



ATAM VALVES LIMITED

(FORMERLY ATAM VALVES PVT. LTD.)

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ATAM/SE/2022-23/34

To,

The Secretary, Listing Department,
Bombay Stock Exchange Limited (SME),
P.J. Towers, Dalal Street,
Mumbai – 400 001

Sub : - Management Discussion and Review on Unaudited Financial Results for the Half year ended on 30th September, 2022.

Ref : - ISIN : - INE09KD01013

Scrip Code : - 543236

BSE Symbol : - ATAM

Respected Sir/ Madam,

Please find enclosed herewith the Management Discussion and Review on Unaudited Financial Results for the Half year ended on 30th September, 2022.

This discussion is being submitted in compliance with the Regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time.

Thanking You,
Yours Sincerely,
For **Atam Valves Limited**


Amit Jain
(Managing Director)



Encl: as above

Management Discussion and Review – Atam Valves Limited (BSE: 543236)

Atam is one of the **leading manufacturers** of Industrial & Plumbing Valves and Fittings, known for **innovation and product quality**. The company has always been a leader in its product segment in the industry and will continue to lead with new products driven by innovation and technology.

The company has earmarked a **market cap of Rs. 100 Crores** during the last quarter and currently trading at a market cap of **~Rs. 142 crores**. We are proud to announce that **Institutional Investors** have also started showing interest in the company. We welcome first institutional investment in our company about a month back. We will thrive to add value to our business through innovations and robust growth.

The financial performance snapshot of the company is as follows:

We are excited to start the new fiscal with lot of new energy and ideas. As a Good corporate governance initiative, we have chosen to declare quarterly results.

| Particulars (Figs. In INR Lakhs except EPS) | Q2 FY 22-23 | Q1 FY 22-23 | FY 21-22 (Annual) |
|---|-------------|-------------|-------------------|
| Revenue | 1,100.72 | 744.13 | 2,042.28 |
| EBITDA | 226.73 | 137.67 | 323.48 |
| Profit Before Tax | 201.50 | 112.42 | 200.41 |
| Profit after Tax | 154.42 | 81.16 | 145.15 |
| EPS | 3.67 | 1.97 | 3.52 |

Q2 FY 22-23 Performance Highlights:

- Total Income of Rs. 1,100.72 lakhs showing the **growth of 48%** in comparison with Q1 FY 21-22.
- EBITDA of Rs. 226.73 lakhs, indicating **growth of 65%** in comparison with Q1 FY 21-22.
- PBT of Rs. 201.50 lakhs, indicating **growth of 79%** in comparison with Q1 FY 21-22.
- PAT of Rs. 154.42 lakhs, indicating **growth of 90%** in comparison with Q1 FY 21-22.
- PAT margin and EBITDA margin for Q2 FY23 is **14.0%** and **20.6%** respectively.

The above outstanding performance shows that company is on a robust growth path. During last FY21-22, the company has declared a **dividend** of Rs. 2 for every shareholder. The company has also made a **Dividend Distribution Policy** wherein 15% of the net profit shall be available for distribution as dividend to equity shareholders of the company annually.

The company has raised the capital through issuance of **convertible warrants** in May 2022, the conversion of the same has been happened in September 2022. During this year the company has also passed a resolution for giving **1:1 bonus** to its shareholders. The record date for the same is 24 October, 2022.

Q2 FY 22-23 Operational Highlights:

1. The company has shown a **tremendous growth** in Q2 FY22-23 which we expect to grow exponentially in coming period as well.
2. During last quarter we have announced that the management is considering to penetrate in new businesses in allied industry and is exploring opportunities of **Expansion or Acquisition**. We would like to update our stakeholders that we are in advanced stage of setting a new business in Bathroom Fittings.
3. The growth in overall financial numbers is also accompanied with the fact that company has added few esteemed clients in the previous quarter. Some of the long serving prominent clients includes Adani, HP, BHEL, Indian Oil, Essar etc.
4. The company has maintained a valuable relationship and trust with all the clients.

Update on New Business:

The company is in advanced stage of setting a new business in **Bathroom Fittings** segment. The company see lot of synergies in their existing business and new business. The strategic intent is to create new or increased revenue streams, broaden the customer base of the company and diversified market share. We see a rapid growth in this segment due to the following factors:

- India is the 2nd largest population in the world
- Increasing level of income and growing spending rate
- Rapid urbanization, strongly supported by the government

As per IMARC report, this industry is expected to reach US \$ 12,000 million by 2027 exhibiting a CAGR of 8.40% during 2022-2027

Commenting on the performance, Mr. Amit Jain, Managing Director, said:

I am delighted to announce the 2nd quarter performance of Atam Valves Limited. The business has shown a tremendous growth in revenue and profitability margins backed by strong customer base, strong order book and our zeal to expand exponentially. We have always think of growing organically and strategically but at the same time the company is also exploring the opportunities through acquisition. The team at Atam Valves has developed a strategic growth plan to come up with a new product and developing a market strategy to target a new audience. We are working hard on the following initiatives:

- Adding new locations
- Investing in customer acquisitions
- Product line expansions

We are focused on incorporating ideas and initiatives keeping in mind the target of growth to be achieved and we are confident enough that FY 22-23 will be a remarkable year in the history of Company. We have already started working on new business segments with no compromise with on our existing business.

We have been fortunate enough to be backed by a team of very motivated and dedicated individuals who know their job and are result oriented. They are the heart and soul of this organization, and it is in their display of passion and grit through their work that allows me to be confident of a brighter future for company. We are confident that our business will continue to surpass benchmarks and achieve new milestones while making headways in newer opportunities.

Atam Valves at a Glance:

Headquartered in Jalandhar, Atam Valves Limited, established in 1985, specializes in a variety of Industrial & Plumbing Valves and Fittings, known for innovation and product quality. The advantage of advanced engineering capabilities and innovation has facilitated ATAM Valves to continuously expand offering of Industrial Valves and Fittings.

Today, ATAM make Gate, Globe, Check, Ball, Butterfly, Steam Traps, Boiler Mountings & Accessories and other Industrial Valves and Fittings are installed throughout the globe, to handle varied applications in steam, oil and gas, refining and petrochemicals, chemicals and pharmaceutical, marine, mining, water & wastewater, textile, sugar and HVAC industries. ATAM valves are engineered to handle service conditions at -192°C to 550°C and pressure up to 10000psi. With a work force of more than 500 professionals and wide range of machining and testing facility, organization can efficiently handle large production lots to highly customized orders. Manufacturing facilities are further complemented by a large sales and distribution network, offering quick access to our warehouses located across the India and other parts of the world.

Safe Harbour:

This release may contain certain statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to ATAM’ future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. ATAM undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.