity shares of ₹ 10/- each
<b>Physical Shares</b>	12,67,890 (13.96%)
<b>Dematerialized</b>	
Central Depository Securities Limited	18,45,521 (20.32%)
National Securities Depository Limited	59,69,771 (65.72%)

f. The Company has not issued any GDR/ADRs/warrants or any convertible instruments in the past and so on March, 31, 2022, the Company does not have any outstanding GDR/ADRs/warrants or any convertible instruments



## Investors Help Desk

Share transfer and all other investor related activities are attended to and processed at the company's Registered Office and at the Office of the Share Transfer Agent, as necessary.

For lodgment of transfer deeds and any other documents or for any grievances/ complaints, kindly contact at the following address:

S.K.D.C Consultants Ltd.,  
Surya 35, Mayflower Avenue,  
Behind Senthil Nagar,  
Sowripalayam Road,  
Coimbatore - 641028  
Ph : 0422 - 6549995, 2539835

The Compliance Officer  
National Fittings Limited  
SF No. 112, Madhapur Road, Kaniyur  
Karumathampatti  
Coimbatore - 641 659  
Ph : 9943293000 / 9943993001

## Investor Education and Protection Fund

During 2021-22 unclaimed dividend of Rs 7,36,803/- and 2,25,798 Equity Shares have been transferred to Investor Education and Protection Fund. More over the dividend entitlement on the shares transferred to IEPF for the dividend paid for the financial year 2020-21 amounting to 1,87,902/- have also been transferred to Investor Education and Protection Fund.

## Plant Location:

- 1) **Kaniyur Finishing Division:** 112, Madhapur Road, Kaniyur Village, Coimbatore, Tamilnadu - 641659
- 2) **Thekkalur Foundry Division:** S F No: 462/2, Vadugapalayam Road, Thekkalur Post, Avanashi Taluk, Tirupur, Tamilnadu - 641654
- 3) **Dindigul Foundry Division:** 630/1, Natham Road, Reddiapatti Post, Dindigul, Tamilnadu - 624003
- 4) **Vedasandur Foundry Division:** E-4, Dindigul Engineering Cluster, E-Chithour Village, Vedasandhur Taluk, Dindigul, Tamilnadu - 624174

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of National Fittings Limited

We have examined the compliance of conditions of Corporate Governance by National Fittings Limited (the Company), for the year ended 31st March 2022, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with BSE Limited

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with BSE Limited

We further state that 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 **V Krish & Associates**  
Chartered Accountants,  
Firm's Registration No. 01452 S  
Sd/- **B. SATHISHKUMAR**  
Partner  
Membership No. 218445

Place : COIMBATORE

Date : 19.05.2022



## Compliance Certificate by Chief Executive Officer and Chief Financial Officer Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

We, A V Palaniswamy, Managing Director of National Fittings Limited and J Saravanan, Chief Financial Officer of National Fittings Limited, certify that

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place : COIMBATORE

Date : 19.05.2022

Sd/- **A V Palaniswamy**

Managing Director

Sd/- **J Saravanan**

Chief Financial Officer

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

**National Fittings Limited**

[CIN: L29199TZ1993PLC008034]

SF NO: 112, Madhapur Road

Kaniyur Village, Sulur TK

Karumathampatti (Via) - 641659

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. National Fittings Limited (hereinafter called "the Company"). I have conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing my opinion there on.

I am issuing this report based on my verification of the books, papers, minutes books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the financial year ended 31st March, 2022 and also after 31st March, 2022 but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit.

I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March 2022 (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the following:

In Management Discussion and Analysis Report the Company has not given significant changes in the Key Financial Ratios and change in Net Worth as per clause V(B) of SEBI (LODR) Regulations 2015.

The members are requested to read this report along with my letter of even date annexed to this report as Annexure- A.

1. I have examined the books, papers, minutes books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
  - i. The Companies Act, 2013 (the Act), the rules made there under.
  - ii. The Companies Act, 1956.
  - iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
  - iv. The Depositories Act, 1996 and the regulations and bye-laws framed there under.

- v. 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;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
2. I am informed that, during the year the Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of the following Regulations and Guidelines prescribed under the SEBI Act:
  - (a) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
3. I am also informed that for the year, there were no other laws specifically applicable to the company, the books, papers, minutes books, forms and returns of which were required to be examined by me for the purpose of this report.
4.
  - i) I have also examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
  - ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
5. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2022 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.



6. I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days in advance
- (iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards:

The company has redeemed 2,00,000 Preference Shares of Rs 100/- each out of the profits of the Company on 22.01.2022

Place : Coimbatore  
Date : 19-05-2022  
UDIN No : F002851D000347349

**M.R.L. NARASIMHA**  
Practicing Company Secretary  
Membership No. F2851  
Certificate of Practice No.799



## Annexure A to Secretarial Audit Report of even date

To

The Members,  
**National Fittings Limited**  
[CIN: L29199TZ1993PLC008034]  
SF No: 112, Madhapur Road  
Kaniyur Village, Sulur TK  
Karumathampatti (Via) - 641659

**My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31ST March, 2022 is to be read along with this letter.**

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. 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.
3. While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the Company after 31st March, 2022 but before the issue of this report.
4. I have verified the records to see whether the correct facts are reflected in the secretarial records. I also examined the compliance procedures followed by the Company. I believe that the processes and practices I followed provide are as on able basis for my opinion. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. My 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 : Coimbatore  
Date : 19-05-2022  
UDIN : F002851D000347349

**M.R.L. NARASIMHA**  
Practicing Company Secretary  
Membership No. F2851  
Certificate of Practice No.799  
PR No: 1420/2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,

**National Fittings Limited**

SF NO: 112, Madhapur Road

Kaniyur Village, Sulur TK

Karumathampatti (Via) - 641659

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of National Fittings Limited having CIN: L29199TZ1993PLC008034 and having registered office at S F No: 112, Madhapur Road, Kaniyur Village, Karumathampatti (via), Coimbatore – 641659 (hereinafter referred to as “the Company”) produced before me by the Company for the purpose of issuing this certificate in accordance with Regulation 34 (3) read with Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Company Affairs or any such Statutory Authority.

SI No	Name of Director	DIN	Date of appointment in Company
1	A V Palaniswamy	01817391	16.09.1994
2	R Alagar	00231112	31.08.2005
3	A Panath Anitha	07059205	14.02.2015
4	Jayaram Govindarajan	02178416	12.08.2016
5	Arjunaraj Dhananjayan	08043947	13.12.2017
6	Chenniappan Selvakumar	01777983	13.12.2017

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express based on my 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.

Place : Coimbatore

Date : 19-05-2022

UDIN : F002851D000347272

**M.R.L. NARASIMHA**  
Practicing Company Secretary  
Membership No. F2851  
Certificate of Practice No.799

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL FITTINGS LIMITED**

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Statement of Standalone Ind AS Financial Results of National Fittings Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended 31.03.2022 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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 opinion.

#### **Emphasis of Matter**

We draw attention to Note 2.35 of the Standalone financial statements, which describes the management's assessment of financial impact of the events arising out of post COVID-19 pandemic, for which a definite assessment of the impact in the subsequent period is dependent upon the circumstances as they evolve.

**Our opinion is not modified in respect of this matter.**

#### **Key Audit Matters**

In our opinion and based on the information and explanations given to us, there are no key audit matters to be communicated in our report, other than those more fully described in the Emphasis of Matters paragraph of our report which describes the impact of post Covid-19 pandemic on the Company's operations and results as assessed by the management.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our Auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management 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 these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors is 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 skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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, 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, the Cash Flow statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Financial Statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.24 to the financial statements;
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
    - d. (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(s) or entity(ies), 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(s) or entity(ies), 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; and

- (iii) Based on such audit procedures performed that have been 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 mis-statement.
- e. (i) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- (ii) No interim dividend declared and paid by the Company during the year and until the date of this audit report.
- (iii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

**For V Krish & Associates**  
Chartered Accountants,  
Firm's Registration No. 01452 S  
Sd/- **B. SATHISHKUMAR**  
Partner  
Membership No. 218445  
UDIN : 22218445AJFUYY8679

Place : COIMBATORE  
Date : 19.05.2022

**Annexure – A to the Independent Auditors’ Report**

**(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of National Fittings Limited of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. In respect of the Company’s fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except in respect of certain immovable property, the name is yet to be changed from the erstwhile Transferor Company’s name consequent to the merger order by the Hon’ble NCLT, Chennai.
  - (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31st March, 2022.
  - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification. The Company has been sanctioned working capital limits in excess of ₹ 5 Crores in aggregate from banks during the year on the basis of security of inventories of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
3.
  - (a) During the year the Company has not provided any loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
  - (b) During the year the Investments made by the Company is not prejudicial to the Company’s interest. The Company has not provided guarantees or security and has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.
  - (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause

3(iii)(c ) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.

4. In our opinion and according to information and explanation given to us, the Company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5. According to the information and explanation given to us, the Company has not accepted any deposits from the public nor accepted any amounts which are deemed to be deposits during the year within the meaning of Section 73 and 76 of the Companies Act, 2013. There were no unclaimed deposits. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
7. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been 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 material 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 material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statute	Nature of dues	Period to which the amount relates	Forum where Dispute is pending	Amount due
Employees State Insurance Act, 1948	Insurance Premium	2004-2011	Labour Court, Madurai	1.53 Lakhs (Against 6.80 Lakhs demanded 5.27 Lakhs has been paid)

8. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report clause 3(viii) of the Order is not applicable to the Company.
9. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company has no subsidiary, associates or joint ventures. Hence the requirement to report on clause (ix)(e) and (ix)(f)
10. (a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, reporting under clause 3(x)(a) is not applicable to the Company and hence not commented upon.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
11. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
12. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.
13. According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
16. (a) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.



- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group does not have more than one CIC as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
19. On the basis of the financial ratios disclosed in note 27 (xiii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub-section 5 of Section 135 of the Act. This matter has been disclosed in note 27 (ii) to the financial statements.
- (b) All amounts that are unspent under sub-section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub-section (6) of Section 135 of the said Act. This matter has been disclosed in note 27 (ii) to the financial statements.

For **V Krish & Associates**  
Chartered Accountants,  
Firm's Registration No. 01452 S  
Sd/- **B. SATHISHKUMAR**  
Partner  
Membership No. 218445  
UDIN : 22218445AJFUYY8679

Place : COIMBATORE  
Date : 19.05.2022

**Annexure - B to the Independent Auditor's Report****Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of National Fittings Limited ("the Company") as at March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India 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. 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 judgement, including the assessment of the risks of material misstatement in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) 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 (iii) 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 of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.

Place : COIMBATORE  
Date : 19.05.2022

For **V Krish & Associates**  
Chartered Accountants,  
Firm's Registration No. 01452 S  
Sd/- **B. SATHISHKUMAR**  
Partner  
Membership No. 218445  
UDIN : 22218445AJFUYY8679

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****The Members of National Fittings Limited**

1. The Corporate Governance Report prepared by National Fittings Limited (hereinafter the "Company"), contains details as specified in 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, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022, and the said Report will be submitted by the Company to the Stock Exchanges as part of the Annual Report.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2021 to March 31, 2022:



- (a) Board of Directors;
  - (b) Audit Committee;
  - (c) Annual General Meeting (AGM);
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee
- v. Obtained necessary declarations from the directors of the Company.
- vi. Obtained and read the policy adopted by the Company for related party transactions.
- vii. Obtained the schedule of related party transactions during the year and balances at the year-end.
- viii. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
- ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

**Other matters and Restriction on Use**

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **V Krish & Associates**  
Chartered Accountants,  
Firm's Registration No. 01452 S  
Sd/- **B. SATHISHKUMAR**  
Partner  
Membership No. 218445  
UDIN : 22218445AJFUYY8679

Place : COIMBATORE  
Date : 19.05.2022

Balance Sheet as at 31st March 2022

Particulars	Note No.	As at 31 March, 2022 ₹	As at 31 March, 2021 ₹
<b>A ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2.1	47,63,77,600	46,08,80,205
(b) Capital work in progress		68,53,148	74,58,671
(c) Financial Assets			
(i) Investments	2.2	2,01,63,933	1,30,80,424
(ii) Other Financial Assets - Non-Current	2.3	1,42,34,220	1,71,17,174
<b>Total non-current assets</b>		<u>51,76,28,901</u>	<u>49,85,36,474</u>
<b>Current Assets</b>			
(a) Inventories	2.4	15,47,11,822	12,15,73,769
(b) Financial Assets			
(i) Trade Receivables	2.5	4,79,87,954	4,15,15,771
(ii) Cash and Cash Equivalents	2.6	10,37,51,694	11,08,55,388
(iii) Short-Term Loans and Advances	2.7	2,57,84,853	3,89,81,403
(iv) Other Current Assets	2.8	3,40,895	3,44,335
Total current assets		<u>33,25,77,218</u>	<u>31,32,70,666</u>
<b>TOTAL ASSETS</b>		<u><b>85,02,06,119</b></u>	<u><b>81,18,07,140</b></u>
<b>B EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Share Capital	2.9	9,08,31,820	9,08,31,820
(b) Other Equity	2.10	42,52,29,192	42,26,33,673
<b>Total of equity</b>		<u>51,60,61,012</u>	<u>51,34,65,493</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Long-term borrowings	2.11	3,61,36,392	4,95,00,000
(a) Deferred Tax Liabilities (Net)	2.12	2,75,29,372	2,57,19,483
(b) Employee Benefit Obligations	2.13	62,60,236	62,50,048
<b>Total of non-current liabilities</b>		<u>6,99,26,000</u>	<u>8,14,69,531</u>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Short-term borrowings	2.14	14,70,74,156	11,63,53,011
(ii) Trade and other Payables	2.15	8,69,57,311	6,50,53,164
(b) Other Current Liabilities	2.16	2,95,29,404	3,49,23,857
(c) Employee Benefit Obligations	2.17	6,58,236	5,42,084
<b>Total current liabilities</b>		<u>26,42,19,107</u>	<u>21,68,72,117</u>
<b>Total Equity and Liabilities</b>		<u><b>85,02,06,119</b></u>	<u><b>81,18,07,140</b></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1 & 2

As per our report of even date annexed

for **V Krish & Associates**

Chartered Accountants

Firm Regn. No. 01452-S

Sd/- **B. SATHISH KUMAR**

Partner, M.No. 218445

UDIN: 22218445AJFUYY8679

Place : Coimbatore

Date : 19.05.2022

For and on behalf of the Board

Sd/- **A.V. PALANISWAMY**

Managing Director

DIN No. 01817391

Sd/- **S. ARAVINTHAN**

Company Secretary

Sd/- **JAYRAM GOVINDARAJAN**

Whole-Time Director

DIN No. 02178416

Sd/- **J. SARAVANAN**

Chief Financial Officer

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

Particulars	Note No.	For the year ended 31 March, 2022 ₹	For the year ended 31 March, 2021 ₹
1 Revenue from operations (Net of taxes)	2.18	66,29,96,004	51,14,57,528
2 Other income	2.19	<u>1,32,05,247</u>	<u>1,21,20,768</u>
<b>3 Total revenue (1+2)</b>		<b><u>67,62,01,251</u></b>	<b><u>52,35,78,296</u></b>
<b>4 Expenses</b>			
(a) Cost of Raw materials consumed	2.20(a)	25,96,35,890	14,62,63,922
(b) Purchases of traded goods	2.20(b)	1,09,27,676	35,07,107
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.20(c)	(1,62,44,882)	3,38,51,801
(d) Employee benefits expense	2.21	9,21,50,786	7,60,91,339
(e) Finance costs	2.22	1,11,52,583	98,33,765
(f) Depreciation and amortisation expense	2.01	2,89,02,032	2,61,60,746
(g) Other expenses	2.23	<u>27,29,50,612</u>	<u>20,43,74,673</u>
<b>Total expenses</b>		<b><u>65,94,74,697</u></b>	<b><u>50,00,83,353</u></b>
<b>5 Profit / (Loss) before exceptional items and tax (3 - 4)</b>		<b>1,67,26,555</b>	2,34,94,943
<b>6 Tax expense:</b>			
(a) Current tax expense		26,29,862	36,27,868
(b) Less : MAT Credit availed		(11,25,197)	(3,92,198)
(c) Deferred tax (Income) / Expenses	2.29	<u>17,92,547</u>	<u>38,44,995</u>
		<b><u>32,97,212</u></b>	<b><u>70,80,665</u></b>
<b>7 Profit / (Loss) for the year (5-6)</b>		<b><u>1,34,29,343</u></b>	<b><u>1,64,14,278</u></b>
<b>8 Other Comprehensive Income (Net Tax)</b>			
(i) Remeasurement benefit of defined benefit plan		(66,701)	—
(ii) Income Tax expenses on Remeasurement benefit of defined benefit plan		<u>17,342</u>	—
		<b><u>(49,359)</u></b>	<b><u>—</u></b>
<b>9 Profit / (Loss) after Tax (7-8)</b>		<b><u>1,34,78,702</u></b>	<b><u>1,64,14,278</u></b>
<b>10 Earnings per share (of ₹10/- each):</b>			
(a) Basic	2.28	<b>1.48</b>	1.81
(b) Diluted	2.28	<b>1.48</b>	1.81

Significant accounting policies and Notes on Accounts 1 & 2

As per our report of even date annexed  
for **V Krish & Associates**

Chartered Accountants

Firm Regn. No. 01452-S

Sd/- **B. SATHISH KUMAR**

Partner, M.No. 218445

UDIN: 22218445AJFUYY8679

Place : Coimbatore

Date : 19.05.2022

For and on behalf of the Board

Sd/- **A.V. PALANISWAMY**

Managing Director

DIN No. 01817391

Sd/- **S. ARAVINTHAN**

Company Secretary

Sd/- **JAYRAM GOVINDARAJAN**

Whole-Time Director

DIN No. 02178416

Sd/- **J. SARAVANAN**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	1,67,26,555	2,34,94,943
<i>Adjustments for:</i>		
Depreciation and amortisation	2,89,02,032	2,61,60,746
(Profit) / loss on sale / write off of Property, Plant & Equipment	(7,24,888)	(13,63,761)
Net (Gain) / Loss on investments carried at FVTPL	(14,90,529)	
Profit on sale of investment	(29,13,978)	
Adjustments for: MAT Credit		
Finance costs	1,11,52,583	98,33,765
Interest income	(49,96,382)	(54,14,791)
Dividend income	(67)	—
Liabilities / provisions no longer required written back	(21,721)	(1,65,056)
Bad Debts written off	20,06,515	3,19,13,564
	<u>3,19,13,564</u>	<u>3,19,13,564</u>
Operating profit / (loss) before working capital changes	4,86,40,119	5,25,45,846
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(3,31,38,053)	3,15,65,669
Trade receivables	(64,72,182)	(71,99,688)
Short-term loans and advances	(46,00,358)	56,81,078
Long-term loans and advances	28,82,954	10,70,601
Other current asset	3,440	(39,800)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,19,04,147	13,58,998
Other current liabilities	(53,94,453)	6,93,328
Other long-term liabilities		
Employee Benefit Obligations	1,97,420	6,34,963
	<u>(1,54,16,370)</u>	<u>3,37,65,149</u>
Cash flow from extraordinary items	—	—
Cash generated from operations	3,32,23,749	8,63,10,995
Net income tax (paid) / refunds	51,02,354	21,89,054
<b>Net cash flow from / (used in) operating activities (A)</b>	<b><u>3,83,26,103</u></b>	<b><u>8,85,00,049</u></b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on Property, plant and equipment	(4,81,48,064)	(1,90,32,619)
Proceeds from sale of Property, plant and equipment	50,79,048	18,16,274
Purchase of equity shares	26,85,000	17,40,779
Interest received	49,96,382	54,14,791
Dividend received (Others)	67	—
	<u>(4,07,57,567)</u>	<u>(1,00,60,775)</u>
Cash flow from extraordinary items	—	—
<b>Net cash flow from / (used in) investing activities (B)</b>	<b><u>(4,07,57,567)</u></b>	<b><u>(1,00,60,775)</u></b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>C. Cash flow from financing activities</b>		
Repayment of Preference Share Capital	(2,00,00,000)	(2,00,00,000)
Investment in Mutual fund	(1,04,33,979)	—
Repayment of Long-Term borrowings	66,36,392	1,21,81,609
Increase in Short-Term borrowings	3,07,21,145	(3,65,39,512)
Proceeds from sale of investment	1,04,39,977	
Finance cost	(1,11,52,583)	(98,33,765)
Interim Dividend paid including Dividend Distribution Tax		
Dividend paid including Dividend Distribution Tax	(1,08,83,182)	—
Cash flow from extraordinary items	<u>(46,72,230)</u>	<u>(5,41,91,668)</u>
<b>Net cash flow from / (used in) financing activities (C)</b>	<b><u>(46,72,230)</u></b>	<b><u>(5,41,91,668)</u></b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b><u>(71,03,693)</u></b>	<b><u>2,42,47,606</u></b>
Cash and cash equivalents at the beginning of the year	11,08,55,388	8,66,07,781
<b>Cash and cash equivalents at the end of the year</b>	<b><u>10,37,51,694</u></b>	<b><u>11,08,55,388</u></b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 2.6)	10,37,51,694	11,08,55,388
Less: Bank balances not considered as Cash and cash equivalents as defined in IND AS 7 Cash Flow Statements	—	—
Net Cash and cash equivalents (as defined in IND AS 7 Cash Flow Statements) included in Note 2.6	<u>10,37,51,694</u>	<u>11,08,55,388</u>
<b>Cash and cash equivalents at the end of the year*</b>		
* Comprises:		
(a) Cash on hand	1,50,365	1,50,352
(b) Balances with banks		
(i) In current accounts	1,81,23,054	2,35,51,561
(ii) In deposit accounts	8,54,78,276	8,71,53,475
(iii) In Margin Money account (Earmarked fund)	—	—
	<u>10,37,51,694</u>	<u>11,08,55,388</u>

See accompanying notes forming part of the financial statements

As per our report of even date annexed  
for **V Krish & Associates**

Chartered Accountants

Firm Regn. No. 01452-S

Sd/- **B. SATHISH KUMAR**

Partner, M.No. 218445

UDIN: 22218445AJFUYY8679

Place : Coimbatore

Date : 19.05.2022

For and on behalf of the Board

Sd/- **A.V. PALANISWAMY**

Managing Director

DIN No. 01817391

Sd/- **S. ARAVINTHAN**

Company Secretary

Sd/- **JAYRAM GOVINDARAJAN**

Whole-Time Director

DIN No. 02178416

Sd/- **J. SARAVANAN**

Chief Financial Officer

Statement of Changes in Equity

Particulars	Equity Share Capital	Reserves and Surplus						Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Revaluation reserve	General Reserve	Equity instruments through other comprehensive income	Exchange Difference on translating the financial statement of a foreign operations	Total Equity attributable to equity shareholders of the company
<b>Balance as at April 1, 2021</b>	9,08,31,820	4,00,75,360	27,52,39,690	36,04,029	7,19,38,600	—	3,17,75,993	—	—	51,34,65,492
Profit for the year			1,34,29,343							1,34,29,343
Transfer from Revaluation Reserve			(2,00,00,000)		2,00,00,000					—
Dividends (Including Dividend Distribution Tax)			(1,08,83,182)							(1,08,83,182)
Remeasurement benefit of defined benefit plan (net)			49,359							49,359
Adjustment of MAT Credit										—
<b>Balance as at March 31, 2022</b>	9,08,31,820	4,00,75,360	25,78,35,210	36,04,029	9,19,38,600	—	3,17,75,993	—	—	51,60,61,012

As per our report of even date annexed

for **V Krish & Associates**

Chartered Accountants

Firm Regn. No. 01452-S

Sd/- **B. SATHISH KUMAR**

Partner, M.No. 218445

UDIN: 22218445AJFUYY8679

Place : Coimbatore

Date : 19.05.2022

For and on behalf of the Board

Sd/- **A.V. PALANISWAMY**

Managing Director

DIN No. 01817391

Sd/- **JAYRAM GOVINDARAJAN**

Whole-Time Director

DIN No. 02178416

Sd/- **S. ARAVINTHAN**

Company Secretary

Sd/- **J. SARAVANAN**

Chief Financial Officer

## Notes forming part of the financial statements for the year ended 31.03.2022.

Note	Particulars
------	-------------

### 1 Corporate Information

National Fittings Limited (referred to as “the Company”) manufacture and sells SG Iron Grooved and Screwed Pipe Fittings, Stainless Pipe Fittings and Ball Valves for industrial and non-industrial applications.

The Company is a Public limited company incorporated and domiciled in India, whose shares are publicly traded.

### 2 Significant accounting policies

#### a) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind-AS”) as notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. The Company has adopted Ind AS from 1st April 2017.

#### b) Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (‘Indian GAAP’) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain items which are measured at fair value.

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 the price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013 and Ind AS, based on the nature of products and the time between the acquisition of assets or processing and their realisation in cash and cash accruals

#### c) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for Building and Plant and Machinery for which the Management estimates the useful lives as follows:

- |                           |             |
|---------------------------|-------------|
| a) Building(1)            | 30-40 Years |
| b) Plant and Machinery(1) | 5-15 Years  |
| c) Patterns and Moulds    | 3 Years     |

## Notes forming part of the financial statements for the year ended 31.03.2022.

## Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>(1) For these Building and Plant and Machinery, based on the internal assessment and independent technical evaluation carried out by the management, the useful lives as given above represent the period over which management expects to use these assets. Hence useful lives of these assets is different from the part C of Schedule II of the Companies Act, 2013.</p> <p>Depreciation is not recorded on capital work In progress until construction and installation is complete and the asset is ready for its intended use.</p>
<b>d) Intangible assets</b>	<p>“Intangible assets that the Company controls and from which Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:</p> <p>a. for assets acquired in a business combination, at fair value on the date of acquisition.</p> <p>b. for separately acquired assets, at cost comprising the purchase price (including import duties and non-efundable taxes) and directly attributable costs to prepare the asset for its intended use.”</p>
<b>e) Leases</b>	<p>Lease in which a significant portion of the risk and rewards of ownership are classified as operating leases. Lease Payments on such operating leases are recognised in the Statement of Profit and Loss account on Straight Line Basis over the period of lease.</p>
<b>f) Impairment</b>	<p>The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition</p>
<b>g) Investments</b>	<p>Long-term investments , are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p>
<b>h) Employee benefits</b>	<p><b>Short Term Employee Benefits</b></p> <p>All employee benefits payable within twelve months of rendering the services are recognized in the period in which the employee renders the related service.</p> <p><b>Post Employment / Retirement Benefits</b></p> <p>Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss account as incurred.</p> <p>Defined Obligation Plans - The Present Value of the obligation under such plans, is determined based on an actuary valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss account.</p> <p>Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.</p>



## Notes forming part of the financial statements for the year ended 31.03.2022.

### Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p><b>Termination Benefits</b></p> <p>Termination Benefits are recognized as and when incurred.</p>
<b>i)</b>	<p><b>Revenue recognition</b></p> <p>National Fittings Ltd., (referred as Company) earns revenue primarily from sale of SG Iron Grooved and Screwed Pipe Fittings, Stainless Pipe Fittings and Ball Valves for industrial and non-industrial applications.</p> <p>Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods is shown excludes taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services.</p> <p>Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the Customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.</p> <p>Benefit on account of entitlement under the Duty Entitlement Pass Book scheme, accounted on estimated basis and recognised in the year of export.</p>
<b>j)</b>	<p><b>Taxes on Income</b></p> <p>Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws nacted during the period, together with any adjustment to tax payable in respect of previous years. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Income tax, insofar as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable. Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.</p>
<b>k)</b>	<p><b>Foreign currency transactions</b></p> <p>The Functional and presentation currency of the Company is Indian Rupee.</p> <ol style="list-style-type: none"> <li>i. The transactions involving Foreign Currencies are accounted for at the rates prevailing on the date of transactions and accordingly Gains/(Losses) arising out of fluctuation in exchange rates are recognized in the Profit &amp; Loss Statement</li> <li>ii. In case of forward contracts, if any, the difference between the forward rate and the exchange rate at the prevailing period is recognized in the Profit &amp; Loss Statement over the life of the contract.</li> <li>iii. Foreign currency monetary Assets &amp; Liabilities such as cash, receivables, payables etc., are translated at the exchange rate prevailing at the year end and overall net gain/loss is adjusted to the Profit &amp; Loss Statement.</li> </ol>

**Notes forming part of the financial statements for the year ended 31.03.2022.****Note 2 Significant accounting policies (Contd.)**

Note	Particulars
	iv. Non-monetary items denominated in foreign currency such as investment, fixed assets etc., are valued at the exchange rate prevailing on the date of transactions
<b>l) Inventories</b>	<p>Inventories of Raw Materials, Stores and Spares parts, Work in progress and Finished goods are valued at the lower of cost ascertained on weighted average cost basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.</p> <p>Stock of tools are valued at cost and are written off over a period of ten years.</p>
<b>m) Provisions, Contingent Liabilities and Contingent Assets</b>	<p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised or disclosed in the financial statements.</p>
<b>n) Dividend Distribution</b>	<p>Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.</p>
<b>o) Earnings per share</b>	<p>Basic and diluted earning per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.</p>
<b>p) Segment reporting</b>	<p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.</p> <p>Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.</p>

## Notes forming part of the financial statements for the year ended 31.03.2022.

### Note 2 Significant accounting policies (Contd.)

Note	Particulars
------	-------------

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities.

**q) Cost recognition**

Cost and expenses are recognised when incurred and have been classified according to their nature. The borrowing cost represents interest payable on loans taken for carrying out business operations and the same is charged to revenue.

**r) Financial instruments, Financial Assets, Financial Liabilities**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**(i) Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

**(ii) Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset 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.

**(iii) Fair Value through Profit or Loss**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**(i) Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**(ii) Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Equity investment in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

**Offsetting of 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 on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**Use of estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Significant estimates and judgements**

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of Property, Plant and Equipment - Refer Note 2(e)
- ii) Defined benefit obligation - Refer Note 2.25
- iii) Estimation and evaluation of provisions and contingencies relating to tax litigations - Refer Note 2.24

**COVID-19**

The Company has considered the possible effects that may arise out of COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID-19 pandemic on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Notes forming part of the financial statements for the year ended 31.03.2022.

Note 2.1 Property, Plant and Equipment and Capital Working in Progress

Particulars	As at 31.03.2022	As at 31.03.2021
Carrying amounts of:		
Freehold Land	12,88,85,517	12,88,85,517
Buildings	7,36,24,842	6,53,55,309
Plant and Equipment	22,27,68,282	21,19,73,535
Pattern & Tools	2,18,26,631	2,16,81,065
Lab Equipment	34,76,583	37,21,712
Electrical Installation	83,10,097	88,83,589
Computers	11,47,615	14,19,323
Furniture and Fittings	5,53,572	5,11,410
Vehicles	1,20,56,118	1,37,70,319
Office equipment	9,28,265	13,03,330
Intangible Asset (FM License)	28,00,078	33,75,097
<b>Total</b>	<b>47,63,77,600</b>	<b>46,08,80,206</b>
Capital Work in Progress	68,53,148	74,58,671
<b>Total</b>	<b>68,53,148</b>	<b>74,58,671</b>
<b>Total</b>	<b>48,32,30,748</b>	<b>46,83,38,877</b>

	Freehold Land	Buildings	Plant and Equipment	Pattern & Tools	Lab Equipment	Electrical Installation	Computers	Furniture and Fittings	Vehicles	Office equipment	Intangible Asset (FM License)	Capital Work in Progress	Total
Cost as at April 1, 2021	12,88,85,517	9,05,31,391	32,91,48,100	4,14,19,636	77,97,019	1,65,71,018	58,99,920	17,19,627	2,09,93,336	34,34,412	1,00,00,000	74,58,671	66,38,58,647
Additions		1,11,91,793	2,94,74,465	71,86,624	3,99,554	2,30,100	1,08,256	1,27,705		35,090		4,18,41,518	9,05,95,105
Disposals			53,49,771	7,47,888								4,24,47,041	4,85,44,700
Cost as at 31st March 2022.	12,88,85,517	10,17,23,184	35,32,72,794	4,78,58,372	81,96,573	1,68,01,118	60,08,176	18,47,332	2,09,93,336	34,69,502	1,00,00,000	68,53,148	70,59,09,052
Accumulated depreciation as at April 1, 2021	—	2,51,76,082	11,71,74,565	1,97,38,571	40,75,307	76,87,429	44,80,597	12,08,217	72,23,017	21,31,082	66,24,903	—	19,55,19,770
Depreciation for the year	—	29,22,260	1,50,11,564	63,55,050	6,44,683	8,03,592	3,79,964	85,543	17,14,201	4,10,155	5,75,019		2,89,02,031
Disposals	—		16,81,617	61,880									17,43,497
Accumulated depreciation as at 31st Mar 2022.	—	2,80,98,342	13,05,04,512	2,60,31,741	47,19,990	84,91,021	48,60,561	12,93,760	89,37,218	25,41,237	71,99,922	—	22,26,78,304
Net carrying amounts as at 31st March 2022.	12,88,85,517	7,36,24,842	22,27,68,282	2,18,26,631	34,76,583	83,10,097	11,47,615	5,53,572	1,20,56,118	9,28,265	28,00,078	68,53,148	48,32,30,748

## Notes forming part of the financial statements (Contd.)

### Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company**
Property, Plant and Equipment	Land and Building	7,26,79,774	erst. M/s. Interfit India Limited	No	2,017	Title deeds are in the name of the entities merged with the Company under Scheme of Amalgamation approved by the Hon'ble NCLT, Chennai vide their order dated March 25, 2019 with April 1, 2017 as the appointed date
Property, Plant and Equipment	Land and Building	11,21,99,263	erst.M/s. Merit Industries Limited	No	2,017	
Total		18,48,79,037				

### Capital-Work-in Progress (CWIP) as on 31.03.2022 and 31.03.2021:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	28,02,243	9,69,416	15,47,725	15,33,764	68,53,148
Previous Year	46,35,382	4,67,467	8,22,058	15,33,764	74,58,671
Projects temporarily suspended	—	—	—	—	—
Previous Year	—	—	—	—	—

Notes forming part of the financial statements (Contd.)

Particulars	As at	As at
	31 March, 2022	31 March 2021
	₹	₹

Note: 2.2 Investments consist of the following

a) Investment - non-current		
Investment in body corporates	63,59,176	35,54,424
Investment in subsidiary	—	—
Mutual Fund units	1,38,04,757	95,26,000
b) Investment - current	—	—

	As at 31st March, 2022			As at 31st March, 2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
Investments (At cost):						
<b>A</b>	<b>Trade</b>					
<b>(a)</b>	<b>Investment in Balanced Fund</b>					
(i) 57189.804 (31.03.2021 Nil units ) units of Rs. 43.7119 in M/s Sundaram Money - Debt Fund Market value as on 31.03.2022 Rs.25,49,517/-	25,49,517		25,49,517	19,00,000		19,00,000
(ii) 617.9950 (31.03.2021, Nil units ) units of Rs.4748.1861 in M/s SBI Magnum Ultra Short-Term - Debt fund Market value as on 31.03.2022 Rs.29,94,588/-	29,94,588		29,94,588	19,00,000		19,00,000
(iii) 46071.51 (31.03.2021 46071.511 units) units of Rs.43.40 in M/s Axis Long Term Equity fund - Growth Market value as on 31.03.2022 Rs.31,58,944/-	31,58,944		31,58,944	20,00,001		20,00,001
(iv) 770.022 (31.03.2021 Nil units ) units of Rs.3246.4968 in M/s SBI Liquid Fund - Debt Fund Market value as on 31.03.2022 Rs.25,49,352/-	25,49,352		25,49,352	18,25,999		18,25,999
(v) 113841.807 (31.03.2021 Nil units ) units of Rs.21.9592 in M/s ICICI Prudential Ultra Short-Term Fund- Debt Fund Market value as on 31.03.2022 Rs.25,52,356/-	25,52,356		25,52,356	19,00,000		19,00,000



## Notes forming part of the financial statements (Contd.)

Particulars	As at 31 March, 2022			As at 31 March 2021		
	₹			₹		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
<b>(b) Investment in Equity Shares</b>						
(i) 400 shares of ₹ 10 each fully paid up in M/s. Bank of India Ltd. Market Value as on 31.03.2022 Rs. 18,340/-	18,340		18,340	18,000		18,000
(ii) 26,667 shares of ₹ 1 each fully paid up in M/s. South Indian Bank Ltd. Market Value as on 31.03.2022 Rs. 2,00,536/-	2,00,536		2,00,536	1,26,924		1,26,924
(iii) 2,000 shares of ₹ 10 each fully paid up in M/s. Rajshree Sugars & Chemicals Ltd. Market Value as on 31.03.2022 Rs.65,800/-	65,800		65,800	20,000		20,000
<b>(c) Investment in Clover Energy Pvt Ltd</b>						
507450 equity shares (As on 31st March'2021, 238950 equity shares) of Rs.10 each Market value as on 31.03.2022 not ascertained		50,74,500	50,74,500		23,89,500	23,89,500
<b>(d) Investment in Mytrah Energy (India) Private Limited</b>						
100000 Equity Shares (As on 31st March 2021, 100000 shares) of Rs.10 Each fully paid up Market value as on 31.03.2022 not ascertained		10,00,000	10,00,000		10,00,000	10,00,000
<b>Total investment</b>	<b>1,40,89,433</b>	<b>60,74,500</b>	<b>2,01,63,933</b>	<b>96,90,924</b>	<b>33,89,500</b>	<b>1,30,80,424</b>
Aggregate amount of quoted investments			1,25,98,904			96,90,924
Aggregate market value of listed and quoted investments			1,40,89,433			1,24,14,813
Provision for diminution in the value of investments			—			—
Aggregate amount of unquoted investments			60,74,500			33,89,500

Notes forming part of the financial statements (Contd.)

Particulars	As at 31 March, 2022 ₹	As at 31 March 2021 ₹
<b>Note 2.3 Other Financial Assets - Non-Current</b>		
(a) Security deposits (Unsecured, considered good)		
Electricity Deposit	85,14,079	1,24,86,230
Telephone Deposits	98,408	98,408
Cylinder Deposits	1,00,350	1,00,350
Rental deposits	1,56,050	1,92,050
Other Deposits	2,000	2,000
(b) Balances with government authorities (Unsecured, considered good)		
(i) Advance paid against disputed excise duty	7,500	7,500
(ii) Advance paid against disputed Employee State Insurance	27,025	27,025
(ii) MAT Entitlement Credit	53,28,808	42,03,611
<b>Total</b>	<b>1,42,34,220</b>	<b>1,71,17,174</b>

**Note 2.4 Inventories**

(At lower of cost and net realisable value)

(a) Raw materials	3,07,47,998	1,70,59,399
(b) Work-in-progress (Refer Note Below)	8,58,68,938	7,37,05,145
(c) Packing Materials	5,04,900	3,33,960
(d) Stores and spares	2,54,47,461	2,23,31,069
(e) Loose tools	5,67,242	6,50,002
(f) Stock in Trade	1,15,75,283	74,94,194
<b>Total</b>	<b>15,47,11,822</b>	<b>12,15,73,769</b>

Note: Details of inventory of work-in-progress

SG Iron Fittings	4,52,05,357	4,42,85,228
SS Fittings	2,60,90,504	1,94,53,617
SS Ball Valves	1,45,73,078	99,66,300
	<b>8,58,68,938</b>	<b>7,37,05,145</b>

Other Note:

Cash Credit Facilities are secured by Hypothecation of Inventories of the Company, both Present and Future. The Quarterly returns/statements filed by the company with banks in respect of such facilities are in agreement with the books of accounts

**Notes forming part of the financial statements (Contd.)**

Particulars	As at 31 March, 2022 ₹	As at 31 March 2021 ₹
<b>Note 2.5 Trade receivables</b>		
Secured, considered good	—	—
Unsecured, considered good	4,79,87,954	4,15,15,771
Doubtful	—	—
	<b>4,79,87,954</b>	<b>4,15,15,771</b>

**Concentration of Risk**

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counter party or any group of counter parties having similar characteristics. Trade receivables consists of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

**Trade Receivables ageing schedule for the year ended as on 31.03.2022 and 31.03.2021**

Particulars	Not due	Less than 6 months	6 months - 1 year"	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	—	4,37,88,544	21,79,721	3,81,185	3,91,729	5,88,680	4,73,29,859
Previous Year	—	3,74,85,161	23,89,840	4,99,995	1,21,715	3,60,965	4,08,57,676
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
(iv) Disputed Trade Receivables– considered good	—	—	—	—	6,58,095	—	6,58,095
Previous Year	—	—	—	6,58,095	—	—	6,58,095
(v) Disputed Trade Receivables – which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
<b>Total Trade Receivable</b>	<b>—</b>	<b>4,37,88,544</b>	<b>21,79,721</b>	<b>3,81,185</b>	<b>10,49,824</b>	<b>5,88,680</b>	<b>4,79,87,954</b>
<i>Previous Year</i>	<i>—</i>	<i>3,74,85,161</i>	<i>23,89,840</i>	<i>11,58,090</i>	<i>1,21,715</i>	<i>3,60,965</i>	<i>4,15,15,771</i>
Less : Allowance for doubtful debts (Expected credit loss allowance)"							—
<i>Previous Year</i>							—
<b>Total Trade Receivable net of credit loss allowance</b>							<b>4,79,87,954</b>
<i>Previous Year</i>							<i>4,15,15,771</i>

**Notes forming part of the financial statements (Contd.)**

**Note 2.6 Cash and Cash Equivalents**

(a) Cash on hand	1,50,365	1,50,352
(b) Balances with banks		
(i) In current account with Scheduled Banks	86,75,102	1,45,73,924
(ii) In deposit accounts with Scheduled Banks (Refer Note below)	8,54,78,276	8,71,53,475
(iii) In Dividend Account with Scheduled Bank	80,14,658	84,26,924
(iv) In CSR Account with Scheduled Bank	14,33,294	5,50,713
<b>Total</b>	<b>10,37,51,694</b>	<b>11,08,55,388</b>

Note:

- (i) Balances with banks include deposits with a scheduled bank amounting to Rs. 8,54,78,276/- (As at 31 March, 2021, Rs. 8,71,53,475/-) which have an original maturity of 12 months.

**Note 2.7 Short-term loans and advances**

(a) Advance for supplies		
(i) To related parties @	1,11,280	2,44,714
(ii) Others	14,74,831	74,88,941
(b) Loans and advances to employees	76,04,401	79,34,783
(c) Prepaid expenses	28,59,358	27,63,580
(d) Balances with government authorities		
Unsecured, considered good		
(i) GST credit receivable	42,18,180	43,75,778
(ii) Export Incentives receivable	26,70,508	62,07,000
(iii) Excise Claim receivable	—	22,45,748
(e) Preliminary Expenses	17,55,178	26,32,766
(f) Product Development Expenditure	24,22,841	35,91,838
(g) Advance Tax (net or provision)	26,68,277	14,96,256
<b>Total</b>	<b>2,57,84,853</b>	<b>3,89,81,404</b>

@ Note: Advances against supplies to related party include :

M/s Haitima India Pvt Ltd	1,11,280	2,44,714
	<b>1,11,280</b>	<b>2,44,714</b>

**Notes forming part of the financial statements (Contd.)**

Particulars	As at	As at
	31 March, 2022	31 March 2021
	₹	₹
<b>Note 2.8 Other current assets</b>		
(a) Accruals		
(i) Interest accrued on deposits	3,02,296	3,05,736
(ii) Vehicle Tollgate Deposit	38,600	38,600
<b>Total</b>	<b>3,40,896</b>	<b>3,44,336</b>

**Note 2.9 Share Capital**

Particulars	As at 31st March, 2022		As at 31 March, 2021	
	Number of shares	Amount	Number of shares	Amount
<b>(a) Authorised</b>				
Equity shares of Rs. 10 each				
Opening Balance	2,45,00,000	24,50,00,000	2,45,00,000	24,50,00,000
Closing Balance	2,45,00,000	24,50,00,000	2,45,00,000	24,50,00,000
Non-convertible Non-cumulative Redeemable 9% preference shares of ₹100 each	5,00,000	5,00,00,000	5,00,000	5,00,00,000
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity shares of Rs. 10 each with voting rights	90,83,182	9,08,31,820	90,83,182	9,08,31,820
<b>Total</b>	<b>90,83,182</b>	<b>9,08,31,820</b>	<b>90,83,182</b>	<b>9,08,31,820</b>

Refer Notes (i) to (iii) below

Notes forming part of the financial statements (Contd.)

Particulars	As at	
	31 March, 2022	31 March 2021
	₹	₹

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Issued during the year	Redeemed during the year	Closing Balance
<b>Equity shares with voting rights</b>				
Year ended 31 March, 2022				
- Number of shares	90,83,182	—	—	90,83,182
- Amount (₹)	9,08,31,820	—	—	9,08,31,820
Year ended 31 March, 2021				
- Number of shares	90,83,182	—	—	90,83,182
- Amount (₹)	9,08,31,820	—	—	9,08,31,820

- (ii) Details of Shares held by the Promoters and Promoters Group as at 31.03.2022

Name of Promoters and Promoters Group	No. of Shares	% of total shares	% change during the year
1) Mr. A V Palaniswamy	30,92,093	34.04%	—

- (iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>				
1) Mr. A V Palaniswamy	30,92,093	34.04%	30,92,093	34.04%
2) Mrs. Kumudha Palaniswamy	6,83,396	7.52%	6,83,396	7.52%

- (iii) Terms / rights attached to shares

- (a) The Company has only one class of equity shares having at par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Board of Directors has recommended a final dividend of Rs.1/- per equity share and the same is subject to approval of shareholders.
- (b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

**Notes forming part of the financial statements (Contd.)**

Particulars	As at 31 March, 2022 ₹	As at 31 March 2021 ₹
<b>Note 2.10 Other Equity</b>		
<b>(a) Capital reserve (Backward area subsidy)</b>		
Opening balance	36,04,029	36,04,029
Add: Additions during the year		
Transfer from General Reserves	—	—
	<hr/>	<hr/>
Closing balance	36,04,029	36,04,029
<b>(b) Capital Redemption Reserve</b>		
Opening balance	7,19,38,600	5,19,38,600
Add: Additions during the year -	2,00,00,000	2,00,00,000
Less : Utilised during the year	—	—
	<hr/>	<hr/>
Closing balance	9,19,38,600	7,19,38,600
<b>(c) Securities Premium account</b>		
Opening balance	4,00,75,360	4,00,75,360
Add: Additions during the year	—	—
Less : Utilised during the year	—	—
	<hr/>	<hr/>
Closing balance	4,00,75,360	4,00,75,360
<b>(d) General reserve</b>		
Opening balance	3,17,75,993	3,17,75,993
Add: Transferred from surplus in Profit and Loss Statement	—	—
Less: Utilised / transferred during the year - Capital Reserve	—	—
	<hr/>	<hr/>
Closing balance	3,17,75,993	3,17,75,993
<b>(e) Surplus / (Deficit) in Profit and Loss Statement</b>		
Opening balance	27,52,39,691	27,88,25,413
Add: Profit / (Loss) for the year	1,34,29,343	1,64,14,278
Less : Transferred to Capital Redemption Reserve	2,00,00,000	2,00,00,000
Final Dividend on Eq. Share	90,83,182	—
Pre. Share Dividend @ 9%	18,00,000	—
Remeasurement benefit of defined benefit plan (net)	(49,359)	—
	<hr/>	<hr/>
<b>Closing balance</b>	<b>25,78,35,210</b>	<b>27,52,39,691</b>
	<hr/>	<hr/>
<b>Total (a+b+c+d+e)</b>	<b>42,52,29,192</b>	<b>42,26,33,673</b>

Note: In respect of the current year, the directors propose that a dividend of Rs.1 per share be paid on equity shares on or before 22.10.2022. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 16.09.2022. The total estimated equity dividend to be paid is Rs. 90.83 Lakhs.

Notes forming part of the financial statements (Contd.)

Particulars	As at	As at
	31 March, 2022	31 March 2021
	₹	₹
<b>Note 2.11 Long-term borrowings</b>		
Non-convertible Non-cumulative Redeemable 9% preference shares		
Nil (2,00,000) Non-convertible Non-cumulative Redeemable 9% preference shares of ₹100 each	—	2,00,00,000
<b>Secured</b>		
Working Capital Term Loans from Bank of India	3,61,36,392	2,95,00,000
<b>Total</b>	<b>3,61,36,392</b>	<b>4,95,00,000</b>

Other Note

- a) Non-convertible Non-cumulative Redeemable 9% preference shares of ₹100 each  
The reconciliation of number of shares outstanding and the amount of share capital as at March 31, 2022, March 31, 2022.

Class of shares / Name of shareholder	As at 31st March, 2022		As on 31.03.2021	
	Numbers of Shares	Amount	Numbers of Shares	Amount
No. of Shares at the beginning of the year	2,00,000	2,00,00,000	4,00,000	4,00,00,000
No. of Shares Issued (Redeemed) during the year /period	(2,00,000)	(2,00,00,000)	(2,00,000)	(2,00,00,000)
No. of Shares at the End of the year /period	—	—	2,00,000	2,00,00,000

Name of Shareholders	No of shares	% holding	No of shares	% holding
Western India Steel Company Private Limited	—	—	1,00,000	50.00%
Asian Fittings	—	—	1,00,000	50.00%
Total number of shares outstanding	—	—	2,00,000	100.00%

- b) In previous year, the company has only one class of Preference shares having at par value of Rs.100/- per share which is non-convertible and non-cumulative. The preference shares are entitled to a dividend of 9% and will be redeemable at par subject to the provision of the Companies Act, 2013 after the expiry of the sixth year but before the expiry of the twelfth year from the date of allotment of the shares by one or more installments at the option of the company by giving 3 month's notice.
- c) Working Capital Term Loan (Guaranteed Emergency Credit Line -GECL) are secured by hypothecation of stocks and book debts and collaterally secured by Hypothecation of Machinery and equitable mortgage of property situated at Kaniyur, Coimbatore and Thottanothu, Village Dindigul. The loan repayment will commence from Nov' 2023 for Working Capital Term Loan (Guaranteed Emergency Credit Line - GECL-2)
- d) There are no defaults in the repayment of interest during the year.



**Notes forming part of the financial statements (Contd.)**

Particulars	As at 31 March, 2022 ₹	As at 31 March 2021 ₹
<b>Note: 2.12 Deferred Tax Liability (net)</b>		
Deferred Tax Liability (Net)	2,75,29,372	2,57,19,483
Ref. Additional information note 2.33	<u>2,75,29,372</u>	<u>2,57,19,483</u>
<b>Note 2.13 Employee Benefit Obligation</b>		
Provision for employee benefits:		
(i) Provision for Earned Leave	4,75,469	5,03,773
(ii) Provision for Gratuity (net) (Refer Note 2.25.b)	57,84,767	57,46,275
<b>Total</b>	<u>62,60,236</u>	<u>62,50,048</u>
<b>Note 2.14 Short-term borrowings</b>		
Loans repayable on demand		
From banks		
Secured		
Export Packing Credit from Bank of India #	14,00,74,156	11,63,53,011
Demand Loan against Deposits@	70,00,000	—
<b>Total</b>	<u>14,70,74,156</u>	<u>11,63,53,011</u>
<b>From BANK OF INDIA:</b>		
# "From BANK OF INDIA:		
Working capital loans comprising of cash credit Export Packing Credit and other non fund based limits are secured by hypothecation of stocks and book debts and collaterally secured by Hypothecation of Machinery and equitable mortgage of property situate at Kaniyur Village Coimbatore and Thottanoothu Village, Dindigul.		
During the year the company has not defaulted in repayment of loan and interest.		
@ Demand Loan availed is secured by lien on Fixed Deposits with Bank of India.		
<b>Note 2.15 Trade and other payables</b>		
Current :		
Trade payables:		
Trade Payable to Micro enterprises and Small enterprises	1,83,33,713	68,83,657
Trade Payable to Creditor other than Micro Enterprises and small Enterprises	6,86,23,598	5,12,85,850
<b>Total</b>	<u>8,69,57,311</u>	<u>5,81,69,507</u>

Notes forming part of the financial statements (Contd.)

Particulars	As at				As at
	31 March, 2022				31 March 2021
	₹				₹
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,83,33,713	—	—	—	1,83,33,713
<i>Previous Year</i>	68,83,657	—	—	—	68,83,657
(ii) Others	6,86,23,598	—	—	—	6,86,23,598
<i>Previous Year</i>	5,79,86,114	1,83,393	—	—	5,81,69,507
(iii) Disputed dues – MSME	—	—	—	—	—
<i>Previous Year</i>	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—
<i>Previous Year</i>	—	—	—	—	—

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

1) Principal amount due to suppliers under MSMED Act, 2006*	1,83,33,713	68,83,657
2) Interest accrued and due to suppliers under MSMED Act, on the above amount	—	—
3) Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	—	—
4) Interest paid to suppliers under MSMED Act, ( other than Section 16 )	—	—
5) Interest paid to suppliers under MSMED Act, ( Section 16 )	—	—
6) Interest due and payable to suppliers under MSMED Act, for payment already made	—	—
7) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	—	—
<b>Total</b>	<b>1,83,33,713</b>	<b>68,83,657</b>

**Note 2.16 Other current liabilities**

(i) Unclaimed Dividend	80,14,658	84,23,942
(ii) Other dues payable		
(a) Statutory remittances	11,30,861	10,31,389
(b) Advances from customers	49,55,307	1,03,65,794
(c) Provision for Expenses	1,54,28,578	1,51,02,732
<b>Total</b>	<b>2,95,29,404</b>	<b>3,49,23,857</b>

**Note 2.17 Employee benefit obligation**

(i) Provision for Earned Leave	42,227	38,311
(ii) Provision for Gratuity (net) (Ref Note 2.25.b)	6,16,009	5,03,773
<b>Total</b>	<b>6,58,236</b>	<b>5,42,084</b>

**Notes forming part of the financial statements (Contd.)**

Particulars	For the year ended 31 March, 2022 ₹	For the year ended 31 March 2021 ₹
<b>2.18 Revenue from operations</b>		
(a) Sale of products (Refer Note (i) below)	65,16,66,195	49,62,88,315
	<b>65,16,66,195</b>	<b>49,62,88,315</b>
(b) Other operating revenues (Refer Note (iii) below)	1,13,29,809	1,51,69,213
	<b>66,29,96,004</b>	<b>51,14,57,528</b>
Notes.		
(i) Sale of products comprises:		
Manufactured goods		
SG Pipe Fittings	59,03,42,722	46,46,65,628
SS Fittings & Ball Valves	5,40,58,268	2,76,23,508
	<b>64,44,00,990</b>	<b>49,22,89,136</b>
# Sales includes (Export) cargo stock	2,38,49,775	59,97,126
<u>Traded goods</u>		
Water Pump	60,63,205	37,82,906
Roll Grooving machine and others	12,02,000	2,16,273
	72,65,205	39,99,179
<b>Total - Sale of products</b>	<b>65,16,66,195</b>	<b>49,62,88,315</b>
(ii) Geographical Revenue from:		
Domestic	21,29,95,667	15,73,95,427
Export	43,86,70,528	33,88,92,888
<b>Total</b>	<b>65,16,66,195</b>	<b>49,62,88,315</b>
(iii) Other operating revenues comprise:		
Scrap Sale	45,59,403	25,07,071
Duty drawback and other export incentives	67,70,406	1,26,62,142
<b>Total - Other operating revenues</b>	<b>1,13,29,809</b>	<b>1,51,69,213</b>

Notes forming part of the financial statements (Contd.)

Particulars	For the year ended 31 March, 2022 ₹	For the year ended 31 March 2021 ₹
<b>2.19 Other Income</b>		
(a) Interest income (Refer Note (i) below)	49,96,382	54,14,791
(b) Net gain on foreign currency transactions (other than considered as finance cost)	30,57,682	25,07,096
(c) Profit on sale of Investment	29,13,978	—
(d) Net gain on investments carried at FVTPL	14,90,529	18,19,221
(e) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	7,46,676	23,79,670
<b>Total</b>	<b>1,32,05,247</b>	<b>1,21,20,768</b>
Notes.		
(i) Interest income comprises:		
Interest from banks:		
On Fixed Deposits	46,83,371	51,14,853
Other interest	3,13,011	2,99,938
<b>Total - Interest income</b>	<b>49,96,382</b>	<b>54,14,791</b>
(ii) Other non-operating income comprises:		
Excise Rebate claim received	—	8,00,931
Dividend Income	67	—
Profit on sale of asset (net)	7,24,888	13,63,761
Sundry balance written back	21,721	1,65,056
Others	—	49,912
<b>Total Other non-operating income</b>	<b>7,46,676</b>	<b>23,79,660</b>
<b>2.20(a) Cost of Raw Material consumed</b>		
Opening stock	1,70,59,399	1,53,50,651
Add: Purchases	27,33,24,489	14,79,72,670
	29,03,83,888	16,33,23,321
Less: Closing stock	3,07,47,998	1,70,59,399
<b>Total</b>	<b>25,96,35,890</b>	<b>14,62,63,922</b>
Material consumed comprises:		
M S Scrap and other alloys	20,72,71,279	12,09,43,136
EPDM Rubber	2,81,26,088	1,49,43,714
SS Scrap & other alloys	2,42,38,523	1,03,77,072
<b>Total</b>	<b>25,96,35,890</b>	<b>14,62,63,922</b>

## Notes forming part of the financial statements (Contd.)

Particulars	For the year ended 31 March, 2022 ₹	For the year ended 31 March 2021 ₹
<b>2.20(b) Purchase of traded goods</b>	1,09,27,676	35,07,107
<b>Total</b>	<b>1,09,27,676</b>	<b>35,07,107</b>
<b>2.20(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Finished goods	—	—
Work-in-progress	8,58,68,938	7,37,05,145
Stock-in-trade	1,15,75,283	74,94,194
	9,74,44,221	8,11,99,339
Inventories at the beginning of the year:		
Finished goods	—	—
Work-in-progress	7,37,05,145	10,82,30,499
Stock-in-trade	74,94,194	68,20,641
	8,11,99,339	11,50,51,140
<b>Net (increase) / decrease</b>	<b>(1,62,44,882)</b>	<b>3,38,51,801</b>
<b>2.21 Employee benefits expense</b>		
Salaries and wages	7,85,52,590	6,49,60,099
Contributions to provident and other funds	44,35,805	43,73,389
Staff welfare expenses	91,62,391	67,57,851
<b>Total</b>	<b>9,21,50,786</b>	<b>7,60,91,339</b>
Salaries and Wages includes Salary paid to		
a) Key Management Personnel	49,44,350	39,28,000
b) Relatives of Key Management Personnel	1,10,000	1,17,000

Notes forming part of the financial statements (Contd.)

Particulars	For the year ended 31 March, 2022 ₹	For the year ended 31 March 2021 ₹
<b>2.22 Finance costs</b>		
(a) Interest expense on:		
(i) Packing Credit and Cash Credit	51,53,657	44,35,058
(ii) Bills discounted/ Realised/Overdue	3,46,314	1,63,291
(iii) Letters of Credit	—	5,10,457
(iv) Term Loan	24,26,242	20,45,470
(v) Others (Including Interest on Loan against Term Deposit Receipt)	5,95,246	3,18,666
(vi) Bank Charges	26,31,124	23,60,823
<b>Total</b>	<b>1,11,52,583</b>	<b>98,33,765</b>
<b>Note 2.23 Other Expenses</b>		
Consumption of stores and spare parts	11,99,77,212	8,22,11,670
Consumption of packing materials	1,06,85,402	87,71,712
Corporate Social Responsibility	4,29,620	13,02,051
Power and fuel	8,15,83,130	6,87,97,084
Rent	1,50,000	16,070
Repairs and maintenance - Buildings	5,22,316	6,18,551
- Machinery	78,78,744	67,58,898
- Computer	3,32,263	2,60,851
- Vehicle (Including Fuel)	32,70,904	27,25,938
- Others	47,18,446	30,33,284
Insurance - Export	14,03,704	14,95,334
- Product Liability	2,49,849	2,56,751
- Others	3,13,751	3,55,441
Directors sitting fees and Meeting expenses	2,45,000	4,47,500
Rates and taxes	19,45,841	11,32,736
Watch and Ward expenses	32,74,593	28,01,299
Communication	2,87,915	2,82,298
Travelling and conveyance	4,78,757	4,30,857
Printing and stationery	7,07,502	5,53,155
Postage and Telegram	1,22,732	56,013
Freight and forwarding	2,32,14,218	1,21,40,828
Sales commission	—	4,18,925
Loss on sale of License, short realisation and processing charges	10,68,271	3,15,021
Business promotion including advertisement	2,22,400	3,77,777
Legal and professional	25,84,665	37,95,442
Payments to auditors (Refer Note (i) below)	7,14,999	7,00,835
Payments to Internal auditors	2,40,000	2,40,000
Bad trade and other receivables, loans and advances written off	20,06,515	—
Product Development and Tool room expenses written off	17,21,995	16,51,704
Preliminary Expenses written off	8,77,588	8,77,588
Miscellaneous expenses	17,22,280	15,49,060
<b>Total</b>	<b>27,29,50,612</b>	<b>20,43,74,673</b>

## Notes forming part of the financial statements (Contd.)

Particulars	For the year ended 31 March, 2022 ₹	For the year ended 31 March 2021 ₹
Notes:		
<b>(i) Expenditure on Corporate Social Responsibility:</b>		
a. Gross amount required to be spent during the year		
(i) Opening Balance	18,62,914	31,64,965
(ii) for the year	—	—
Total	<b>18,62,914</b>	<b>31,64,965</b>
b. Amount spent during the year on:		
(i) Construction / acquisition of any asset	—	—
(ii) On purposes other than (i) above	4,29,620	13,02,051
Total	<b>4,29,620</b>	<b>13,02,051</b>
<b>The unspent amount has been deposited in the CSR Account</b>		
(ii) Payments to the auditors comprises (net of GST input credit):		
For statutory	4,50,000	4,50,000
For taxation matters	90,000	90,000
For company law matters	1,00,000	1,00,000
For other services	74,999	60,835
Reimbursement of expenses	74,999	60,835
Total	<b>7,14,999</b>	<b>7,00,835</b>

Notes forming part of the financial statements (Contd.)

Note 2. Additional information to the financial statements

Note	Particulars	As at 31 March 2022 ₹	As at 31 March, 2021 ₹
2.24	Contingent liabilities and commitments (to the extent not provided for)		
(i) (a)	Contingent liabilities		
	(a) Demand raised by Employees Insurance Corporation for claiming damages for the period 2004-2011. The company has preferred an appeal before ESI Court. However the company has paid 15% of the damages for Rs.27,025/- under protest	1,53,425/-	1,53,425/-
	(2) Other money for which the Company is contingently liable		
	a) Letter of Credit established by the Bankers and outstanding as on the date of the Balance Sheet	—	—
	b) Export bills discounted with Bankers as on the date of the Balance Sheet	26,86,330	66,28,405
(b)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for.	1,30,220	1,06,24,445

Note	Particulars	For the year ended 31 March 2022 ₹	For the year ended 31 March, 2021 ₹
(iii)	<b>Value of imports calculated on CIF basis</b>		
	Raw materials	—	—
	Components and Consumable	10,86,791	—
	Total Components and Spare Parts	10,86,791	—
(iv)	<b>Expenditure in foreign currency</b>		
	Professional and consultation fees	12,17,200	22,89,840
(v)	<b>Earnings in foreign currency</b>		
	Export of goods calculated on FOB basis	42,22,69,137	33,18,09,796



**Notes forming part of the financial statements (Contd.)**
**Note 2. Additional information to the financial statements**

Note	Particulars	For the year ended 31 March 2022	
(vi)	<b>Details of consumption of imported and indigenous items</b>		
	<b>Imported</b>	₹	%
	Raw materials	— (—)	— (—)
	Components and Consumable	2,49,994 (—)	100 (0)
	Total	2,49,994 (—)	100 (0)
	<b>Indigenous</b>		
	Raw materials	25,96,35,890 (14,62,63,922)	70.82 (68.09)
	Components and Consumable	10,69,80,698 (6,85,35,974)	29.18 (31.91)
	Total	36,66,16,588 (21,47,99,896)	100 (100)

Note: Figures / percentages in brackets relates to the previous year.

**2.25 Employee benefit plans**
**a Defined contribution plans**

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 18,83,604/- (year ended 31 March, 2021 Rs.17,95,646/-) towards Provident Fund contribution and Rs.16,19,693/- (Year ended 31 March, 2021 Rs.13,11,401/-) towards Employees State Insurance contribution in the Statement of Profit and Loss. The contributions payable are at the rates specified in the rules of the schemes.

**b Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Leave Encashment

**Notes forming part of the financial statements**

**Note 2. Disclosures under Accounting Standards (contd.)**

Note	Particulars
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The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Employee Profile</b>				
Age of Retirement	58	58	58	58
No. of Employees	58	55	51	48
Total monthly relevant salary for gratuity	7,29,643		6,28,129	
Total monthly relevant salary for leave		8,91,982		7,69,492
Total monthly Cost to Company (CTC) for leave		9,86,367		8,58,311
Average Age	45.80	45.30	46.00	45.50
Average past service	17.40	17.60	19.20	19.60
No. of Leave days (EL)		892.00		888.00
Estimated Average Future working life	8.90	9.20	8.80	9.10
<b>Actuarial assumptions</b>				
Discount rate as per para 83 of IND AS19	7.00%	7.00%	6.60%	6.60%
Rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Attrition rate fixed by Enterprise	4.00%	4.00%	4.00%	4.00%
FUNDING MECHANISM	partly funded	unfunded	partly funded	unfunded
<b>Expected Utilization Pattern of Carried Forward Leave Days</b>				
# Proportion of Leave availment	—	10.00%	—	10.00%
# Proportion of encashment during service	—	0.00%	—	0.00%
# Proportion of encashment on separation	—	90.00%	—	90.00%
<b>SUMMARY OF KEY RESULTS</b>				
PRESENT VALUE OF OBLIGATION (PVO)	64,19,399	5,17,696	62,68,671	5,42,084

The salary escalation considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Gratuity is applicable to all permanent and full time employees of the company.

Gratuity payment is based on last drawn basic salary and dearness allowance at the time of termination or retirement. The Scheme takes into account each completed year of service or part thereof in excess of six months. The entire contribution is borne by the company.

Leave encashment benefits are provided as per the rules of the Company. The liabilities on account of defined benefit obligations are expected to be contributed within the next financial year.

**Notes forming part of the financial statements**
**Note 2. Disclosures under Accounting Standards (contd.)**

Note	Particulars
------	-------------

**2.26) FAIR VALUE MEASUREMENTS**
**(i) Financial instruments by category**

(Rs. in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
<b>Measured at amortised cost</b>						
<b>Non-Current</b>						
a) Other financial assets - Non current	—	—	142.34	—	—	171.17
<b>Current</b>						
b) Trade receivables	—	—	479.88	—	—	415.16
c) Cash and Bank balances	—	—	1,037.52	—	—	1,108.55
d) Other financial assets -Current	—	—	261.26	—	—	393.26
<b>Total</b>	—	—	<b>1,921.00</b>	—	—	<b>2,088.14</b>
<b>Financial liabilities</b>						
<b>Non-Current Financial Liabilities</b>						
a) Long-term borrowings	—	—	361.36	—	—	295.00
b) Other financial liabilities - Non Current	—	—	62.60	—	—	62.50
<b>Financial liabilities</b>						
a) Short-term Borrowings	—	—	1,470.74	—	—	1,163.53
b) Trade and other Payables	—	—	869.57	—	—	650.53
c) Other financial liabilities	—	—	301.88	—	—	354.66
<b>Total</b>	—	—	<b>3,066.16</b>	—	—	<b>2,526.22</b>
<b>Financial assets</b>	—	—	<b>1,921.00</b>	—	—	<b>2,088.14</b>
<b>Financial liabilities</b>	—	—	<b>3,066.16</b>	—	—	<b>2,526.22</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk

**ii. Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

**Notes forming part of the financial statements**

**Note 2. Disclosures under Accounting Standards (contd.)**

Note	Particulars
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Assets and Liabilities measured at fair value - recurring fair value measurement

Particulars	March 31, 2022				March 31, 2021			
	Fair value measurement using			Total	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Financial Assets Fair Value Through Profit and Loss</b>								
Investment in Equity Instruments	2.85	—	60.75	63.59	1.65	—	33.90	35.54
Investment in Balanced Fund	138.05	—	—	138.05	95.26	—	—	95.26
	<b>140.89</b>	<b>—</b>	<b>60.75</b>	<b>201.64</b>	<b>96.91</b>	<b>—</b>	<b>33.90</b>	<b>130.80</b>

**There have been no transfers among Level 1, Level 2 and Level 3 during the period**

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**iii. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments and unquoted bonds is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

**Notes forming part of the financial statements**
**Note 2. Disclosures under Accounting Standards (contd.)**

Note	Particulars
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**iv. Valuation processes**

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.

**2.27 FINANCIAL RISK MANAGEMENT OBJECTIVES**

The Company's activity exposes itself to variety of financial risk which includes market risk, credit risk, liquidity risk, interest rate risk and price risk. The Company monitors and manages the above financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks. The primary focus is to identify risks and take steps for mitigation of risk or to minimise the potential adverse effects on the financial performance of the Company. The Company does not enter into any derivative financial instruments to hedge risk exposures.

**A) Foreign Currency Risk**

The Company undertakes transactions denominated in foreign currencies and consequently has exposure to exchange rate fluctuations. The company operates internationally and a major portion of the international sales transaction are in USD, purchases from overseas suppliers are in USD.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and standard operating procedures to mitigate the risks.

These exchange rate exposures are not hedged by the Company. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:-

Particulars	Amount in foreign currency		Equivalent INR (In Lakhs)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade Receivable - IN USD	3,52,694	1,79,019	2,64,49,687	1,32,82,973

**Foreign currency sensitivity analysis**

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivable - IN USD	3,52,694	1,79,019
Impact on profit : 5 % increase in currency rate	13,22,484	6,64,149
Impact on profit : 5 % decrease in currency rate	(13,22,484)	(6,64,149)

**Notes forming part of the financial statements**

**Note 2. Disclosures under Accounting Standards (contd.)**

Note	Particulars
------	-------------

**B) Interest rate risk**

The Company's main interest rate risk arises from long-term and short-term borrowings are Fixed rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain adequate Fixed Deposit with banks to mitigate Interest rate risk Interest rate sensitivity analysis

**Interest rate sensitivity analysis**

(Rs. In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits in Banks	854.78	871.53
Fixed rate borrowings	1,832.11	1,458.53
Net Borrowings	977.32	587.00
Impact on profit :increase of 25 basis points	(2.44)	(1.47)
Impact on profit : decrease of 25 basis points	2.44	1.47

**C) Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**D) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company's principal source of liquidity is from cash and cash equivalent and working Capital borrowings. The company believes that the working capital through internal accruals is sufficient to meet its current requirements and hence the Company does not perceive any such risk.

**F) Credit risk**

Credit risk arises from the risk of default on its obligation by the counterparty resulting in financial loss, such as cash and cash equivalents and outstanding receivables.

Credit risk on cash and cash equivalents is considered negligible as the company generally invests in fixed deposits with reputable banks. They are not impaired or past due for each of the reporting dates.

Credit risk on outstanding receivables is the exposure to billed receivable and are normally unsecured and derived from revenue earned from customer mostly from Outside India. Credit risk is managed by the company through credit approvals and continuously monitoring the credit worthiness of the customer to which the company grants credit in the normal course of business. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The Company does not have any significant credit risk exposure to any single counterparty.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

## Notes forming part of the financial statements

### Note 2. Disclosures under Accounting Standards (contd.)

Note	Particulars
------	-------------

#### 2.28 CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company maintain or adjust the capital structure by dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2022	March 31, 2021
Borrowings	18,32,10,548	16,58,53,011
Trade Payables	8,69,57,311	6,50,53,164
Other Financial Liabilities	3,64,47,876	4,17,15,989
Less: Cash and Cash Equivalents	(10,37,51,694)	(11,08,55,388)
<b>Net Debt (A)</b>	<b>20,28,64,041</b>	<b>16,17,66,777</b>
Equity Share Capital	9,08,31,820	9,08,31,820
Other Equity	42,52,29,192	42,26,33,673
<b>Total Capital (B)</b>	<b>51,60,61,012</b>	<b>51,34,65,493</b>
<b>Capital and Net Debt (C=A+B)</b>	<b>71,89,25,053</b>	<b>67,52,32,269</b>
<b>Gearing Ratio (A/C)</b>	<b>28.22%</b>	<b>23.96%</b>

#### 2.29a. Segment information

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2022		
	Business segments		Total
	A	B	
	Outside India	Within India	₹
Revenue	4,454.41 (3,515.55)	2,175.55 (1,599.02)	6,629.96 (5,114.58)
Total	4,454.41 (3,515.55)	2,175.55 (1,599.02)	6,629.96 (5,114.58)
Segment result	248.87 (300.43)	212.88 (198.55)	461.76 (498.99)
Unallocable expenses (net)			426.54 (385.24)
Other income (net)			132.05 (121.21)

Notes forming part of the financial statements

Note 2. Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2022		
		Business segments		Total
		A	B	
		Outside India	Within India	₹
	Profit before taxes			167.27 (234.95)
	Tax expense			32.97 (70.81)
	Net profit for the year			134.29 (164.14)

2.29 b. The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographic Segment	Revenues For the year ended 31.03.2022 ₹
India	2,129.96 (1,573.95)
Others (Middle East)	4,386.71 (3,388.93)

Note : Figures in brackets related to the previous year.

2.30 Disclosure of Ratios

Sl. No.	Ratio	Numerator	Denominator	As on 31.03.2022			As on 31.03.2021			% Variance	Remarks
				Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
1	Current Ratio	Current Assets	Current Liabilities	33,25,77,218	26,42,19,107	1.26	31,32,70,666	21,68,72,117	1.44	-12.86%	
2	Debt-Equity Ratio	Long Term Debts	Shareholder's Equity	3,61,36,392	9,08,31,820	0.40	4,95,00,000	9,08,31,820	0.54	-27.00%	Redemption of Preference Shares during the year
3	Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	5,67,81,169	2,45,16,191	2.32	5,94,89,454	1,76,52,156	3.37	-31.28%	Redemption of Preference Shares during the year
4	Return On Equity Ratio	Net Profits After Taxes - Preference Dividend*	Average Shareholder's Equity	1,16,29,343	9,08,31,820	12.80%	1,64,14,278	9,08,31,820	18.07%	-29.15%	Reduction in Profits and No dividend is paid to preference share holders in Previous year
5	Inventory Turnover Ratio	Turnover	Average Inventory	66,29,96,004	13,81,42,796	4.80	51,14,57,528	13,73,56,604	3.72	28.89%	Increase in Turnover and no changes in Inventory
6	Trade Receivables turnover ratio	Turnover	Average Trade Debtors	66,29,96,004	4,47,51,862	14.81	51,14,57,528	3,78,33,399	13.52	9.59%	



**Notes forming part of the financial statements**
**Note 2. Disclosures under Accounting Standards (contd.)**

Sl. No.	Ratio	Numerator	Denominator	As on 31.03.2022			As on 31.03.2021			% Variance	Remarks	
				Numerator	Denominator	Ratio	Numerator	Denominator	Ratio			
7	Trade payables turnover ratio	Total Purchases	Average Trade Creditors	27,33,24,489	7,60,05,238	3.60	14,79,72,670	6,43,73,665	2.30	56.45%	Increase in purchase cost due to increase in prices as compared to previous year	
8	Net capital turnover ratio	Turnover	Working Capital	66,29,96,004	6,83,58,111	9.70	51,14,57,528	9,63,98,550	5.31	82.80%	Increase in Turnover and increase in Working capital loan resulting in variance for the year	
9	Net profit ratio	Net Profits After Taxes	Turnover	1,34,78,702	66,29,96,004	2.03%	1,64,14,278	51,14,57,528	3.21%	-36.65%	Increase in Turnover and Decrease in profit is due to increase in raw material cost and power cost, not much increase in selling price of the products.	
10	Return on Capital employed	Net Profits before Interest and Taxes	Capital Employed	2,78,79,137	55,21,97,404	5.05%	3,33,28,708	56,29,65,493	5.92%	-14.72%		
11	Return on investment	Income generated from Investments	Time weighted average investments	Not Applicable								

**2.31 Related party transactions**
**Description of relationship**

Enterprises in which Directors have significant influence

**Key Management Personnel**
**Names of related parties**

M/s Haitima (India) Private Limited

Executive Directors

Mr. A V Palaniswamy, Managing Director

Mr. Jayaram Govindarajan, Whole Time Director

Mrs. Panath Anitha, Executive Director

Non-Executive Independent Directors

Mr. R Alagar

Mr. Chenniappan Selvakumar

Mr. Arunaraj Dhananjayan

Executive Officers

Mr. S. Aravinthan, Company Secretary

Mr. J Saravanan, Chief Financial Officer

Notes forming part of the financial statements

Note 2. Disclosures under Accounting Standards (contd.)

Note	Particulars
	Relatives of Key Management Personnel Mrs Kumudha Palaniswamy (wife of Mr A V Palaniswamy)

Note: Related parties as identified by the Management.

Details of related party transactions during the year ended 31 March, 2022 and balances outstanding as at 31 March, 2022

₹ in lakhs

	KMP / Director	Relatives of KMP	Others	Total
<b>Purchase</b>			13.33 (—)	13.33 (—)
<b>Expenses</b>				
Remuneration	59.04 (56.83)	1.10 (1.17)	— (—)	60.14 (58.00)
Director Sitting Fees	2.45 (4.48)	— (—)	— (—)	2.45 (4.48)
Other Expenses	— (0.05)	— (—)	1.50 (—)	1.50 (0.05)
<b>Outstanding at end of the year</b>				
Payable	— (—)	— (—)	1.26 (—)	1.26 (—)
Advances & Receivable	— (—)	— (—)	— (2.45)	— (2.45)

Note : Figures in bracket relates to the previous year.

Note	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
2.32	<b>Earning per share</b>		
	Net profit / (loss) for the year from continuing operations (₹ In lakhs)	134.79	164.14
	Net Profit / (Loss) attributable to Equity Shareholders	134.79	164.14
	Weighted average number of equity shares	90,83,182	90,83,182
	Par value per share	10	10
	Basic and diluted earnings per share in Rupees	1.48	1.81

**Notes forming part of the financial statements**
**Note 2. Disclosures under Accounting Standards (contd.)**

Note	Particulars
<b>2.33</b>	<b>Deferred Taxation :</b> <span style="float: right;">(₹ in lakhs)</span>

	Opening Balance as on 01.04.2021 ₹	Changes/ (credit) in P&L during the year ₹	As at 31.03.2022
<b>Deferred tax Liability on account of</b>			
Fixed Assets	888.60	15.13	903.73
<b>Total</b>	<b>888.60</b>	<b>15.13</b>	<b>903.73</b>
<b>Deferred Tax Asset on Account of</b>			
Gratuity	5.24	0.39	5.63
Leave Encashment & Bonus	3.95	(3.36)	0.59
Unabsorbed Depreciation and business loss	622.22	—	622.22
<b>Total</b>	<b>631.41</b>	<b>(2.97)</b>	<b>628.44</b>
<b>Net Deferred Tax Liability (Asset)</b>	<b>257.19</b>	<b>18.10</b>	<b>275.29</b>

In accordance with IND AS 12, the deferred tax Asset of Rs. 18.10 lacs for the year have been recognised in Profit and Loss statement.

**2.34 Trade Receivables**

The Trade Receivables includes Rs.6.58 lakhs outstanding for more than two years from a party and company has filed case before District Court, Coimbatore against the defaulted party and outcome of case is pending, therefore no provision is made during the year.

**2.35 COVID-19**

The Company has considered the possible effects that may arise out of COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID-19 pandemic on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.36. Previous year figures are re grouped wherever necessary.

**National Fittings Limited**

SF No.112, Madhapur Road, Kaniyur,  
Sulur Taluk, Karumathampatti Via - 641 659 Coimbatore District