



sealmatic®



14th Annual Report For The Year 2022-2023

Sealmatic India Ltd.

MECHANICAL SEALS FOR

Oil & Gas | Refinery | Petrochemical | Chemical | Power
Fertiliser | Pharmaceutical | Paper | Aerospace | Marine

sealmaticindia.com



Table of Contents

CONTENT	PAGE NO.
About this report	2
Decade at a glance	3-4
Accolades that inspire us to aspire for more	5
Glimpse of our products	6-8
Foreword of Managing Director	9-10
Board of Directors	11
Corporate Information	12
Notice of annual general meeting with Annexure and explanatory statement	13-24
Board's Report along with Annexures	25-36
Annexure – I – Management Discussion & Analysis Report	37-43
Annexure – II – Statement of Disclosure of Remuneration	44
Annexure – III – Secretarial audit report	45-48
Annexure – IV – Conservation of energy, etc.	49
Annexure – V – Annual report on Corporate Social Responsibility ("CSR") Activities	50-52
Independent Auditor's Report with Annexures	53-63
Balance Sheet	64-65
Statement of Profit & Loss account	66
Cash Flow Statement	67-68
Notes to Financial Statements	69-96





About this Report

Sealmatic India Limited (formerly known as Sealmatic India Pvt. Ltd.) (hereinafter referred to as "Sealmatic", "SIL" or "the Company") is pleased to present its 14th Annual Report for the Financial Year 2022-23 (hereinafter referred to as "during the year under review/review period"). This Report intends to serve as concise and all-inclusive communication about the Company's financial and non-financial achievements, governance, performance and prospects.

Reporting Principle

The Company was converted into a Public Limited Company with effect from 3rd November, 2022. However, the provisions of Rule 6 of the Companies (Meetings of Board & Its Powers) Rules, 2014 ("Meetings of Board Rules 2014") were not applicable to the Company and therefore, the provisions of relevant sections of the Companies Act, 2013 ('the Act') as amended from time to time and the relevant Rules of the Meetings of Board Rules 2014 as amended from time to time specially regarding Audit Committee, Vigil Mechanism, Nomination and Remuneration Committee and the Stakeholders Relationship Committee were not applicable to the Company on its conversion from private limited company to public limited company. Equity shares of the Company were listed on the SME Platform of Bombay Stock Exchange on 1st March, 2023 and the Company attained the status as a Listed Company from 1st March, 2023. On attaining the status of a Listed Company, the provisions of relevant sections of the Act as amended from time to time and the relevant Rules of the Meetings of Board Rules 2014 as amended from time to time specially regarding Audit Committee, Vigil Mechanism, Nomination and Remuneration Committee and the Stakeholders Relationship Committee and the Securities of Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 "(LODR, 2015") became applicable to Company with effect from 1st March, 2023. The readers of this Report are requested to keep the aforesaid facts in mind while reading this Report.

The financial information presented in this report complies with financial and statutory data requirements of the Act (including the Rules made thereunder) as amended from time to time, Indian Generally Accepted Accounting Principles ("GAAP") as amended from time to time and the applicable Regulations of LODR 2015, as amended from time to time.

Reporting Scope and Boundary

The Information provided in this report pertains to the Company.

Approach To Materiality

The report covers material issues which have been identified basis stakeholder engagements, their impact on value-creation process and the Company's approach to address them with a measurable target. This facilitates stakeholders in making informed decisions with regard to their engagement with the Company.

Audit

The financial statements presented in this Report have been audited by M/s R R Shah & Associates, Chartered Accountants, Mumbai.

Decade at a Glance

(Amount in Rs. lacs)

Particulars	IGAAP									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenue from Operations	5854.05	4238.21	3523.39	3308.17	2623.97	1974.12	1283.62	1291.39	992.56	931.70
Other Income	107.42	25.17	15.59	49.74	28.23	44.70	14.67	12.32	2.23	4.45
Total Income	5961.47	4263.38	3538.98	3357.91	2652.20	2018.82	1298.29	1303.71	994.79	936.15
Material Cost	2260.66	1530.74	1351.08	1394.84	962.89	815.71	518.22	543.08	323.68	312.68
Other Expenses	2076.00	1514.39	1154.25	1143.48	910.04	772.99	610.41	610.11	484.15	461.77
Interest	23.69	9.14	14.21	12.23	14.02	35.88	35.83	20.37	7.74	4.03
Depreciation	120.83	85.43	150.45	135.90	120.30	73.68	78.42	75.95	82.63	43.33
Total Expenses	4481.18	3139.70	2669.99	2686.45	2007.25	1698.26	1242.88	1249.52	898.19	821.81
Profit before Tax	1480.29	1123.68	869.00	671.46	644.95	320.56	55.41	54.19	96.60	114.33
Income Tax Provision	382.18	288.30	223.82	173.85	178.29	89.71	18.05	21.67	27.37	39.25
Net Profit after Tax	1098.11	835.38	645.18	497.61	466.66	230.85	37.36	32.52	69.23	75.08
EBIDTA	1624.81	1218.25	1033.66	819.59	779.27	430.12	169.66	150.51	186.97	161.69
Share Capital	905.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Reserves & Surpluses	6985.18	2988.70	2153.33	1508.15	1010.54	543.88	313.02	275.66	243.14	174.38
Net Worth	7890.18	3008.70	2173.33	1528.15	1030.54	563.88	333.02	295.66	263.14	194.38
Imports	1202.90	848.07	557.24	519.51	595.65	349.40	195.44	275.97	135.95	141.63
Exports	3448.50	3165.90	2369.66	2159.44	1868.85	1527.81	1004.35	931.85	678.27	773.95
Basic Earnings per share (Rs.)** (Face Value Rs.10/-)	14.93	11.60	322.59	248.81	233.33	115.43	18.68	16.26	34.62	37.54
Dividend %***	11.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Book Value per share*	87.18	1504.35	1,086.67	764.08	515.27	281.94	166.51	147.83	131.57	97.19

Notes :

Previous figures have been regrouped to make them comparable

* Indian Generally Accepted Accounting Principles

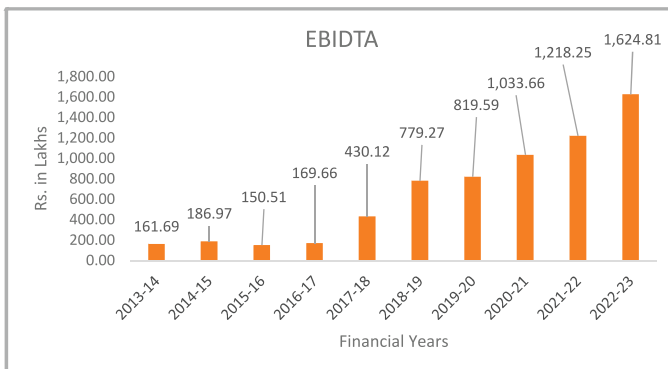
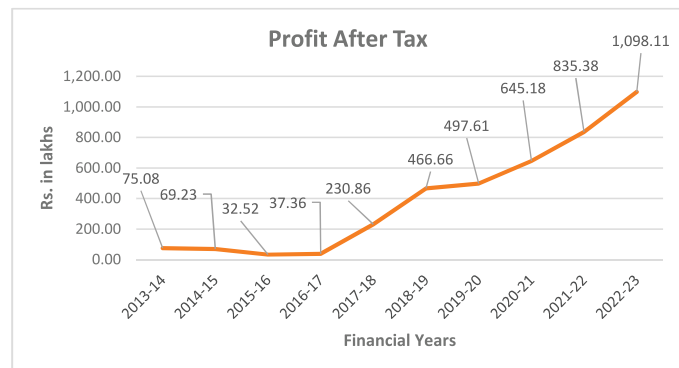
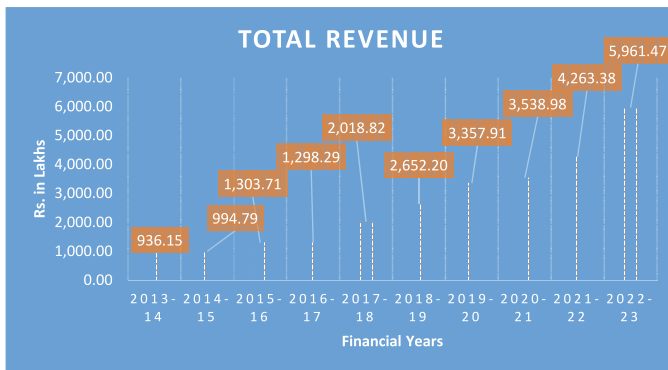
** EPS for the financial year 2021-22 has been readjusted in terms Accounting Standard (AS) 20 due to the issuance of further equity Shares in financial year 2022-23.

*** The Book Value per share for the earlier years were based on the number of Equity Shares issued, subscribed and paid up and outstanding as on the last day of the respective financial years. During the year under review, 70 lacs Equity Shares were issued as Bonus Shares and 18.50 Lakhs Equity Shares were issued, subscribed and paid up. Hence, the Book Value per share is Rs.87.18 as on 31.03.2023

** Final Dividend recommended

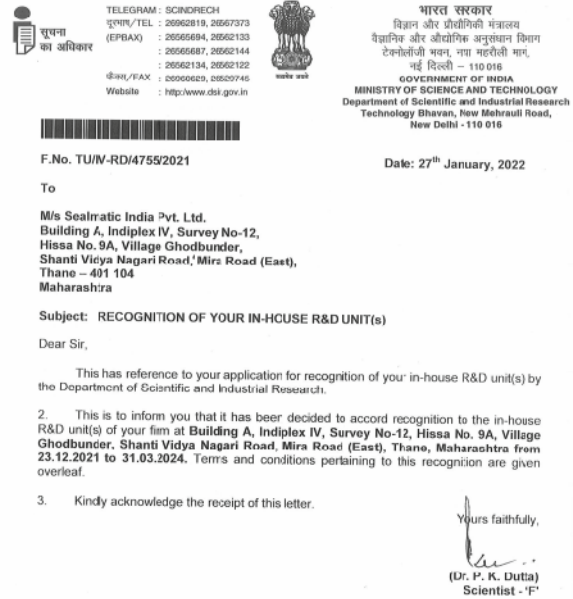


Decade at a Glance (Contd..)





Accolades that inspire us to aspire for more





Glimpse of Our Products

Engineering Seals for Demanding Applications



BR



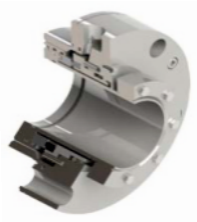
PR- D Dual Seal



PR – Single Seal



SBF-(V)-D



SBF – SBP



SBPV-SBFV

Mechanical Seals For Agitators, Mixers, Kneaders & Reactors



BSH-D



BSHLU-D



MXS



U164



U184



UR-D

Glimpse of Our Products

Standard Cartridge Seal



CTX ANSI Dual Seals



CTX ANSI



CTX API



ETX



MTX



UTX



VTX Single Seals

Supply System and Components



BFS 53B



BFS1016



BFS2000



BFS6000



HE



HEK



MS



PBS2000



Gas Lubricated Seals for Pumps and Agitators



CTX-GSDN



GSAZ



GSPH-K



SPX

Split Seals



ADKS



BGH201 Single Seals



UG100



UG943

Standard Mechanical Seals for Pumps & Compressors



B100 - B800



B700N



B -740D



BJ920N



BRN



U700N

Foreword of the Managing Director

Dear Shareholders,

It gives me tremendous pleasure to present to you our Annual Report for the Financial Year March 31st 2023. In many ways the year 2022 - 2023 was special for all of us in the history of Sealmatic. In the last quarter of the financial year 2022 - 2023, Sealmatic achieved an important milestone. On March 01st 2023, Sealmatic shares were listed on the Bombay Stock Exchange (SME Platform). The IPO was oversubscribed by 16.6 times. This historic milestone could be achieved only because of the strong foundation laid by our dedicated employees with their persistence and commitment. I am sure we will continue this legacy of delivering value to all the stakeholders over many more years to come.

Sealmatic succeeded in increasing its turnover by around 40% to INR 596.17 million. This shows that the demand for Sealmatic products is very strong and is being driven by the developed markets in Europe, North America and India.

It was also particularly pleasing that our international business not only developed well in times of limited travel opportunities but also delivered a very satisfactory contribution to our profits.

The year 2023 - 2024 will mark the beginning of a decade of technological transformation. Sealmatic will play an active formative role in shaping this within the sealing technology, supported by the recognition and certification from the Ministry of Science & Technology coupled with a host of other valuable certifications and qualifications by international bodies.

In 2022 - 2023, we developed our long-term strategy for the next five years under the title "Sealmatic Beyond 2028." As our focus remains exclusively on sealing technology, we will not only remain committed to our industry but we are also prepared to assume even greater responsibility for the development of highly engineered sealing technology. With our focus on people and sustainability as a core value, we look beyond the boundaries of the Company and will solve the challenges of

sealing technology together with our customers.

We have been successful in meeting the market demand by continuous investments in our plants, new product launches, research & development and infrastructure. Our Kaman factory expansion (16 kms north of the existing plant in Mira Road) is on track and by the end of





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Annual Report 2022-2023

2023, it shall be fully functional, thus adding 60% capacity to the current infrastructure. To support our research towards new product development, we are investing in state-of-the-art equipment to develop products such as Dry Gas Seals, Metal Bellows Seals and host of other exciting products.

We shall expand our footprints in Southern and Eastern markets in India. We are in the process of setting up sales and service centers in Chennai and Kolkata. Further, investment is on the drawing board to engage more deeply in markets such as Europe, USA, Middle East and South America.

Sealmatic is the only indigenous mechanical seal manufacturer which has been qualified by BHEL for the 210, 500, 660 MW thermal power plants for critical equipment such as boiler feed, booster and condensate extraction pumps.

In addition to the above our company is also the only mechanical seal company globally which has the certification from API for the prestigious Q1 qualification. Further the company is proud to announce that Sealmatic would be the second company in India who has been qualified for the Nuclear Certification – ISO 19443, thus paving way for getting business in the high-end mechanical seals for nuclear power plants in India. In addition, our company is ATEX - 2014/34/EU, DSIR, ISO 9000, 14000, 45000 & PED 97/23/EC QA-System, FDA, GMP, RoHS, REACH Certified Company.

Our company is an OE supplier to KSB, KEPL, Andritz, KBL, RuhrPumpen, Wilo, SPX, Seepex, DÜCHTING, ITT (USA), BHEL, IDEX, Egger, PMSL, MSL, Xylem, Metso, Sundyne and many other renowned OEMS globally.

Our products find wide acceptance with Fortune 500 companies such as IOCL, RIL, BPCL, HPCL, GAIL, NTPC, ONGC and many more end users.



The year 2023 commenced on a buoyant note with a healthy order booking on hand. A robust strategy for 2023 - 2024 has been put in place, resulting in high engineered mechanical seals for FGD, BFP, API 682 and other critical applications.

We made solid progress towards awareness and behaviours around diversity, equity and inclusion with many of our managers completing our comprehensive Inclusive Leadership Training Programme held in the last quarter of 2022.

We have undertaken various CSR initiatives for development of society, including education, healthcare, destitute care, women empowerment etc. We are committed to improving the recruitment of female employees and the proportion of under represented position in senior management. In 2022 - 2023, female employee recruitment was considerable.

Particularly in times of major change, the backbone of a business is its employees, shareholders and customers. We would like to thank all these people for their loyalty and trust in Sealmatic.

Board of Directors



MR. UMAR A K BALWA
Managing Director



MR. MOHD. HANIF S CHAUDHARY
Whole Time Director



MS. SANIA U. BALWA
Non Executive Woman Director



MR. DEEPAK A GHANGURDE
Non Executive – Independent Director



MR. AJOY BALKRISHNA
Non Executive – Independent Director



Corporate Information

Registered Office	4 th floor, Techniplex – I, Techniplex Complex, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai 400104
Chief Financial Officer	Mr. Ratan B. Kandare
Company Secretary & Compliance Officer	Ms. Neha Chedda
Works	Bldg. A, Indiplex IV, Village Ghodbunder, Shanti Vidya Nagri Road, Mira Road (E), Thane - 401107, India
Communication	Tel. No.: 022-50502700 e-mail : compliance@seamaticindia.com
Statutory Auditors	M/s R R Shah & Associates, Chartered Accountants, Mumbai
Secretarial Auditors	M/s. Pitroda Nayan & Co., Practising Company Secretaries, Ahmedabad
Registrar And Transfer Agent	Kfin Technologies Ltd. Selenium Tower, B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032, Telegana State Tel. No. : +91 40 67162222 E-mail : einward.ris@kfintech.com
Bankers To The Company	Axis Bank Ltd. State Bank of India Canara Bank Small Industries Development Bank of India
Annual General Meeting	Date : 21.08.2023 Day : Monday Time : 2:00 p.m. Mode : Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)

Notice

NOTICE is hereby given that the 14th Annual General Meeting ("AGM") of the members of Sealmatic India Limited will be held on Monday, 21st August, 2023 at 2:00 p.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2023, together with the Reports of the Board and the Auditors thereon;
2. To declare final dividend of Rs. 1.10 per Equity Shares of the Company for the Financial Year 31st March, 2023.

SPECIAL BUSINESS:

3. To appoint Ms. Sania Umar Balwa as Non-Executive Director Non-Independent Woman Director.

To Consider and if thought fit, pass with or without modification(s) the following resolution as Ordinary Resolution: -

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Sania Umar Balwa (DIN 08239375), who was appointed as Non-Executive Non Independent Additional Woman Director on 26/12/2022 whose term of office expires at the Annual General Meeting and in respect of whom, a notice under Section 160 of the Act has been received from a member signifying its intention to propose her appointment, be and is hereby appointed as a Non-Executive Non Independent Woman Director and the period of his office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

4. Change in terms of appointment of Mr. Mohamed Hanif Sharifbhai Chaudhari (DIN: 02817594) as the Whole-time Director

To Consider and if thought fit, pass with or without modification(s) the following resolution as Special Resolution: -

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act 2013 ("the Act") read with Schedule V of the said Act and the Rules made thereunder, wherever applicable, as amended from time to time thereto and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable, and in continuation of resolution passed in Extra Ordinary General Meeting of company held 28th November, 2022 for appointment of Mr. Mohamed Hanif Sharifbhai Chaudhari (DIN: 02817594) as the Whole-time Director of the Company for a period of five years with effect from 28th November, 2022, i.e. upto 27th November, 2027 upon the terms and conditions asset out in the Explanatory Statement annexed to the Notice of the Extra Ordinary General Meeting of company held 28th November, 2022 the terms and conditions of appointment of Mr. Mohamed Hanif Sharifbhai Chaudhari (DIN: 02817594), Wholetime Director be changed with immediate effect which are :-

- i) The period of appointment will be from 28th November, 2022 to 27th November, 2027.
- ii) Remuneration payable to him would Rs. 40 Lacs (Rs. Forty Lacs only) per annum in the form and manner as may be mutually agreed by and between the Company and Mr. Mohamed Hanif Sharifbhai Chaudhari. The limit of Rs. 40 Lacs (Rs. Forty Lacs only) shall be inclusive of all perquisites and allowances except those specifically excluded as per Schedule V of the Act.

- iii) The Board shall be authorised to revise the remuneration payable to the Whole Time Director provided the same is in within permissible prescribed limits.
- iv) He shall be liable to retire by rotation during his tenure as Whole Time Director.
- v) The Remuneration shall be exclusive of Sitting Fees.

The following perquisites shall not be included in the computation of remuneration for deciding the ceiling specified for minimum remuneration under Schedule V to the Companies Act, 2013.

- i) Contribution to Provident Fund, superannuation fund or annuity fund to the extent the same are not taxable under the Income Tax Act.
- ii) Gratuity as per the provisions of the Payment of Gratuity Act or as per the gratuity scheme of the company, whichever is higher.
- iii) Leave unavailed to be allowed to be encashed as per the rules of the company.
- iv) Provision of company car with driver for use on Company's business.
- v) Provision of telephone at residence at company's cost.
- vi) Provision of Mobile Phone for business use.
- vii) Leave as per rules in force in the company from time to time.
- viii) Reimbursement of Petrol / Deisel Expenses and Repairs and Maintenance of Motor Car which is used for business purposes of the Company.
- ix) Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business
- x) Reimbursement of Expenses done for business purposes of Company.

"RESOLVED FURTHER THAT Mr. Umar Abdul Karim Balwa, Managing Director of the Company be and is authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

By Order of the Board
Sd/-
Neha Chedda
Company Secretary

Regd. Office
4th Floor, Techniplex – I, Techniplex Complex
Veer Savarkar Flyover, Goregaon (West) Mumbai 400101
Date:- 25th July, 2023
Place :- Mumbai

Notes for e-AGM Notice:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/ 2020 and 10/2022 dated 05 May, 2020 and 28 December, 2022 respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing / Other Audio-Visual Means ("VC/ OAVM") facility. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 05 January, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Annual Report 2022-23

In compliance with these Circulars, provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations, the 14th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 14th AGM shall be the Registered Office of the Company.

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. However, MCA while granting the relaxations to hold the AGM through VC/OAVM has also provided exemption from the requirement of appointing proxies. Hence for this AGM the facility for appointment of proxy by the members is not being provided. Accordingly, the proxy form, attendance slip and the route map of the venue have also not been provided along with the notice. The members are requested to participate in the AGM in person through VC /OAVM from their respective location.
3. **e-AGM:** Company has appointed M/s KFin Technologies Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the circulars of MCA on the VC/OAVM (e-AGM) as amended:
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required
 - b. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: csnayan.pnc@gmail.com, with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "SIL, 14th Annual General Meeting".

5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
7. No restrictions on account of FIFO entry into e-AGM in respect of 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.
8. The attendance of the Members (member's logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. The Board of Directors of the Company has recommended an equity dividend of 11% on the paid-up share capital of the company corresponding to Rs.1.10 per share. The Company has fixed **Monday, 14th August, 2023 as the 'Record Date'** for determining entitlement of members to receive the equity dividend for the year ended March 31, 2023, if approved, at the AGM. The dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration.
10. The dividend will be paid through electronic mode to those members whose updated bank account details are available. For members whose bank account details are not updated, dividend warrants / demand drafts will be sent to their registered address. To avoid delay in receiving dividend, members are requested to register / update their bank account details.
11. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company is taxable in the hands of members. The Company

shall therefore be required to deduct tax at source("TDS") at the time of making the payment of dividend. In order to enable us to determine the applicable TDS rate, members are requested to submit the relevant documents. The detailed communication regarding TDS on dividend is provided on the link: <https://ris.kfintech.com/form15/>. Kindly note that no documents in respect of TDS would be accepted from members after Monday, August 14, 2023.

- 12) A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is also annexed.
- 13) Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of future dividends directly to the Bank account of the members. Hence members are requested to register their Bank account details (core banking solutions enabled account number, 9 digit MICR code and 11 digit IFSC code) in respect of shares held in dematerialized form with their respective depository participants i.e., the agency where the demat account has been opened and in respect of shares held in physical form with the RTA or at the registered office of the company.
- 14) Non-resident Indian members are requested to inform the RTA, M/s. KFin Technologies Limited immediately about:
 - (i) Change in their residential status on return to India for permanent settlement
 - (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 15) Members may send their requests for change / updation of Address, Email address, Nominations:
 - **For shares held in dematerialised form** - to their respective Depository Participant
 - **For shares held in physical form** - to the RTA, M/s. KFin Technologies Limited or at the registered office of the Company
- 16) Securities and Exchange Board of India (SEBI), has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in Electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form are requested to submit their PAN details, email ids and mobile number to M/s. KFin Technologies Limited, the Share Transfer Agents of the Company.
- 17) A brief Resume of the Directors of Company, seeking appointment/re-appointment at this Annual General Meeting and their expertise in specific functional areas, is given as part of the Notice of 14th Annual General Meeting.

The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

- 18) Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and SEBI (LODR), Annual Report of the Company is required to be sent through email to those members whose email address is registered and in physical form to those members who have not registered their email address.

However, as per "MCA Circulars" and SEBI Circular dated 12.05.2020 13.01.2021, 15.01.2021 & 14th Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email address is registered with the Company/ Depositories.

Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.sealmaticindia.com and in websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of KFIN Technologies Ltd viz., www.kfintech.com.

19) Instructions for the Members for attending the e-AGM through Video Conference:

1. Members may access the platform to attend the AGM through VC/OAVM at <https://emeetings.kfintech.com> by using their remote e-Voting credentials or by using their Registered Mobile number and OTP. The link for the AGM will be available in the Shareholder/Members login where the "EVENT" and the "Name of the Company" can be selected. Please note that the Members who have not registered their e-mail address or 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 this Notice. Further, Members can also use the OTP based login for logging into the e-meeting system.

In order to logon using the registered mobile number, Members should follow the instructions below.

- a) On the eMeeting webpage, use the Mobile OTP option.
 - b) Select the Meeting / Name of the Company
 - c) Input the Registered Mobile Number
 - d) Click on Send OTP
 - e) Post validation, join by selecting the Folio.
2. 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.
 3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 4. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
 5. 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.
 6. Members who need assistance before or during the AGM, can contact RTA viz., M/s.Kfin Technologies Ltd. on e-voting@kfintech.com or Mr. Mohsin, Senior Manager, at 040- 67161562.
 7. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, member's questions will be answered only, the shareholders continue to hold the shares as of cut-off date BENPOS. The post of the questions shall Open on Thursday, August 17, 2023 at 9.00 a.m. (IST) and End on Friday, August 18, 2023 at 5.00 p.m. (IST).
 8. **Speaker Registration during e-AGM session:** Members may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall Open on Thursday, August 17, 2023 at 9.00 a.m. (IST) and End on Friday, August 18, 2023 at 5.00 p.m. (IST).

20) Instructions for members for e-Voting during the e-AGM session:

1. The e-Voting “Thumb sign” on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the “instapoll” page
2. Members to click on the “Instapoll” icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

21) REMOTE E-VOTING THROUGH ELECTRONIC MEANS

In terms of the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called ‘the Rules’ for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **Monday, August 14, 2023 being the cut-off date** fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- A. Instructions for remote e-voting by (i) shareholders other than individuals holding shares of the company in demat mode and (ii) all shareholders holding shares in physical mode
- i. Initial password is provided in the body of the email.
 - ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
 - iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
 - iv. After entering the details appropriately, click on LOGIN.
 - v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. You need to login again with the new credentials.
 - vii. On successful login, the system will prompt you to select the EVENT i.e. Chennai Petroleum Corporation Ltd
 - viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click ‘FOR’ / ‘AGAINST’ as the case may be or partially in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR’ and/or ‘AGAINST’ taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ‘ABSTAIN’ and the shares held will not be counted under either head.

Annual Report 2022-23

- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at compliance@sealmaticindia.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'SIL EVENT No.'
- xii. **Members can cast their vote online from** From 9.00 a.m. (IST) on Friday, August 18, 2023 till 5.00 p.m. (IST) on Sunday, August 20, 2023. Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).
- xiv. Instructions for remote e-voting by 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have

	to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	- Existing user of 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KFINTECH, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration. - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

22) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date.

Annual Report 2022-23

- 23) The Company has appointed CS Nayan Pitroda, Practicing Company Secretary (Membership No.: 58473; CP No: 23912), as Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
- 24) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the electronic votes cast during the AGM and thereafter unblock and count the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorised by him.
- 25) The Results on resolutions shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- 26) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.sealmaticindia.com and on the website of KFin Technologies Ltd <https://www.evoting.kfintech.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.
- 27) Process for registration of email address for obtaining Annual Report for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16 th , 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR form along with the supporting documents.
	ISR 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx
	ISR Form(s) and the supporting documents can be provided by any one of the following modes.
	a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
	b) Through hard copies which are self-attested, which can be shared on the address below; or Name : KFIN Technologies Limited Address : Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.
	c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#
	Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

ANNEXURE TO THE NOTICE
Agenda No. 3 – Change in Designation of Ms. Sania Umar Balwa As Director

Ms. Sania U. Balwa was appointed as Additional Director w.e.f. 13.10.2022 and her period of office expires at the conclusion of this ensuing AGM. Ms. Sania U Balwa is Non Executive Director Non Independent Woman Director. The details of Ms. Sania U. Balwa is as mentioned below: -

Name of Director	Ms. Sania Umar Balwa
Age	31
Qualification	Masters in Marketing and Strategy
Experience	Ms. Sania Umar Balwa, aged 30 years, has served as a Director at Balwa Group for over seven years. She holds a Master's degree from the University of Warwick in marketing and strategy. She has a rich experience in international business, sales and marketing that involves conventional and digital media. During her diverse global experience, she has worked for the Family Group with renowned brands such as Radisson, Marriott etc. She has successfully unlocked growth for Sealmatic through the extensive digital marketing campaigns conducted over the past two years. These have resulted in the company's deep reach across the continents and has made Sealmatic an international brand and preferred choice for customers in 45 countries.
Terms and conditions of re-appointment along with details of remuneration last drawn by such person, if applicable.	She is Non-Executive Director and she is not drawing any remuneration.
Date of first appointment on the Board	13.10.2022
Shareholding in the company	288000 Equity Shares of Rs. 10/- each – 3.18%
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Umar A K Balwa, Managing Director is her Father
The number of Meetings of the Board attended during the year	11
Other Directorships and Membership/ Chairmanship of Committees of other Boards	She is Director in 2 Companies :- Resiplex Hospitality & Developers Private Limited Associated Hospitality & Developers Private Limited

The Board of Directors recommends the proposed resolution as Ordinary Resolution for approval of Members.

None of the Directors of the Company except Mr. Umar A K Balwa since he is Father is concerned or interested in the proposed resolution.

By Order of the Board
Sd/-
Neha Chedda
Company Secretary

Place : Mumbai
Date : 25th July, 2023

Item No. 3

APPOINTMENT OF MS. SANIA UMAR ABDUL BALWA AS A NON EXECUTIVE NON INDEPENDENT WOMAN DIRECTOR OF THE COMPANY – Ordinary Resolution

Ms. Sania Umar Balwa [DIN 08239375] was appointed as Additional Executive Women Director w.e.f., 13/10/2022. The Designation of Ms. Sania Umar Balwa [DIN 08239375] was changed from Additional Executive Women Director to Additional Non Executive Non Independent Women Director w.e.f. 26/12/2022. A proposal has been received from a Member to appoint her as Non Executive Non Independent Woman Director.

The Board of Directors recommends the proposed resolution as Ordinary Resolution for approval of Members.

None of the Directors of the Company except Mr. Umar A K Balwa since he is Father is concerned or interested in the proposed resolution.

Item No. 4

CHANGE IN TERMS OF APPOINTMENT OF MR. MOHAMED HANIF SHARIFBHAI CHAUDHARI WHOLE-TIME DIRECTOR – Special Resolution

Mr. Mohamed Hanif Sharifbhai Chaudhari was appointed as Whole Time Director of the Company for a period of 5 Years w.e.f. 28th November, 2022 and necessary approval of Members was obtained in Extra Ordinary General Meeting of the Company held on 28th November, 2022. There are some changes to be made in terms his appointment and revised terms would be applicable once the said terms are approved by Members in ensuing Annual General Meeting. The said terms have been recommended by Board of Directors in their Meeting held on 29th May, 2023 and the said terms are approved by Nomination And Remuneration Committee and Audit Committee in their respective meetings held on 29th May, 2023 which are subject to approval of Members in ensuing Annual General Meeting. The said revised terms are :-

- i) The period of appointment will be from 28th November, 2022 to 27th November, 2027.
- ii) Remuneration payable to him would Rs. 40 Lacs (Rs. Forty Lacs only) per annum in the form and manner as may be mutually agreed by and between the Company and Mr. Mohamed Hanif Sharifbhai Chaudhari. The limit of Rs. 40 Lacs (Rs. Forty Lacs only) shall be inclusive of all perquisites and allowances except those specifically excluded as per Schedule V of the Act.
- iii) The Board shall be authorised to revise the remuneration payable to the Whole Time Director provided the same is in within permissible prescribed limits.
- iv) He shall be liable to retire by rotation during his tenure as Whole Time Director.
- v) The Remuneration shall be exclusive of Sitting Fees.

The following perquisites shall not be included in the computation of remuneration for deciding the ceiling specified for minimum remuneration under Schedule V to the Companies Act, 2013.

- i) Contribution to Provident Fund, superannuation fund or annuity fund to the extent the same are not taxable under the Income Tax Act.
- ii) Gratuity as per the provisions of the Payment of Gratuity Act or as per the gratuity scheme of the company, whichever is higher.

- iii) Leave unavailed to be allowed to be encashed as per the rules of the company.
- iv) Provision of company car with driver for use on Company's business.
- v) Provision of telephone at residence at company's cost.
- vi) Provision of Mobile Phone for business use.
- vii) Leave as per rules in force in the company from time to time.
- viii) Reimbursement of Petrol / Deisel Expenses and Repairs and Maintenance of Motor Car which is used for business purposes of the Company.
- ix) Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business
- x) Reimbursement of Expenses done for business purposes of Company.

The Board of Directors recommends the proposed special resolution for approval of Members.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution.

By Order of the Board

Sd/-

Neha Chedda
Company Secretary

Place : Mumbai
Date : 25th July, 2023

Directors' Report

To,

The Members,

The Board of Directors has pleasure in presenting the 14th Annual Report of Sealmatic India Limited (formerly known as Sealmatic India Pvt. Ltd (hereinafter referred to as "Sealmatic", "SIL" or "the Company") alongwith the Audited Financial Statements for the Financial Year ended 31st March, 2023 ("the year/period under review")

I. Financial Summary

(Rs. In Lakhs)

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Revenue from Operations	5,854.05	4,238.21
Other Income	107.42	25.17
Total Revenue	5,961.47	4,263.38
Material Cost	2,260.66	1,530.74
Other Expenses	2,076.00	1,514.39
Interest/Finance Cost	23.69	9.14
Depreciation	120.83	85.43
Total Expenses	4,481.18	3,139.70
Profit Before Tax	1,480.29	1,123.68
Income Tax Provision	382.18	288.30
Profit after Tax	1098.11	835.38
EBDITA	1624.81	1218.25
Share Capital	905.00	20.00
Reserves & Surpluses	6985.18	2988.70
Net Worth	7890.18	3,008.70
Imports	1,202.90	848.07
Exports	3,448.50	3,165.90
Earnings per share in Rs. (Basic/Diluted) ^{Note 4}	14.93	11.60
Dividend % ^{Note 5}	11.00	10.00
Book Value	87.18	1,504.35

Notes:

1. The above figures are extracted from the audited financial statements prepared as per Indian Generally Accepted Accounting Principles (GAPP).
2. Equity Shares are at Face Value of Rs. 10 per share.
3. During the Financial Year 2022-23, the Joint Venture Company Isomag Sealmatic India Pvt. Ltd. ceased to be the Associate Company of SIL, on disposal of its shares by SIL on 23.07.2022
4. EPS for the financial year 2021-22 has been readjusted in terms Accounting Standard (AS) 20 due to the issuance of further equity Shares during the year under review.
5. The Board of Directors propose a final dividend of Rs. 1.10 per share of Rs.10 each. (11%)

REVIEW:

The year under review was an eventful year for the Company.

1. The Company issued and allotted bonus shares to the shareholders in the ratio of 35:1 share in the month of September, 2022.
2. The Company was converted into a Public Limited Company with effect from 3rd November, 2022.
3. The Company entered the Stock Market (BSE SME Platform) through Initial Public Offer for 18,50,000 equity shares with a Face Value of Rs. 10/- each offered under a Book Building process with a price band of Rs. 220/- to Rs. 225/- per share. The Issue was opened for public on 17th February, 2023 and the issue was closed on 21st February, 2023 with an oversubscription by 16.6 times.
4. The shares were listed on the BSE SME exchange on 1st March, 2023. The share was closed at Rs. 203.65 as on 31st March, 2023.

2. PERFORMANCE DURING THE YEAR UNDER REVIEW

The Financial year 2022-2023 was the year of achieving a substantial growth in respect of revenue, profits after tax and EBDITA. A gist of the achievements during the year is as under:

Sr. No.	Parameters	F Y 2022-23 (Rs. in lakhs)	FY 2021-22 (Rs. in lakhs)	Change In absolute terms (Rs. in lakhs)	In %
1	Revenue from operations	5854.05	4238.21	1615.84	38.13
2	Total Revenue	5961.47	4263.38	1698.09	39.83
3	Profit after Tax	1098.11	835.38	262.73	31.45
4	EBDITA	1624.81	1218.25	406.56	33.37
5	Revenue from Exports	3448.50	3165.90	282.60	8.93
6	Revenue from Domestic	2405.55	1072.31	1333.24	124.33

3. DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

4. CHANGES IN SHARE CAPITAL

During the year under the review the Authorised Share Capital was increased from Rs. 20 Lakhs to Rs. 10 Crores divided into 1,00,00,000 Equity Shares of Rs. 10/- each and as on 31st March, 2023 the Authorised Share Capital of the Company is Rs. 10 Crores.

During the year under review, Company issued and allotted 70,00,000 Equity Shares of Rs. 10/- each as Bonus Shares in the month of September, 2022. In the month of February, 2023, 18,50,000 Equity Shares of Rs. 10/- each were issued under Initial Public Offer ("IPO") at a premium of Rs. 215 per Equity Share. The Paid-Up Share Capital as on 31st March, 2023 is Rs. 9,05,00,000/- divided into 90,50,000 Equity Shares of Rs. 10/- each.

As on 31st March, 2023 all the Equity Shares of the Company were traded in electronic form as all the Equity Shares are held in Dematerialized Form.

The Company has not issued any Equity Shares with differential voting rights, sweat equity shares, employees stock option and did not purchase its own shares. Hence there is no information to be

Annual Report 2022-23

provided as required under Rule 4(4), Rule 8(13), Rule 12(9) and Rule 16(4) of the Companies (Share Capital and Debenture) Rules, 2014 and Section 62 of Companies Act, 2013.

5. RESERVES

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

6. DIVIDEND

Your directors recommend a Dividend of Rs. 1.10 per equity share, i.e., @ 11%, as Final Dividend for the financial year ended on 31st March, 2023.

7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

During the year under review, no amount towards the unclaimed dividends was required to be transferred to the Investor Education and Protection Fund established by the Central Government in accordance with section 125 of the Companies Act, 2013 ("the Act").

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ("IEPF Rules"), as amended from time to time, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund (IEPF). During the year under review, the Company has not transferred any equity share to the IEPF.

8. CHANGE IN NATURE OF BUSINESS

During the year under review there was no change in nature of Business of Company and no changes were made to Main Object of Memorandum of Association.

9. SUBSIDIARY AND ASSOCIATE OF THE COMPANY

The Company does not have any subsidiary as on 31st March, 2023. The Company had 1 (one) Associate company, viz., Isomag Sealmatic India Private Limited during the year. However, the Company disposed of its holding in Isomag Sealmatic India Private Limited in the month of July 2022 and as such the Company does not have any Associate Company as on 31st March, 2023. In view of this fact, provisions of Section 129 (3) of the Act and Regulation 34 (2)(b) of Listing Regulations, 2015 are not applicable to the Company as on 31st March, 2023 and hence the prescribed form AOC-1 is not annexed to this Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexed to this report as Annexure I.

11. DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, the Company is not required to prepare Dividend Distribution Policy.

12. ANNUAL RETURN

In accordance with the provisions of the Act, the Annual Return of the Company for the year ended 2022-23 is hosted on website of the Company at: www.sealmaticindia.com

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Contracts or arrangements with related parties referred to under Section 188 of the Act, entered into during the year under review, were on an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in form AOC- 2 in terms of section 134 of the Act.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review a loan was extended to Company in which Directors are interested, which were covered under Section 186 of the Act details of which are as under:

Sr. No.	Name of the firm/company	Date on which loan was extended	Loan amount (Rs. in lacs)	Date on which loan was repaid in full
1.	Associated Hospitality Pvt. Ltd.	23 rd June, 2022	125.00	25 th February, 2023

Note.:

- The above loan was extended as Inter Company Deposits before the Company was converted in Public Limited Company and was repaid by the recipient company before the Company acquired a status of a Listed Company.
- The Company had invested an amount of Rs. 17.50 lacs in Isomag Sealmatic India Pvt. Ltd. in the year 2019-2020. During the year under review, the Company had disposed of the said investment of Rs. 17.50 lacs. The Company, therefore, does not have any investment of whatsoever nature as on 31st March, 2023.
- The Company did not extend any guarantee to any person during the year under review.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide avenues to the stakeholders to bring to the attention of the management, the concerns about behaviors employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy.

16. STATEMENT REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has not developed and implemented any risk management policy as the risk threatening the business activity carried out by the Company during the year are minimal.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material order was passed during the year under review by any regulators, courts or tribunals impacting the going concern status of the Company or its future operations. The Company has not filed any application or no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

18. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

19. CONVERSION

During the year under review the Company was converted from Private Limited Company to Public Limited Company, accordingly the name of the Company was Changed from Sealmatic India Private Limited to Sealmatic India Limited w.e.f. 3rd November, 2022 pursuant to Special Resolution Passed by the members in the Extra Ordinary General Meeting held on 13th October, 2022.

20. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, to redress complaints received regarding sexual harassment. The Company

Annual Report 2022-23

has in place a policy in line with the requirements of the said Act. During the year under review, nil complaint with allegations of sexual harassment was received by the Company.

21. DECLARATIONS BY INDEPENDENT DIRECTORS

The Independent Directors have given a declaration to the Company that they meet the criteria of independence as per Section 149(6) of the Act and Regulation 25 of the Listing Regulations, 2015.

22. DIRECTORS & KEY MANAGEMENT PERSONNEL

I. **Composition of Board & Board Meetings**

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. As on the 31st March, 2023, the Board comprises of 5 (Five) Directors, out of which 2 are Executive Directors and 3 are non-Executive that includes one Woman Director. The Chairman of the Board is an Executive Director.

The Board of Directors duly met 21 times on 18th April, 2022, 21st May, 2022, 15th June, 2022, 5th August, 2022, 16th August, 2022, 3rd September, 2022, 29th September, 2022, 9th October, 2022, 13th October, 2022, 4th November, 2022, 19th November, 2022, 28th November, 2022, 16th December, 2022, 26th December, 2022, 2nd January, 2023, 3rd January, 2023, 25th January, 2023, 11th February, 2023, 16th February, 2023, 24th February, 2023 and 28th March, 2023 during the year. The Composition, category and attendance of each Director at the Board and Annual General Meeting of each Director is as follows: -

Name of the Director	DIN	Category of Directorship Entailed to attended	No. of Board Meeting attended	No. of Board Meetings	Attendance at the last AGM
Mr. Umar A K Balwa	00142258	Managing Director	21	20	Yes
Mr. Mohamad Hanif S. Chaudhary	02817594	Whole Time Director	21	18	Yes
Ms. Sania U. Balwa (appointed on 13.10.2022)	08239375	Non-Executive Director (Woman Director)	13	13	Yes
Mr. Deepak A. Ghangurde (appointed on 26.12.2022)	09799885	Independent Director	8	8	NA
Mr. Ajoy Balkrishna (appointed on 26.12.2022)	09801722	Independent Director	8	8	NA
Mr. Hussein A K Balwa (Resigned on 13.10.2022)	00317135	Executive Director	9	6	Yes
Mr. Ismail A K Balwa (Resigned on 13.10.2022)	00142209	Executive Director	9	8	Yes
Mr. Rafiq H Balwa (resigned on 13.10.2022)	02010853	Executive Director	9	8	Yes
Mr. Sadik Hussien S. Chaudhary (resigned on 13.10.2022)	03568466	Executive Director	9	8	Yes
Mr. Abid Ali S Chaudhary (resigned on 13.10.2022)	08661223	Executive Director	9	8	Yes

II. INDUCTIONS

During the year following inductions were made which are stated as follows:

- Ms. Sania Umar Balwa [DIN 08239375] was appointed as Additional Executive Women Director w.e.f., 13/10/2022;
- Mr. Ratan Bhabutlal Kandare a Member of Institute of Chartered Accountants of India was appointed as the Chief Financial Officer of the Company effective from 28/11/2022.
- The designation of Mr. Umar A K Balwa (DIN 00142258) was changed to Managing Director w.e.f. 28.11.2022 and was appointed as Managing Director for a period of 5 years.
- The designation of Mr. Mohamad Hanif S. Chaudhary (DIN 02817594) was changed to Whole Time Director w.e.f. 28.11.2022 and was appointed as Whole Time Director for a period of 5 years.
- Mrs. Neha Chheda a Member of Institute of Company Secretaries of India was appointed as the Company Secretary and Compliance Officer of the Company effective from 16/12/2022;
- The Designation of Ms. Sania Umar Balwa [DIN 08239375] was changed from Additional Executive Women Director to Additional Non Executive Non Independent Women Director w.e.f. 26/12/2022;
- Mr. Deepak Anant Ghangurde [DIN 09799885] was appointed as Additional Director w.e.f., 26/12/2022 and was appointed as Independent Director of the Company w.e.f. 02.01.2023;
- Mr. Ajoy Balkrishna [DIN 09801722] was appointed as Additional Director w.e.f., 26/12/2022 and was appointed as Independent Director of the Company w.e.f. 02.01.2023;

III. CESSATIONS:

During the year the following cessation took place as stated as under:

- Mr. Hussein A K Balwa [Din 00317135] resigned w.e.f., 13.10.2022 from the post of Director;
- Mr. Ismail A K Balwa [Din 00142209] resigned w.e.f., 13.10.2022 from the post of Director;
- Mr. Rafiq H Balwa [Din 02010853] resigned w.e.f., 13.10.2022 from the post of Director;
- Mr. Sadik Hussien S. Chaudhary [DIN 03568466] resigned w.e.f., 13.10.2022 from the post of Director;
- Mr. Abid Ali S Chaudhary [DIN 08661223] resigned w.e.f., 13.10.2022 from the post of Director.

IV. Retirement by Rotation

In accordance with the provisions of the Companies Act 2013 and Companies Articles of Association, none of the Directors were liable to retire by rotation at the ensuing Annual General Meeting.

V. Familiarization Program of Independent Directors

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company endeavors, through presentations at regular intervals, to familiarize the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having a significant impact on the operations of the Company and the industry as a whole. The Independent Directors also meet with senior management team of the Company in informal gatherings. During the year 2022-23, the Company has conducted 4 programs for familiarizing the Directors for a total duration of 6 hours.

Annual Report 2022-23

VI. Profile of Directors seeking appointment / re-appointment

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Directors retiring and seeking reappointment and appointment at the ensuing Annual General Meeting is annexed to the notice convening 14th Annual General Meeting.

VII. Key Managerial Personnel

As on the date of this report, the following persons are the Key Managerial Personnel(s) of the Company:

- a) Mr. Umar Abdulkarim Balwa, Chairman & Managing Director;
- b) Mr. Mohamed Hanif Sharifbhai Chaudhari, Whole Time Director;
- c) Mr. Ratan Bhabutlal Kandare, Chief Financial Officer;
- d) Mrs. Neha Chheda, Company Secretary And Compliance Officer.

VIII. Declaration from Independent Director

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as prescribed under the Section 149(6) of the Companies Act, 2013 read with the rules made there under and in the opinion of the Board, the Independent Directors meet the said criteria.

During the year under review the Independent Directors duly met pursuant to the provisions as specified in Schedule IV of the Companies Act, 2013 and the quorum was present throughout the meeting.

23. AUDIT COMMITTEE

The Audit Committee is duly constituted in accordance Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013, and SEBI (LODR) Regulations 2015.

The Audit Committee was constituted on 3rd January, 2023.

The Company Secretary acts as the Secretary to the committee and the Committee Members are:

Name Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Deepak A Ghangurde (Independent Director)	Chairman	1	1
Mr. Ajoy Balkrishna (Independent Director)	Member	1	1
Ms. Sania Umar Balwa (Non-Executive Non Independent Director)	Member	1	1

Two third of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors' qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

During the year under review one Audit Committee Meeting was held on 28th March, 2023.

24. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in accordance with Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time.

The Nomination and Remuneration Committee was constituted on 3rd January, 2023.

The Company Secretary acts as the Secretary to the committee and the Committee Members are:

Name Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Deepak A Ghangurde (Independent Director)	Chairman	1	1
Mr. Ajoy Balkrishna (Independent Director)	Member	1	1
Ms. Sania Umar Balwa (Non-Executive Non Independent Director)	Member	1	1

During the year under review one Nomination and Remuneration Committee Meetings was held on 28th March, 2023.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The said policy is available on the website of the Company (www.sealmaticindia.com).

25. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted in accordance with Section 135 of the Companies Act, 2013 read with applicable rules as amended from time to time. The members of the committee are as follows:

Name Category & Position	No. of Meetings held	No. of Meeting attended
Mr. Umar A K Balwa (Managing Director) Chairman	2	2
Mr. Mohamad Hanif S. Chaudhary (Whole Time Director) Member	2	2
Mr. Deepak Ghangurde (Independent Director) ¹ Member	1	1

1. Mr. Deepak Ghangurde [DIN 09799885] was appointed as Member of Corporate Social Responsibility Committee w.e.f. 3rd January, 2023.

The meeting of Corporate Social Responsibility was held on 5th August, 2022 and 3rd January, 2023.

26. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was constituted on 3rd January, 2023 and is in compliance with the requirements of Section 178 of the Companies Act, 2013. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Annual Report 2022-23

Name Category & Position	No. of Meetings held	No. of Meeting attended
Mr. Deepak A Ghangurde (Independent Director) Chairman	1	1
Mr. Ajoy Balkrishna (Independent Director) Member	1	1
Ms. Sania Umar Balwa (Non-Executive Director) Member	1	1

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipts of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints.

The Meeting of Stakeholders Relationship Committee was held on 03rd January, 2023.

During the year under review no grievances were received based on the reports from Kfin Technologies Limited.

27. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and other matters forms part of report on Corporate Governance. The detailed policy is available on the Company's website at: www.sealmaticindia.com

28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors report that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- it has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts are prepared on a going concern basis;
- proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively; and
- systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

29. PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

In terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining

to remuneration and other details as required under the Act and the above Rules are provided in the Annual Report. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as **Annexure II**.

30. STATUTORY AUDITORS

M/s. R.R. Shah & Associates (Firm Registration Number: 112007W) Chartered Accountants, the present Statutory Auditors ("Auditors") of the Company. The Auditors were initially appointed as Auditors of the Company for the financial year 2014-15 and were re-appointed from time to time as Auditors of the Company until the conclusion of Annual General Meeting ("AGM") to be held for financial year ending on 31st March, 2026, as the provisions of Section 139(2) the Act read with Rule 5 of the Companies (Audit and Auditors) Rules, 2014 were not applicable at the time of appointment/reappointment of the Auditors.

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2022-23.

31. SECRETARIAL AUDITOR

M/s. Pitroda Nayan & Co., Company Secretaries, Ahmedabad were appointed as Secretarial Auditor of the Company to conduct secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013. The secretarial audit of the Company has been conducted on a concurrent basis in respect of the matters as set out in the said rules and Secretarial Audit Report given by M/s. Pitroda Nayan & Co., Company Secretaries, Ahmedabad, Secretarial Auditor of the Company forms part of this report and is marked as **Annexure-'III'**.

There are no qualifications, reservations or adverse remarks made by M/s. Pitroda Nayan & Co., Company Secretaries, Ahmedabad, Secretarial Auditor of the Company, in their report.

32. COST AUDITORS

As the overall turnover from all the products and services was not more than Rs. 100.00 crores during the immediately preceding financial year 2021-22, the provisions in respect of Cost Audit are not applicable to the Company in terms of Rule 4 of the Companies (Cost Records and Audit) Rules, 2014.

33. INTERNAL AUDITOR

The Company was listed w.e.f. 1st March, 2023 and the provisions in respect of Internal Audit became applicable only from that date. The process for appointing the internal auditor was initiated and pursuant to the provisions of Section 138 of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has appointed M/s. MAKK & Co., Chartered Accountants, Mumbai (FRN 117246W) as Internal Auditor for the financial year 2023- 2024.

34. STATEMENT REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has not developed and implemented any risk management policy since the same is not applicable to the company as the risk threatening the business activity carried out during the year are minimal.

35. VIGIL MECHANISM

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behavior in its employees & stakeholders. The Company has adopted a Whistle Blower Policy as a part of vigil mechanism.

Also, the Code of Business Conduct (Code) lays down important corporate ethical practices that shape the Company's value system and business functions and represents cherished values of the Company.

Annual Report 2022-23

36. ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2023, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. During the year, no reportable material weakness was observed.

37. COMPLIANCE OFFICER

The Compliance Officer of the Company is Mrs. Neha Chheda who is the designated Company Secretary of the Company.

38. SECRETARIAL STANDARDS

During the year under review, the Company has generally complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

39. INSURANCE

All the insurable interest of the Company including Plant & Machinery, Furniture and Fixtures, Inventory and other insurable interest have been adequately insured.

40. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required to be given under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in the annexure to this report as **Annexure IV**.

41. LISTING FEES

The Equity Shares of the Company are listed on BSE - SME Segment and the Company has paid the annual listing fees for the year 2023-2024.

42. STATEMENT ON FORMAL ANNUAL EVALUATION OF BOARD

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of board members and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

43. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS:

During the year under review, there was no instance of one-time settlement with any Bank/Financial Institution. Hence, the disclosure relating to difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks/Financial Institutions is not applicable to the Company.

44. CASH FLOW STATEMENT

The unutilised funds out of proceeds received from the IPO have been kept in Short Term Fixed Deposit as liquid assets to be utilised within 3 to 6 months for the purpose for which funds have been received. It is treated as Current Asset available for utilization. Accordingly, amounts have been shown under Working Capital. The purpose of the IPO is to purchase / expansion of the capital assets, marketing support, working capital and general corporate purpose. Accordingly, Short Term Fixed Deposit of Rs. 2700 Lakhs has been considered under Working Capital available with the Company.

There is also view that it can be shown as separate line item under Cash Flow from Financing Activity so that only net amount can be reflected under the Cash Flow from Finance Activity.

45. CSR EXPENDITURE

During the year Company was required to spend an amount of Rs. 17,76,089 towards CSR (Corporate Social Responsibility) and it has spent Rs. 17,76,100/- in Promoting Education, Promoting Healthcare, Preventive Healthcare etc. which are covered under Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The annual report on Corporate Social Responsibility activities, as required under Sections 134 and 135 of the Companies Act, 2013 read with (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure V** which forms the part of this Report.

46. REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed Kfin Technologies Limited as its Registrar and Share Transfer Agent and executed post IPO Agreement for availing its various services.

47. HUMAN RESOURCE

Your Company considers its Human Resource as the key to achieve its objective. Keeping this in view, your Company takes utmost care to attract and retain quality employees. Your Company appreciates the spirit of its dedicated employees.

48. ACKNOWLEDGEMENTS

The Board of Directors is grateful and wish to record its appreciation for the co-operation and support of the shareholders of the Company, Bankers of the Company, clients of the Company and all employees including the workers, staff and management and all others concerned with the Company's business.

Your Directors gratefully acknowledge the on-going support and co-operation provided by Central and State Government, Stock Exchange, SEBI, NSDL, CDSL and other regulatory bodies.

On behalf of the Board of Directors

Sd/-
Umar A K Balwa
Managing Director
DIN :- 00142258

Sd/-
Hanif S. Chaudhari
Whole Time Director
DIN :- 02817594

Date : 29th May, 2023
Place: Mumbai

ANNEXURE I TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Introduction

Mechanical seals prevent the leakage of liquids or gasses through the clearance between the stuffing box and the shaft and these include cartridge seals, balanced and unbalanced seals, pusher and non-pusher seals and host of other conventional mechanical seals.

The Company is a well-established player in the mechanical seal industry catering to the ever evolving needs of the customers. A future-focused Company which believes in innovation, the Company's bespoke quality and manufacturing excellence makes it a preferred choice of a growing and ever-evolving customer base. The Company designs and manufactures mechanical seals and associated products mainly for the oil & gas, refinery, petrochemical, power, marine, chemical, pharmaceutical, pulp & paper, mining and for many more industrial applications. It provides the most complete selection of engineered mechanical seals and sealing support systems and its products are globally recognized as one of the most trusted products in the process industry in over 45 countries. With a wide range of products and services, the Company has solutions for every sealing requirement such as API 682 mechanical seals, highly engineered mechanical seals, standard cartridge seals, metal bellows seals, split seals, gas-lubricated seals and many other custom-built sealing solutions.



(a) INDUSTRY STRUCTURE AND DEVELOPMENT

General

The global growth is expected to be 2.7% in 2023 and 2.9% in 2024 as per OECD Economic Outlook

and 2.8% in 2023 and 3.00 % in 2024 as per outlook of International Monetary Fund ("IMF"). High inflation, rising interest rates, geopolitical uncertainties and natural disasters are factors that are driving down the growth expectations. According to IMF Global headline inflation is set to fall from 8.7% in 2022 to 7.0% in 2023 on the back of lower commodity prices, but underlying inflation is likely to decline more slowly. (Source: World Economic Outlook- A Rocky Recovery – April 2023 by IMF)

Indian economy is expected to grow by 6.0% in 2023 and by 7.0 % in 2024 as per the outlook of OECD. The IMF has projected the growth of Indian economy by 5.9% in 2023 and by 6.3%. Despite the rising interest rates and external headwinds, the domestic demands remain resilient. The inflation

is expected to anchor down to the pre-pandemic levels by the end of 2023. The broad-based recovery in manufacturing is expected to be driven by the robust domestic demand. Government focus on infrastructure and the capital investments by private sector are expected to drive growth in the medium term. The improving investment outlook backed by Production-Linked Incentive (PLI) schemes for various sectors is expected to draw-in private investment in the manufacturing sector. Despite the effect of global slowdown on exports of merchandise and services, the service sector is expected to maintain a healthy growth rate.

Mechanical seal industry

The demand for mechanical seals is showing upward trend, which is mainly due to growing manufacturing as well as the industrial sectors across the world which can be attributed to the increase in supportive investment, more particularly the capex spending in India and foreign investment policies throughout

the globe. Furthermore, the rising applications in the core sector industry is also expected to the expansion of market for mechanical seals. According to various surveys, the global mechanical seals market is projected to grow by about **USD 1.37 billion** with a **CAGR of 5.27%** by **2026** whereas the global mechanical seals market stands at USD 4.15 billion as of date.

The focus of Indian government on infrastructure and capital expenditure is expected to crowd-in private investment benefitting the capital goods industry. Indian mechanical seals industry is one of the fastest growing markets in the world. Government focus on irrigation projects, drinking water supply, sanitation, infrastructure, core sector such as refineries, power projects and urban housing is expected to drive the demand for mechanical seals in the various core industrial sectors. A series of capacity expansion drives and greenfield projects in the refinery, petrochemical, steel, cement and other allied industries will help the mechanical seals markets.

With the growth in manufacturing, process industries and various infrastructure projects the Indian market for mechanical seals is expected to grow at a sustained pace over the medium- and long-term. The technological innovations in this sector are contributing to the drive towards greener and sustainable manufacturing.

(b) Opportunities & Threats

The buoyant activity in the industrial and manufacturing sectors will increase the demand for mechanical seals. At the same time the growth in aftermarket sales is expected to be one of the key

factors for stimulating demand for mechanical seals. As the primary function of a mechanical seal is to prevent the leakages of liquid or gas, it is one of the critical components in various types of pumps, compressors and agitators, amongst others. High-pressure or high-temperature fluids if leaked to the environment can cause various damages and hence even a small leakage or damage will make it necessary to replace mechanical seals. The majority of mechanical seals replacements involve 'like for like' replacements, which means that the end-users which uses mechanical seals will continue to employ and replace mechanical seals at a periodic interval of 12 to 18 months during the life time of the equipment, which generally is 25 years. As most of the mechanical seals have a relatively short lifespan and as such their frequent replacement is required.

The mechanical seals are manufactured by using steel, silicon carbide, tungsten carbide amongst other exotic materials. Therefore, the fluctuating price of steel and other related material will have an impact on the sales of the final product. As the substantial revenue is earned through exports, the uncertain geographical and political instability can also have an impact on the revenue of the Company. We have put in place sound mitigation strategies for threats arising out of commodity prices and exports slowdown. We are allocating necessary resources and investing adequately to ramp our capacities to cater to the increasing order intake.

(c) Segment-wise or product-wise performance

During the year under review, mechanical seals worth Rs. 5,854.05 lakhs (Previous Year – Rs. 4,238.21 lacs) were sold. Out of the above export accounted for Rs. 3,448.50 lakhs (Previous Year Rs. 3,165.90 lakhs)

(d) Outlook

As a growth in global and in Indian economy is expected to increase and due to the impetus especially of the Indian Government of infrastructural investment, the Company expects a healthy growth in the

Annual Report 2022-23

Indian market for mechanical seals. The Export growth is expected to be slower due to the global slowdown but on the positive side the trade restrictions because of Russo-Ukrainian war has created a huge surge in demand for mechanical seals from Russia and other CIS countries. The impact of a global slowdown on domestic consumption in India though limited, can affect the capex projects in private sector to some extent.

(e) Risks & Concerns

Risks to the outlook are primarily to the downside. With the ever-evolving political situation, high inflation globally and rising interest rates, the global growth is likely to be affected. The increased competition in domestic market due to the possible slowdown in exports is expected to lead to aggressive price competition, impacting the bottom lines. The withdrawal of cheaper liquidity may also

lead to a slow-down in the capex cycle in the industry and may hurt the demand for mechanical seals.

(f) Internal Control Systems and their adequacy

Internal Control Systems are in place:

- To safeguard the Company's assets from loss or damage.
- To keep constant check on cost structure.
- To provide adequate financial and accounting controls and implement accounting standards.

The system is improved and modified continuously to meet with changes in business condition, statutory and accounting requirements.

During the year under review internal controls were adequately supported by periodic review by the management and now onwards will be reviewed by the Internal Auditor.

(g) Financial Performance with respect to operational performance

The following statements cover the financial performance review.

a) Distribution of income

(Rs. in lakhs)

Sr. No.	Particulars	Year ended 31 st March, 2023		Year ended 31 st March, 2022	
		Rs.	%	Rs.	%
1.	Cost of Raw materials consumed	2260.66	37.93	1530.74	35.92
2.	Employee Benefit Expenses	962.28	16.14	727.32	17.07
3.	Other Expenses	1113.72	18.69	787.07	18.47
4.	Finance Cost	23.69	0.40	9.14	0.21
5.	Depreciation	120.83	2.03	85.43	2.00
6.	Tax				
	Current	365.00	6.12	275.00	6.45
	Deferred	16.33	0.27	11.84	0.28
7.	Retained earnings	1098.11	18.42	835.38	19.60
	Total	5960.62	100.00	4261.92	100.00

b) Financial position at a glance

(Rs. in lakhs)

	Year Ended 31 st March 2023	Year Ended 31 st March 2022
ASSETS OWNED		
Non- Current Assets		
1. Property, Plant and Equipment (including Capital Work in Progress)	1,489.94	844.67
2. Intangible Assets	36.60	25.69
3. Investments	0.00	17.50
4. Other non-current assets (net)	86.72	49.62
5. Current assets (Net) (excluding borrowings)	6,620.90	2,150.35
TOTAL	8,234.16	3,087.83
FINANCED BY		
1. Borrowings	343.98	61.63
2. Net worth*	7,890.18	3,008.70
TOTAL	8,234.16	3,070.33
*Represented by		
Equity Share Capital	905.00	20.00
Reserves & Surpluses	6,985.18	2,988.70
TOTAL	7,890.18	3,008.70
Income earned		
1. Revenue from operations	5,584.05	4,238.21
2. Other Income	107.42	25.17
TOTAL	5,961.47	4,263.38
1. Materials consumed	2,260.66	1,530.74
2. Employee Benefit Expenses	962.28	727.32
3. Other Expenses	1,113.72	787.07
4. Finance Cost	23.69	9.14
5. Depreciation & amortization expenses	120.83	85.43
6. Taxation	382.18	288.30
TOTAL	4,863.36	3,427.99
7. Retained Income	1,098.11	835.38

c) Financial Summary

(Rs. in lakhs)

	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
Liabilities					
Equity Share Capital	905.00	20.00	20.00	20.00	20.00
Reserves & surpluses	6985.18	2988.70	2153.33	1508.15	1010.54
Non – Current Liabilities	343.98	61.63	234.42	246.88	181.54
Current Liabilities	1513.24	866.49	565.78	553.32	600.59
TOTAL	9747.40	3936.82	2973.53	2328.35	1812.67
Assets					
Non Current – Assets	1526.54	870.36	709.88	578.30	463.39
Non – Current Investments	86.72	49.62	96.80	105.95	0.00
Current Assets	8134.14	3016.84	2166.84	1644.10	1349.28
Total	9747.40	3936.82	2973.53	2328.35	1812.67
Total Revenue	5961.47	4263.38	3538.98	3357.91	2652.21
Profit before Depreciation and Finance Cost	1624.81	1218.25	1033.65	819.60	779.27
Finance Cost	23.69	9.14	14.21	12.23	14.02
Depreciation	120.83	85.43	150.45	135.90	120.30
Profit before Tax	1480.29	1123.68	869.00	671.46	644.95
Tax	382.18	288.30	223.82	173.85	178.29
Profit after Tax	1098.11	835.38	645.18	479.61	466.66
Retained earnings	1098.11	835.38	645.18	497.61	466.66
<u>Selected Indicators</u>					
	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
Return on Capital employed % ^{Note 1}	18.27	36.90	36.68	38.52	54.37
Current Ratio	5.38	3.48	3.82	2.97	2.25
Earnings per share ^{Note 1}	14.93	11.60	322.59	248.81	233.33
Debt Equity Ratio	0.06	0.03	0.11	0.16	0.18
Book Value per share ^{Note 1}	87.18	1,504.35	1,086.67	764.08	515.27
Fixed Assets Turnover	3.83	4.87	4.96	5.72	6.10
EBIDTA	1,624.81	1218.25	1033.66	819.59	779.27

Note 1 : The Paid-up capital was increased during the year under review. Hence there is a variation in values as on 31.03.2022 compared to the earlier years.

(h) Material developments in HR/IR including number of employees

Year 2022-23 has proven to be a year of resilience setting multiple records, pivotal moments and achievements. By keeping the SIL's core sustainability principles like Environmental protection, Social

commitments and Governance Culture (ESG) at center of operations we have attained new heights in business. We have adapted appropriate employee engagement and Health and Safety measures. We have also implemented measures like restructuring of departments, investment in expansion of plants & infrastructure, employee friendly policies, Diversity & Inclusion, Employee Engagement activities, Communication Meetings with all employees, state of art offices and enhanced Health & Safety. By refocusing our business around core strengths we have become significantly more profitable, better balanced and more cost-efficient. With the execution of our HR strategy, we have been able to support our employees through the challenging conditions and embarked the high quadrant in the employee engagement survey. This execution of strategy includes continued efforts to raise awareness and facilitating open dialogues through several initiatives. We steered our efforts on Skill and Knowledge enhancement, Process Improvisation, Retention of Employees, Leadership Development, Performance Management and Employee Engagement. We could maintain the attrition rate below industry standards due to pleasant work environment, prioritization of growth of employees, offering competitive compensation and benefits, Development of Infrastructure, Communication Mechanisms, Succession Planning and Reward and Recognition. Healthy and co-operative employee relations at all plants ensured support to the business growth As a result of these collaborative and collective efforts, we are well-equipped to deliver sustainable growth and have established us as a strong brand in the market. The Company had 246 employees (236 Male and 10female) on its roll as on 31st March, 2023.

(i) Key Financial Ratios

	Ratios	Year ended 31 st March 2023	Year Ended 31 st March 2022
1.	Debtors Turnover (days)	79.70	76.70
2.	Inventory Turnover (days)	153.93	125.19
3.	Interest Coverage Ratio (%) ^{Note 1}	83.19	124.08
4.	Current Ratio ^{Note 2}	5.38	3.48
5.	Debt Equity Ratio ^{Note 3}	0.06	0.03
6.	Operating Profit to Sales (%)	25.29	26.51
7.	Net Profit to Sales (%)	18.76	19.71

Note :

- During the year under review, the payment towards interest was Rs. 23.69 lakhs as against Rs. 9.14 lakhs during the year 2021-22, (increase by about 159.19%). Whereas the profit before tax increased by Rs. 356.61 lakhs from Rs. 1123.68 lakhs as on 31st March, 2022 to Rs. 1480.29 lakhs as on 31st March, 2023. (increase by about 31.74%). Due to this reason there is a substantial variation in the interest coverage ratio.
- The levels of Inventory, Receivables increased due to bunching of the orders during the months of February and March, 2023. Similarly, the proceeds of IPO were parked in Fixed deposits with banks which also form part of the Current Assets. In view of this, there is a variation of more than 25 % in Current Ratio compared to the years 2021-22.
- The increase in Long Term Debts during the year under review was not commensurate with the increase in the Net worth. Hence the variation of more than 25 %

(j) Changes in Return on Net Worth

The Return on Net worth as on 31st March, 2023 was 18.27% whereas the same was 36.90% as on 31st March, 2022. The reduction to the tune of 50.49% in the Return on Net worth was due to the increase in

Annual Report 2022-23

Paid-up Capital of the Company from Rs. 20.00 lakhs as on 31st March, 2022 to Rs. 905.00 lakhs as on 31st March, 2023 due to the issuance of 70.00 lakhs Equity Shares as Bonus shares and 18.50 lakhs Equity Shares as Fresh Shares during the year under review.

Disclosure of Accounting Treatment

The financial statements are prepared as per the Accounting Standards applicable to the Company.

Disclosures with respect to demat suspense account/unclaimed suspense account

No shares are in the demat suspense account or unclaimed suspense account as on 31.03.2023

CAUTION

This document contains statements about expected future events and financials of the SIL, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis Section of this Annual Report.

On behalf of the Board of Directors

Sd/-

Umar A K Balwa
Managing Director
DIN :- 00142258

Sd/-

Hanif S. Chaudhari
Whole Time Director
DIN :- 02817594

Date : 29th May, 2023

Place: Mumbai

Annexure II

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure	
		WTD	10 Times
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year		
II.	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	CFO – NA – Since appointed w.e.f. 28 th November, 2022 CS – NA – Since appointed w.e.f. 16 th December, 2022 CEO - NA	
III.	The percentage increase in the median remuneration of employees in the financial year	NA	
IV.	The number of permanent employees on the rolls of the Company as on 31 st March, 2023	165	
V.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	N.A.	
VI.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

On behalf of the Board of Directors

Sd/-
Umar A K Balwa
Managing Director
DIN :- 00142258

Sd/-
Hanif S. Chaudhari
Whole Time Director
DIN :- 02817594

Date : 29th May, 2023
Place: Mumbai

Annexure III

FOR THE FINANCIAL YEAR ENDED 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
SEALMATIC INDIA LIMITED
[CIN U26900MH2009PLC197524]
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SEALMATIC INDIA LIMITED [CIN U26900MH2009PLC197524]** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**not applicable to the company during the audit period**)
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**not applicable to the company during the audit period**)
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable to the company during the audit period**);
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (***not applicable to the company during the audit period***);
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (***not applicable to the company during the audit period***);

I have also examined compliance with the applicable Clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, however the Company has not appointed Internal Auditor under Section 138 of the Companies Act, 2013 since the Company was listed w.e.f. 1st March, 2023 and the provisions in respect of Internal Audit became applicable only from listing date, further the Company has appointed M/s. MAKK & Co., Chartered Accountants, Mumbai (FRN 117246W) as Internal Auditor for the financial year 2023- 2024.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

I further report that:

- A. With the approval of shareholders, in their duly convened Annual General Meeting held on 28/09/2022:
 - i. Authorized Share Capital was increased from Rs. 20 Lakhs to Rs. 10 Crores divided into 1,00,00,000 Equity Shares of Rs. 10/- each;
 - ii. An application was filed to Registrar of Companies, Mumbai for the conversion of the Company from Private Limited to Public Limited Company, which was approved and taken on record by the Registrar of Companies, Mumbai dated 03/11/2022. Accordingly, the status of Company was changed from Private Limited to Public Limited with effect from 03/11/2022.
 - iii. the Company has amended its Memorandum and Article of Association, consequent upon the conversion.

Annual Report 2022-23

- B. With the approval of Board, in their duly convened Board Meeting held on 29/09/2022 the Company had issued 70,00,000 Equity Shares of Rs. 10/- each as Bonus Shares;
- C. With the approval of shareholders, in their duly convened Annual General Meeting held on 28/11/2022:
- The authorization to the Board of Directors of the Company to borrow the money along with the money already borrowed by the Company in excess of its paid up capital and free reserve and securities premium i.e., Up to 200 Crores (Rupees Two Hundred Crores only) or the aggregate of the paid-up capital, free reserves and securities premium of the Company, whichever is higher, in terms of Section 180(1) (c) of the Companies Act, 2013;
 - The authorization to the Board of Directors of the Company to give loans, provide guarantee/ security, make investments in addition to the loans and investments so far made in and the amount for which guarantees or securities have so far been provided for a sum not exceeding Up to 200 Crores (Rupees Two Hundred Crores only) over and above the limit of 60% of the paid up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is higher, in terms of Section 186 of the Companies Act, 2013;
- D. The Company has made an Initial Public Offer ("hereinafter referred as IPO") of 24,99,600 equity Shares of face value of 10/-each of the Company, at a price of 225/- per equity share and pursuant to IPO of the Company issued fresh 18,50,000 Equity Shares of Rs. 10 each and by way of an Offer for Sale the 6,49,600 Equity Shares of Rs. 10 Each, the Company got listed on BSE SME Platform with effect from 01/03/2023.

For. Pitroda Nayan & Co.,
Company Secretaries

Sd/-

Nayan P. Pitroda
Proprietor
Mem. No.: 58473
C.P. No.: 23912
UDIN: A058473E000415821
P/R No.: 1925/2022

Place: Ahmedabad
Date: 29/05/2023

Note: This report is to be read with my letter of even date which is annexed as Annexure herewith and forms and integral part of this report.

Annexure to Secretarial Audit Report

To,
SEALMATIC INDIA LIMITED
[CIN U26900MH2009PLC197524]
Mumbai

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on 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. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For. Pitroda Nayan & Co.,
Company Secretaries

Sd/-

Nayan P. Pitroda
Proprietor
Mem. No.: 58473
C.P. No.: 23912
UDIN: A058473E000415821
P/R No.: 1925/2022

Place: Ahmedabad
Date: 29/05/2023

ANNEXURE IV TO BOARD'S REPORT

(a) Conservation of energy		The in-house efforts are being constantly made for conservation of energy.
(i)	the steps taken or impact on conservation of energy	The Company uses alternative sources of energy wherever possible
(ii)	the steps taken by the Company for utilizing alternate sources of energy.	The Company has noted to install energy consuming equipments like Air Conditioners, Refrigerators, TV Sets & Other Equipments and to regularly maintain and replace the said equipments/machineries as and when required.
(iii)	the capital investment on energy conservation equipment's	Technology absorption
(b) Technology absorption		
(i)	the effort made towards technology absorption	The in-house efforts are being constantly made for adoption, adaptation and innovation of technology to meet customer requirements
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	There is a saving in Cost and Energy when the equipments and machineries are efficiently used and the old equipments/machineries are replaced with new technology equipments at the right moment.
(iii)	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil
(c) Foreign Exchange earnings and outgo		
During the year, there was a foreign exchange outgo of Rs.1312.91 lakhs as against the foreign exchange outgo of Rs. 946.71 lakhs during the previous year. This outgo was in respect of the Travelling, Business Promotion, Business Commission, Professional Fees. import of Raw Material and Capital Goods. Foreign exchange equivalent to Rs. 3,448.50 lakhs was earned during the year under review and Rs. 3,165.90 lakhs was earned during the previous year towards Exports.		

On behalf of the Board of Directors

Sd/-

Umar A K Balwa
Managing Director
DIN :- 00142258

Sd/-

Hanif S. Chaudhari
Whole Time Director
DIN :- 02817594

Date : 29th May, 2023

Place: Mumbai

ANNEXURE V TO THE BOARD'S REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES
1. Brief outline on CSR Policy of the company:

The CSR policy of the Company contains the activities that can be undertaken by the Company for CSR, composition of CSR committee, details of existing charitable trust, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution /implementation of CSR activities and the monitoring mechanism of CSR activities/projects.

The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

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	Mr. Umar A K Balwa	Managing Director	2	2
2	Mr. Mohamad Hanif S. Chaudhary	Whole Time Director	2	2
3.	Mr. Deepak Ghangurde (Appointed w.e.f. 03.01.2023)	Independent Director	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The link for CSR Committee composition, CSR Policy and approved CSR Projects is: www.sealmaticindia.co.in

4. Provide the details of 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 (attach the report): 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 (in INR)	Amount required to be set-off for the financial year, if any (in INR)
1	2022-23	Nil	Nil
	Total	Nil	Nil

6. Average net profit of the company as per section 135(5): **Rs. 8,88,04,411/-**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs.17,76,088/-**
- (b) Surplus arising out of the CSR projects or programmes or 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): **Rs.17,76,088/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.('Rs)	Amount Unspent ('Rs.) - NIL				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs.17,76,100/- **	NA	NA	NA	NA	NA

*The Company spends the prescribed CSR obligation by contributing to an eligible implementing agency.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl.	Name of The	Item from the list of activities in Schedule VII to the	Local area	Location of the project (State.	Project	Amount allocated for the project	Amount spent in the current financial Year (in	Amount transferred to Unspent CSR Account for the project as per Section	Mode of Implementation Direct (Yes/	Mode of Implementation Through Implementing Agency (Name, CSR Regi-
NIL										

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

Mode of implementation - No direct spending by the Company.

CSR Amount is spent through implementing agency - **Name of the implementing Agency CSR Registration Number of the implementing Agency are as under :**

(1)	(2)	(3)	(4)	(5)	(6)
Sl. No.	Name of The Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project (District, State)	Amount spent (Rs.)
1	NAVAPUR EDUCATION SOCIETY (CSR00015830)	Promoting Education	No	Dhule, Maharashtra	4,00,000
2	JOGESHWARI EDUCATION TRUST (CSR00018897)	Promoting Education	Yes	Mumbai, Maharashtra	50,000
3	AHMED VIKAS MANDAL (CSR00042794)	Promoting Education	No	Sidhpur, Gujarat	2,25,000
4	MK EDUCATION SOCIETY (CSR00003323)	Promoting Education	Yes	Mumbai, Maharashtra	1,01,000
5	NAVJEEVAN MEDICARE FOUNDATION (CSR00003330)	Promoting health care including preventive health care	Yes	Mumbai, Maharashtra	3,01,000
6	SRI CHAITANYA SEVA TRUST (CSR00001017)	Promoting health care including preventive health care	Yes	Thane, Maharashtra	1,46,100
7	BLIND ORGANIZATION OF INDIA (CSR00003325)	Promoting health care including preventive health care	Yes	Mumbai, Maharashtra	5,53,000
					17,76,100

- (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): Spent Rs. 17,76,100 for the financial year 2023 by the company.
- (g) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (Rs.')
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 17,76,089/-
(ii)	Total amount spent for the Financial Year	Rs. 17,76,100/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 17,76,100/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)- (iv)]	NIL

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund Amount (in Rs) Date of transfer			Amount remaining to be spent in succeeding financial years. (in Rs.)
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total						

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. (asset-wise details) :

Not Applicable

- (a) Date of creation or acquisition of the capital asset(s). –
- (b) Amount of CSR spent for creation or acquisition of capital asset. –
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. –
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). –

specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-

Umar A K Balwa
Chairman of CSR Committee &
Managing Director

Sd/-

Deepak A. Ghangurde
Member of CSR Committee &
Director

Place : Mumbai
Date : 29th May, 2023

Independent Auditor's Report

To the Members of Sealmatic India Limited (Formerly known as Sealmatic India Private Limited)

Report on the Audit of the financial Statements

Opinion

1. We have audited the accompanying Financial Statements of **Sealmatic India Limited (Formerly known as Sealmatic India Private Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the afore said financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

4. 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. We have determined that there are no key audit matters to communicate in our report.

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

5. The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called the "Board Report") which comprises various information required under section 134(3) of the Companies Act, 2013 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.

6. In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the 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 in this Board Report, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. 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.
9. 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

10. 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.
11. 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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

Annual Report 2022-23

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.
12. 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.
 13. 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.
 14. 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.

Report on Other Legal and Regulatory Requirements

15. 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 the "Annexure –A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. 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 and the Statement of Profit and Loss and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer note no.31).
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (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 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;
- b) The Management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity including foreign entity ("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;
- c) Based on the audit, procedures 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) of Rule 11(e) as provided under (a) and (b) above contain any materials misstatement.
- v. 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.

As stated in Note no.2.10 to the Financial Statements, 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 dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

17. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For R. R. Shah & Associates
Chartered Accountants
Firm's registration number: 112007W

Sd/-

(Rajesh S. Shah)
Partner
Membership No.017844
UDIN:23017844BGQQRA2371

Place: Mumbai
Date: 29th May, 2023

Annexure –A to the Independent Auditors' Report

Annexure referred to an Independent Auditors' Report of even date to the members of Sealmatic India Limited (Formerly known as Sealmatic India Private Limited) ("the Company") on financial statements for the year ended 31st March, 2023.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Property, Plant and Equipment have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
 - (c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the company does not own any immovable property hence reporting under clause 3(i)(c) of the Order is not applicable.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
 - (e) As disclosed in note no.42(ii) of the Financial Statements, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of account.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year and accordingly clause 3(ii) (b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in companies and has not made any investments in firms, limited liability partnership or any other parties. The Company has granted loan and advances in the nature of loan to one Company and to employees during the year, in respect of which the requisite information is stated in sub-clause (a) below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year.
 - a) (A) The Company did not have subsidiary, joint venture and associates, hence reporting under clause 3(iii)(a)(A) of the Order is not applicable
 - (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted a loan to one Company, a related party and loans and advances to employees as below:



Aggregate amount during the year to a Company	Rs.125.00 Lakhs
Aggregate amount during the year to Employees	Rs.14.44 Lakhs
Balance outstanding as at Balance Sheet date	
For Company	Rs. Nil.
For Employees	Rs. 4.49 Lakhs

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion that the investment made and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. No interest charged or receivable on loans given to employees.
- (d) In respect of loan granted by the Company to a company, there is no overdue amount remaining outstanding as at the balance sheet date. The said loan is repaid by the party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of S.185 and S.186 of the Act with respect to loans and investments.
- (v) In our opinion and according to information given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under to the extent applicable in respect of acceptance of deposits. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have been informed that the company is not covered under the rules made by the Central Government of India in respect of the maintenance of cost records as has been specified under sub-section (1) of Section 148 of the Act. We have, therefore, not examined the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess, and other statutory dues were in arrears as at 31 March 2023 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, 2023 on account of disputes are given below:-

Nature of dues and period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
Income Tax A.Y.2018-19	0.80 Lakhs	Commissioner of Income Tax (A)
Income Tax A.Y.2019-20	2.80 Lakhs	Commissioner of Income Tax (A)

- (viii) As disclosed in note no.42(ix) of the Financial Statements, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender during the year.
- (b) As disclosed in note no.42(iv) of the Financial Statements, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and the procedures performed by us and on an overall examination of the financial statements of the Company we report that no funds raised on short-term basis have been used for long term purposes by the company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture during the year and hence clause (ix)(e) of the Order is not applicable. The Company does not have any subsidiary or associate company.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its joint venture. The Company does not have any subsidiary or associate company. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) Monies raised during the year by the Company by way of public offer were applied for the purpose for which they were raised. The allotment of the issue was completed on 28th February 2023. The amount of unutilized proceeds as at March 31, 2023 amounted to Rs.3840.70 Lakhs have been kept in short term fixed deposits and in current account. . Also, refer Note no.2.8 of the Financial Statements of the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year under audit and hence clause 3(x)(b) of the Order is not applicable to Company.
- (xi) (a) In our opinion and according to the information and explanations given to us there has been no fraud by the Company or any fraud in the Company that has been noticed or reported during the year.

- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013 by the auditors has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence clause 3(xii) (a), (b) and (c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) *During the year, the Company got listed on BSE SME Stock Exchange on 1st March, 2023 and accordingly requirement of having internal audit system is applicable. In our opinion and based on our examination, the Company is required to have an internal audit system under section 138 of the Act, it does not have the same established.*
 - (b) The Company did not have an internal audit system for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into non-cash transactions with directors or person connected with them and hence requirement to report on paragraph 3(xv) of the order is not applicable to the Company.
- (xvi)(a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence clause (xvi)(a), (b) and (c) of the Order are not applicable.
 - (b) In our opinion, there is no Core Investment Company with in the Group and accordingly clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) 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.
- (xix) On the basis of the financial ratios disclosed in note no.41 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.
- (xx) (a)& (b) The Company has fully spent the required amount towards Corporate Social Responsibility

Annual Report 2022-23

(CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) (a) & (b) of the Order is not applicable for the year. .

(xxi) The Company does not have any subsidiary, associate or joint venture, hence, the requirement to report on clause 3(xxi) of the order is not applicable to the company.

For R. R. Shah & Associates
Chartered Accountants
Firm's registration number: 112007W

Sd/-

(Rajesh S. Shah)
Partner
Membership No.017844
UDIN:23017844BGQQRA2371

Place: Mumbai
Date: 29th May, 2023

Annexure - B to the Independent Auditor's Report of even date to the members of Sealmatic India Limited (Formerly known as Sealmatic India Private Limited) on the financial statements for the year ended 31st March, 2023.

Report on Internal Financial Controls 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 **Sealmatic India Limited (Formerly known as Sealmatic India Private Limited)** ("the Company") as of 31st March, 2023 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

Annual Report 2022-23

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. R. Shah & Associates
Chartered Accountants
Firm's registration number: 112007W

Sd/-

(Rajesh S. Shah)
Partner
Membership No.017844
UDIN:23017844BGQQR2371

Place: Mumbai
Date: 29th May, 2023

○ Balance Sheet as at 31st March, 2023

(All amounts in rupees lakhs, unless otherwise stated)

Particular	Note No.	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	905.00	20.00
Reserves & Surplus	3	6,985.18	2,988.70
		7,890.18	3,008.70
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	336.41	60.31
Deferred Tax Liabilities(Net)	5	5.68	–
Long Term Provisions	6	1.89	1.32
		343.98	61.63
CURRENT LIABILITIES			
Short Term Borrowings	7	120.08	33.25
Trade Payables	8	1,094.30	699.08
Other Current Liabilities	9	257.80	115.00
Short Term Provisions	10	41.06	19.16
		1,513.24	866.49
TOTAL		9,747.40	3,936.82
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment:			
Tangible Assets	11A	1,489.94	844.67
Capital Work in Progress	11B	–	–
Intangible Assets	11C	36.60	25.69
		1,526.54	870.36
Non Current Investment	12	–	17.50
Deferred Tax Assets	5	–	10.66
Long Term Loans and Advances	13	32.29	8.46
Other Non Current Asset	14	54.43	13.00
		86.72	49.62
		1,613.26	919.98

Annual Report 2022-23



○ Balance Sheet as at 31st March, 2023 (Contd...)

(All amounts in rupees lakhs, unless otherwise stated)

Particular	Note No.	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
CURRENT ASSETS			
Current Investment	15	10.57	—
Inventories	16	2,468.85	1,453.66
Trade Receivables	17	1,278.26	890.62
Cash and Cash Equivalents	18	1,165.30	236.26
Other Bank Balance	19	2,841.98	197.64
Short Term Loans and Advances	20	85.97	50.76
Other Current Assets	21	283.21	187.90
		8,134.14	3,016.84
TOTAL		9,747.40	3,936.82

Significant Accounting Policies and the Notes are an integral part of these financial statements.

1 to 43

As per our report of even date

For R. R. Shah & Associates
Chartered Accountants
Firm Registration No.112007W

for and on behalf of the Board of Directors

Sd/-
(Umar A.K. Balwa)
Managing Director
DIN :00142258

Sd/-
(Hanif S. Chaudhari)
Whole Time Director
DIN :02817594

Sd/-

(Rajesh S. Shah)
Partner
Membership No.017844

Place : Mumbai
Date : 29.05.2023

Sd/-
(Neha Chedda)
Company Secretary
PAN: ALHPV3879N

Place : Mumbai
Date : 29.05.2023

Sd/-
(Ratan Kandare)
Chief Financial Officer
PAN:BHZPK1982L

○ Statement of Profit & Loss for the year ended 31st March, 2023

(All amounts in rupees lakhs, unless otherwise stated)

Particular	Note No.	For the year ended 31.03.2023 (₹ in Lakhs)	For the year ended 31.03.2023 (₹ in Lakhs)
INCOME :			
Revenue from Operations	22	5,854.05	4,238.21
Other Income	23	107.42	25.17
TOTAL INCOME		5,961.47	4,263.38
EXPENDITURE:			
Cost of Materials Consumed	24	2,380.98	1,739.83
Change in Inventories	25	(120.32)	(209.09)
Employee Benefit Expenses	26	962.28	727.32
Finance Cost	27	23.69	9.14
Depreciation and Amortization Expenses	1	20.83	85.43
Other Expenses	28	1,113.72	787.07
TOTAL EXPENSES		4,481.18	3,139.70
Profit Before Tax		1,480.29	1,123.68
TAX EXPENSES:			
Current Tax		365.00	275.00
Deferred Tax		16.33	11.84
Short/ (Excess) Provision for Income Tax of earlier year		0.85	1.46
		382.18	288.30
Profit For The Year		1,098.11	835.38
Earnings per equity share of Rs.10/- each			
(Previous year Rs. 10/- each) Basic/Diluted (Rs.)	32	14.93	11.60

As per our report of even date

For R. R. Shah & Associates
Chartered Accountants
Firm Registration No.112007W

Sd/-

(Rajesh S. Shah)
Partner
Membership No.017844

Place : Mumbai
Date : 29.05.2023

for and on behalf of the Board of Directors

Sd/-
(Umar A.K. Balwa)
Managing Director
DIN :00142258

Sd/-
(Neha Chedda)
Company Secretary
PAN: ALHPV3879N

Place : Mumbai
Date : 29.05.2023

Sd/-
(Hanif S. Chaudhari)
Whole Time Director
DIN :02817594

Sd/-
(Ratan Kandare)
Chief Financial Officer
PAN:BHZPK1982L

○ Cash Flow Statement for the year ended 31st March, 2023

(All amounts in rupees lakhs, unless otherwise stated)

Particular	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,480.29	1,123.68
Adjustments for:		
Depreciation	120.83	85.43
Loss on Sale of Fixed Asset	4.50	—
Profit on Sale of Investments	(10.47)	—
Dividend	(0.15)	—
Provision for diminution in value of Investments	1.67	—
Shares and Security Expenses	0.05	—
Interest Expense	23.69	9.14
Interest on Income Tax paid	13.19	0.29
Interest Income	(33.83)	(16.03)
Operating profit before working capital changes	1,599.77	1,202.51
Adjustments for changes in working capital		
(Increase) / Decrease in Inventories	(1,015.18)	(597.75)
(Increase) / Decrease in Trade Receivable	(387.65)	(256.65)
(Increase) / Decrease in Other Bank Balance	(2,644.34)	(13.76)
(Increase) / Decrease in Short Term Loans & Advances	(35.21)	(22.78)
(Increase) / Decrease in Long Term Loans & Advances	0.58	(2.66)
(Increase) / Decrease in Other Non Current Asset	(41.44)	36.95
(Increase) / Decrease in Other Current Asset	(83.47)	(12.96)
Increase / (Decrease) in Trade Payables	395.23	332.70
Increase / (Decrease) in Other Current Liabilities	120.64	0.24
Increase / (Decrease) in Short Term Provision	21.24	6.68
Increase / (Decrease) in Long Term Provision	0.58	1.23
	(3,669.02)	(528.76)
Taxes paid		
Income Tax Paid	(378.39)	(299.55)
Net Cash From Operating Activities	(2,447.64)	374.20
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Net of sale)	(783.75)	(249.50)
Proceed from Investments (net of purchase)	15.69	—
Dividend	0.15	—
Interest Received	21.99	12.59
Net Cash from Investing Activities	(745.92)	(236.91)

○ Cash Flow Statement for the year ended 31st March, 2023 (Contd...)

(All amounts in rupees lakhs, unless otherwise stated)

Particular	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 (₹ in Lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from Issue of Share Capital (net of IPO Expenses)	3,785.37	–
Dividend Paid	(2.00)	–
Interest paid	(23.69)	(9.14)
Proceeds from Long Term Borrowings (Net of payment)	362.92	(179.06)
Net cash from Financing Activities	4,122.60	(188.20)
Net Increase / (Decrease) in Cash and Cash Equivalents	929.04	(50.91)
Cash and Cash Equivalents at the Beginning of the year	236.26	287.17
Cash and Cash Equivalents at the End of the year (Refer note.18)	1,165.30	236.26
Net Increase / (Decrease) in Cash and Cash Equivalents	929.04	(50.91)

The above cash flow statement has been prepared under the Indirect Method as set out in AS-3 : "Statement of Cash Flow"

As per our report of even date

For R. R. Shah & Associates
Chartered Accountants
Firm Registration No.112007W

for and on behalf of the Board of Directors

Sd/-
(Umar A.K. Balwa)
Managing Director
DIN :00142258

Sd/-
(Hanif S. Chaudhari)
Whole Time Director
DIN :02817594

Sd/-
(Rajesh S. Shah)
Partner
Membership No.017844

Sd/-
(Neha Chedda)
Company Secretary
PAN: ALHPV3879N

Sd/-
(Ratan Kandare)
Chief Financial Officer
PAN:BHZPK1982L

Place : Mumbai
Date : 29.05.2023

Place : Mumbai
Date : 29.05.2023

(All amounts in rupees lakhs, unless otherwise stated)

CORPORATE INFORMATION

Sealmatic India Limited was originally incorporated as Seal Matic India Private Limited on 2nd December, 2009 under the Companies Act, 1956 and it is existing under the purview of the Companies Act, 2013. The name of the company was changed from Seal Matic India Private Limited to Sealmatic India Private Limited on 12th March, 2021 under the Companies Act, 2013. Subsequently, Company was converted into a public limited company and the name of Company was changed to 'Sealmatic India Limited' and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Mumbai, Maharashtra, on 3rd November 2022. The shares of the Company got listed on BSE Limited (BSE) on 1st March, 2023. The CIN of the Company is U26900MH2009PLC197524.

The principal activity of the Company is to carry on the business of manufacturing of all kind of mechanical seals, seal supply systems, pumps, valves, motors and high precision mechanical engineering spares and assemblies for various machineries which are mainly used in Oil and Gas Industry.

1 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use. As per MCA Notification dated 16th February 2015, the companies whose shares are listed on SME exchange are exempted from the compulsory requirement of adoption of Ind AS. As the company is covered under exempted from the compulsory requirement of adoption of Ind AS, the company has not adopted Ind AS.

b) USE OF ESTIMATES:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between the actual results and estimates are recognized in the period in which actual the results are known or materialized.

c) METHOD OF ACCOUNTING:

The Company follows mercantile system of accounting for recognising income & expenditure on accrual basis to the extent measurable and where there is a certainty or ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting policies.

d) REVENUE RECOGNITION:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) Sales of goods is recognised on shipment or despatch to customers. Sales exclude amount recovered towards GST.
- ii) Export Sale is accounted on the prevailing rate of exchange (Custom rate) at the time of export.
- iii) Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.
- iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. However, where the ultimate collection of the same is uncertain, revenue recognition is postponed to the extent of uncertainty.
- v) All other income is accounted on accrual basis.

e) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION:

i) Property, Plant and Equipment:

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable to cost of bringing the asset to its working condition for the intended use.

Where the grant or subsidy relates towards specific fixed asset, its value is deducted from gross value of the asset concerned in arriving at the carrying amount of the related asset.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its / their use or disposal. Gain or losses arising from derecognized of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Depreciation :

The Company provided depreciation on Property, Plant and Equipment on Straight Line Method over the useful life of assets as prescribed under schedule II of Companies Act, 2013.

The Company up to 31/3/2021 provided depreciation on Property, Plant and Equipment on Written Down Value method over the useful life of assets as prescribed under schedule II of Companies Act, 2013.

Effective from financial year 2021-22, the Company has changed its policy on providing depreciation from Written Down Method to Straight Line Method.

iii) Intangible Assets and Amortisation :

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are amortised on a straight line basis over their estimated useful lives. Gains or

Annual Report 2022-23

losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortisation rates used are :

Asset	Period of amortisation
Computer Software	3 years
Other Intangible	6 years

iv) Research and Development Costs

Research costs are expenses as incurred.

Research and development expenditure of a capital nature is included in the Property Plant and Equipment.

f) IMPAIRMENT OF ASSETS:

An Asset is treated as impaired when the carrying cost of an assets exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. This impairment loss recognized in prior accounting year will be reversed if there has been change in the estimate of recoverable amount.

g) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date of on which such investments are made, are classified as current investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Investments other than current investments are classified as Long Term Investments and are stated at cost. Provision for diminution in value of Long term investments is made only if such a decline is other than temporary.

h) LEASES:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the Lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of Profit and Loss on a straight line basis.

i) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) ACCOUNTING FOR GOVERNMENT GRANTS:

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy received is revenue in nature, it is recognised as income over the periods necessary to match them on a systematic basis to the cost, which it is intended to compensate or adjusted against the specific expenses.

Where the grant or subsidy relates towards specific fixed asset, its value is deducted from the gross value of the concerned asset in arriving at the carrying amount of the related asset.

k) EMPLOYEE BENEFITS:**I) Short Term Employee Benefit:**

All Employees' benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised on an undiscounted basis and charged to the statement of profit and loss. Benefit such as salaries and wages including non-monetary benefits, bonus etc that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service.

II) Post-Employment Benefit Plans:**A) Defined Contribution plans****Provident Fund:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund & Miscellaneous Provisions Act, 1952. The contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

B) Defined Benefit plans:**Gratuity:**

The Company's is having gratuity plan wherein every eligible employee is entitled to the benefit equivalent to fifteen days salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vest after five years of continuous service and is governed as per the payment of Gratuity Act, 1972. The cost of providing benefits is determined using the projected unit credit method and the Gratuity Liability is computed as per actuarial valuation. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. The Company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to such fund based on the actuarial valuation.

III) Other Long term employee benefits obligations:

Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits for measurement purpose. Company's liability is actuarially determined by an independent actuary using the Projected Unit Credit method at the end of year. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

I) TRANSACTIONS IN FOREIGN EXCHANGE :

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions (Custom rate). Monetary items denominated in foreign currencies and outstanding at the balance Sheet date are translated at the exchange rate ruling at the year end. Exchange differences arising on foreign currencies transactions are recognized as income or expense in the period in which they arise.

Annual Report 2022-23

m) INVENTORIES :

Inventories are valued at lower of cost or net realizable value. Cost incurred in bringing the inventories to its present location and condition are accounted for as follows:

Raw materials:	Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
Finished goods and Work in progress:	Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
Stores, spares parts and loose tools :	Weighted average cost

n) TAXATION :

Current tax is determined on the amount of tax payable in respect of taxable income for the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is recognised on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

o) PROVISIONS AND CONTINGENT LIABILITIES :

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

Contingent liabilities are disclosed when there is a possible obligation that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

p) EARNINGS PER SHARE

Basic Earnings per Share is calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) CASH AND CASH EQUIVALENTS :

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in rupees lakhs, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
2 SHARE CAPITAL		
AUTHORISED:		
100,00,000 Equity shares (31st March, 2022: 2,00,000) of Rs. 10/- each	1,000.00	20.00
ISSUED, SUBSCRIBED AND PAID UP SHARES:		
90,50,000 Equity shares (31st March 2022 : 2,00,000) of Rs. 10/- each fully paid up in cash	905.00	20.00
TOTAL	905.00	20.00

2.1 The reconciliation of the number of shares outstanding is set out below:

Particulars	As At 31.03.2023		As At 31.03.2022	
	No of Shares	(Rs in lakhs)	No of Shares	(Rs in lakhs)
Equity Shares at the beginning of the year	2,00,000	20.00	2,00,000	20.00
Add : Bonus shares issued & allotted during the year	70,00,000	700.00	–	–
Add : Fresh Issue of shares -IPO (refer Note No.2.5)	18,50,000	185.00	–	–
	90,50,000	905.00	2,00,000	20.00

2.2 Rights, preferences and restrictions attached to shares
Equity Shares :

The Company has one class of equity shares having a face value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. In the event of dividend proposed by the Board of Directors the same is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their respective shareholding.

2.3 The shareholders of the Company in Annual General Meeting (AGM) held on 28th September, 2022 inter-alia approved the increase in Authorised Share Capital of the Company from Rs. 20.00 lakhs to Rs.1000.00 lakhs divided into 100,00,000 equity shares of Rs.10/- each. The Company issued Bonus shares during the year in the ratio of 35 : 1 (i.e. Thirty Five bonus equity share of Rs.10/- each for every one fully paid up Equity Share of Rs.10/- each) to the shareholders by capitalizing existing securities premium amounting to Rs.94.50 lakhs and by capitlising existing surplus in profit and loss account amounting to Rs.605.50 lakhs. The total amount capitalised by issue of bonus shares was Rs.700.00 lakhs. Accordingly, 70,00,000 equity shares by way of bonus shares were issued and allotted on 29th September 2022.

2.4 Allotment of Bonus Shares during the year and during preceding five years:

The Company has allotted 70,00,000 Equity Shares as fully paid up shares by way of bonus shares during financial year 2022-23.

2.5 During the year, the Company, had completed the Initial Public Offering (IPO) of 24,99,600 Equity Shares of Face Value of Rs. 10 each for cash at a price of Rs.225 per Equity Share aggregating

Annual Report 2022-23

to Rs. 5624.10 Lakhs comprising a Fresh Issue of 18,50,000 Equity Shares aggregating to Rs. 4162.50 Lakhs and on offer for sale of 6,49,600 Equity Shares aggregating to Rs.1461.60 Lakhs by the existing shareholders pursuant to the IPO. The Equity Shares of the Company got listed on SME Platform of BSE Limited (BSE SME). The selling shareholders were Mr. Rafiq H. Balwa, Mrs. Waheeda U. Balwa, Mr. Abid Ali Chaudhari, Mr. Mohammed Hanif Chaudhari and Mr. Sadique H. Chaudhari.

2.6 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company:

Particulars	As At 31.03.2023		As At 31.03.2022	
	No of Shares	%	No of Shares	%
Mr. Umar A. K. Balwa	4,08,024	4.51%	11,333	5.67%
Mr. Hussein A. K. Balwa	6,23,988	6.89%	17,333	8.67%
Mr. Ismail Abdul Karim Balwa	5,21,212	5.76%	–	0.00%
Mr. Zubair I. Balwa	–	0.00%	17,666	8.83%
Mr. Rafiq H. Balwa	5,33,237	5.89%	18,000	9.00%
Mr. Imran I. Balwa	–	0.00%	17,667	8.83%
Ms. Saleha Ismail Balwa	6,36,012	7.03%	–	0.00%
Mr. Abid Ali S. Chaudhari	10,26,253	11.34%	31,334	15.67%
Mr. Sadik Hussein Chaudhari	10,26,219	11.34%	31,333	15.67%
Mr. Mohamed Hanif S. Chaudhari	10,26,219	11.34%	31,333	15.67%

2.7 For the year ended on March 31, 2023, the Company had incurred Rs. 426.31 lakhs as towards IPO related expenses and and out of the said expenses allocated an amount of Rs. 377.13 lakh to the Company and an amount of Rs. 49.18 lakhs to the selling shareholders. Such amounts were allocated based on agreement with shareholders and in proportion to the total proceeds in the IPO and as approved by Board of Directors. The Company's share of expenses of Rs. 377.13 lakhs has been utilised from the amount lying in Securities Premium Account in terms of Section 52 (2)(c) of the Companies Act, 2013.

2.8 The details of utilization of IPO proceeds of Rs. 4162.50 lakhs are as follows:

Particulars	Planned as Per Prospectus	Revised Proceeds	Utilisation upto 31.03.2023	Unutilisation upto 31.03.2023
Purchase of Plant & Machinery	1,200.00	1,200.00	81.58	1,118.42
Product Development	300.00	300.00	–	300.00
Marketing and Post-Sales Support	1,100.00	1,100.00	–	1,100.00
General Corporate Purpose (Includes issue related expenses)	446.50	446.50	240.22	206.28
Provisions and Contingency	400.00	400.00	–	400.00
Working Capital Requirement	716.00	716.00	–	716.00
Net proceeds- Total	4,162.50	4,162.50	321.80	3,840.70

I. The Unutilised funds of Rs.3840.70 Lakhs from IPO proceed have been kept with Axis Bank iLtd. In the form of Fixed Deposits of Rs.3700.00 Lakhs and Bank Balance of Rs.140.70 Lakhs

II. Utilisation of Proceeds (Net of GST Input Tax Credit) as under: **Rs. In Lakhs**

a) Plant & Machinery	81.58
b) General Corporate Purpose includes IPO Expenses of Rs.112.50 Lakhs.	240.22

2.9 Details of Shareholdings as at 31/03/2023 by the Promoter/ Promoter Group :

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2023		% change during the year
	No of Shares	%	No of Shares	%	
Mr. Umar A. K. Balwa	4,08,024	4.51%	11,333	5.67%	3500%
Mr. Hussein A. K. Balwa	6,23,988	6.89%	17,333	8.67%	3500%
Mr. Ismail Abdul Karim Balwa	5,21,212	5.76%	–	0.00%	100%
Mr. Zubair I. Balwa	–	0.00%	17,666	8.83%	-100%
Mr. Rafiq H. Balwa	5,33,237	5.89%	18,000	9.00%	2862%
Mr. Imran I. Balwa	–	0.00%	17,667	8.83%	-100%
Mr. Abid Ali S. Chaudhari	10,26,253	11.34%	31,334	15.67%	3175%
Mr. Sadik Hussein Chaudhari	10,26,219	11.34%	31,333	15.67%	3175%
Mr. Mohamed Hanif S. Chaudhari	10,26,219	11.34%	31,333	15.67%	3175%
Mrs. Waheeda U. Balwa	1,73,236	1.91%	8,000	4.00%	2065%
Ms. Saleha Ismail Balwa	6,36,012	7.03%	–	0.00%	100%
Ms. Neha U. Balwa	2,88,000	3.18%	8,000	4.00%	3500%
Ms. Sania U. Balwa	2,88,000	3.18%	8,000	4.00%	3500%
AKBG Investment (Firm)	–	0.0%	1	0.00%	-100%

2.10 Events after the reporting date:

The Board of Directors of the Company have recommended final dividend for the financial year 2022-23 @11% at Rs.1.10 per share aggregating to Rs. 99.55 lakhs on 90,50,000 equity shares of Rs.10/- each fully paid. This will be paid after approval by shareholders at the ensuing Annual General Meeting.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
3 RESERVES & SURPLUS		
3.1 Securities Premium Account		
Balance as at the beginning of the year	94.50	94.50
Less: Capitalisation towards issue of Bonus Shares during the year	(94.50)	–
Add: Issue of fresh shares at Premium during the year	3,977.50	–
Less: Company's share of expenses incurred on fresh issue of equity shares (net) (refer Note No.2.7)	(377.13)	–
Balance as at the end of the year	3,600.37	94.50
3.2 Statement of Profit & Loss:		
Balance as at beginning of the year	2,894.20	2,058.83
Add: Profit for the year ended	1,098.11	835.38
	3,992.31	2,894.20
Less: Capitalisation of surplus for issue of Bonus Shares	(605.50)	–
Less: Dividend paid during the year	(2.00)	–
	3,384.81	2,894.20
TOTAL	6,985.18	2,988.70

		(Rs In Lakhs)		(Rs In Lakhs)	
		As at	As at	As at	As at
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
4	LONG TERM BORROWINGS				
4.1	Secured Loans:				
	Term Loan From Financial Institution and Bank:				
	Small Industrial Development Bank of India (SIDBI):				
	Term Loan under SPEED Scheme	17.16	17.16	4.51	21.89
	Term Loan under PRATHAM Scheme	9.22	9.22	6.04	15.40
	Term Loan under TWARIT Scheme	6.87	6.87	2.88	9.84
	Term Loan under Arise Scheme - 1	32.76	–	111.94	–
	Term Loan under Arise Scheme - 2	53.04	–	203.12	–
	Canara Bank	1.03	–	7.92	–
		120.08	33.25	336.41	47.12
	Less: Considered under Short Term Borrowing	120.08	33.25	–	–
	(Refer note No. 7 of Short Term Borrowing)				
		–	–	336.41	47.12
4.2	Unsecured Loans:				
	Loans from Shareholders & Relatives of Directors:				
	Imran I. Balwa			–	13.19
	TOTAL (B)			–	13.19
	TOTAL (A+B)			336.41	60.31

4.3 Secured Loans:**From Small Industrial Development Bank of India (SIDBI):****a SPEED Scheme**

Term Loan sanctioned amount of Rs.100.00 Lakhs under SIDBI - loans for Purchase of Equipments for Enterprise's Development (SPEED) Scheme : Interest Rate- 9.35% p.a. Secured against composite hypothecation of all equipment, plant & machinery and other assets of Company which have been acquired under the (SPEED) Scheme. Payable in 54 monthly installment, First 53 Installments of Rs.1.85 Lakhs each (Now Reduced to Rs.1.43 Lakhs on account of receipt of Government Subsidy of Rs. 15.00 Lakhs) and last 54th installment of Rs.1.95 Lakhs beginning from January 2020.

b PRATHAM Scheme

Term Loan sanctioned amount of Rs.41.50 Lakhs under SIDBI Scheme for Priority Assistance to MSME's based on Hybrid or Alternate Security Model (PRATHAM) Scheme Interest Rate- 9.45% p.a. Secured against composite hypothecation of all equipments, plant & machinery and other assets of the Company which have been or proposed to be acquired under the PRATHAM scheme. Payable in 54 monthly installment, First 53 Installments of Rs.0.77 lakhs each and last 54th installment of Rs.0.77 lakhs beginning from June 2020.

c TWARTI Scheme

Term Loan sanction amount of Rs.27.50 Lakhs under SIDBI Scheme for EMERGENCY CREDIT LINE GUARANTEE SCHEME (ECLGS) TWARIT Scheme Interest Rate- 8.5 % p.a. Secured against composite hypothecation of all equipments, plant & machinery and other assets of the Company which have been or proposed to be acquired under the TWARIT scheme. Payable in 48 monthly installment, First 47 Installments of Rs.0.57 lakhs each and last 48th installment of Rs.0.59 lakhs beginning from August, 2020.

d ARISE Scheme-1

Term Loan sanctioned amount of Rs.161.30 Lakhs under SIDBI Scheme - ARISE Scheme. Interest Rate-6.75 % p.a. Secured against composite hypothecation of all equipments, plant & machinery and other assets of the Company which have been or proposed to be acquired under the ARISE scheme. Payable in 60 monthly installment, First 59 Installments of Rs.2,73,000 each and last 60th installment of Rs.2,74,000 beginning from August, 2022.

e ARISE Scheme-2

Term Loan sanctioned amount of Rs.2,65.00 lakhs under SIDBI Scheme -ARISE. Interest Rate-8.00% p.a. Secured against composite hypothecation of all equipments, plant & machinery and other assets of the Company which have been or proposed to be acquired under the ARISE scheme as well as all movable assets charged by way of extension of hypothecation charge created by the Company in favour of SIDBI for securing their earlier term loans of Rs.100.00 lakhs, Rs.41.50 lakhs, Rs.27.50 lakhs and Rs.163.81 lakhs vide Deed of Hypothecation dated 12th July 2019, 18th November, 2019, 13th August, 2020 and 05th August, 2022. Payable in 60 monthly installment, First 59 Installments of Rs.4.42 lakhs each and last 60th installment of Rs.4.22 lakhs beginning from February, 2023.

f Canara Bank Car Loan

Term Loan Sanctioned amount Rs.9.35 lakhs against purchased of Vehicle. Rate of Interest 10% p.a. Secured against Motor Car purchased from the said proceed.Repayable in 84 equated monthly installment beginning from November 2022.

		(₹ in Lakhs)	
Particulars		As at 31-03-2023	As at 31-03-2022
5 DEFERRED TAX LIABILITIES / (ASSETS) NET			
Deferred Tax Liabilities on:			
Timing Difference of Depreciation		11.53	
		11.53	–
Deferred Tax Assets on			
Timing Difference of Depreciation		–	8.00
Employees Benefit Expenses		5.85	2.66
		5.85	10.66
TOTAL		5.68	(10.66)
6 LONG TERM PROVISIONS			
Provision for Employee Benefits:			
For Leave Encashment		1.89	1.32
TOTAL		1.89	1.32
7 SHORT TERM BORROWINGS			
Secured Loan–Current Maturity (refer note no. 4)			
Term Loan From Financial Institution–(SIDBI) :			
Term Loan under SPEED Scheme		17.16	17.16
Term Loan under PRATHAM Scheme		9.22	9.22
Term Loan under TWARIT Scheme		6.87	6.87
Term Loan under ARISE Scheme-1		32.76	–
Term Loan under ARISE Scheme-2		53.04	–
Canara Bank Car Loan		1.03	–
TOTAL		120.08	33.25

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
8 TRADE PAYABLES:		
Due to Micro, Small and Medium Enterprises (see note given below)	33.04	37.30
Other Creditors	1,061.26	661.78
TOTAL	1,094.30	699.08

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

- a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:
- | | | |
|----------------------|-------|-------|
| (i) Principal amount | 33.05 | 37.30 |
| (ii) Interest due | – | – |
- b) Total interest paid on all dues delayed payments during the year under the provision of the Act
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- d) Interest accrued but not due
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.
- | | | |
|----------------------------------|---|---|
| Total interest due but not paid. | – | – |
|----------------------------------|---|---|
- As enterprises covered under MSME have not demanded any interest, hence no provision for the same is made in the accounts.

TRADE PAYABLE AGE WISE AS ON 31.03.2023

(Rs In Lakhs)

Particulars	Less than 1 year	1-2 years	2 – 3 years	More than 3 years	Total
(i) MSME	33.05	–	–	–	33.05
(ii) Other Creditors	1,050.24	7.87	0.71	2.43	1,061.26
(iii) Disputed Dues– MSME	–	–	–	–	–
(iv) Disputed Dues–Others	–	–	–	–	–
Total	1,083.29	7.87	0.71	2.43	1,094.30

TRADE PAYABLE AGE WISE AS ON 31.03.2022

(Rs In Lakhs)

Particulars	Less than 1 year	1-2 years	2 – 3 years	More than 3 years	Total
(i) MSME	37.30	–	–	–	37.30
(ii) Other Creditors	657.18	1.77	2.83	–	661.78
(iii) Disputed Dues– MSME	–	–	–	–	–
(iv) Disputed Dues–Others	–	–	–	–	–
Total	694.48	1.77	2.83	–	699.08

Particulars	As at 31-03-2023	As at 31-03-2022
9 OTHER CURRENT LIABILITIES		
Creditors for Capital Expenditure	29.36	7.19
Statutory Liabilities	39.57	11.64
Advance from Customers	50.09	16.14
Other Payables	12.11	16.58
Outstanding Expenses	126.67	63.44
TOTAL	257.80	115.00
10 SHORT-TERM PROVISIONS		
Income Tax provisions net of taxes paid		
Income Tax Provisions	561.00	696.00
Less: Taxes paid	549.17	684.82
	11.83	11.18
Provision for Employee Benefits:		
For Gratuity Payable	15.82	2.18
For Leave Encashment	13.41	5.80
	29.23	7.98
TOTAL	41.06	19.16
12 NON-CURRENT INVESTMENTS		
Unquoted:		
Investment in Equity Shares in Joint Venture Company (At Cost).		
Isomag Sealmatic India Private Limited	–	17.50
Nil Equity Shares (Previous year 1,75,000/–) of Rs.10/–each fully paid up		
TOTAL	–	17.50
13 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advances for Capital Goods	27.84	3.43
Security Deposit	4.45	5.03
TOTAL	32.29	8.46
14 OTHER NON CURRENT ASSETS		
Prepaid Expenses	4.89	3.87
Deposit with Original Maturity for more than 12 months :		
Fixed Deposit / Margin Money Deposit Bank of Baroda	4.28	7.61
Margin Money Deposit Axis Bank (Refer Note No.19)	–	1.51
Fixed Deposits with Small Industrial Development Bank of India (SIDBI)	45.26	–
	49.54	9.12
TOTAL	54.43	13.00

Deposits with SIDBI are lien against term loans facility availed from them.

Deposits with Bank of Baroda are lien against bank guarantees as margin money.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
15 CURRENT INVESTMENTS		
Quoted:		
Investment in Equity Shares		
58 (Nil) Allcargo Logistics Limited	0.25	—
8 (Nil) Bajaj Holdings & Investment Limited	0.50	—
63 (Nil) Bharti Airtel Limited	0.50	—
474 (Nil) Bharat Electronics Limited	0.49	—
10 (Nil) Housing Development Finance Co Limited	0.25	—
27 (Nil) ICICI Bank Limited	0.25	—
924 (Nil) IDBI Bank Limited	0.49	—
32 (Nil) Infosys Limited	0.49	—
1000 (Nil) Irb Infrastructure Developers Limited	0.29	—
60 (Nil) Jk Paper Limited	0.25	—
13 (Nil) Kotak Mahindra Bank Limited	0.25	—
55 (Nil) Life Insurance Corp Of Ind LIC	0.49	—
931 (Nil) Samvardhana Motherson Int Limited	0.75	—
69 (Nil) Reliance Industries Limited	1.75	—
40 (Nil) State Bank Of India	0.24	—
7 (Nil) Tata Elxsi Limited	0.49	—
115 (Nil) Tata Motors Limited	0.50	—
225 (Nil) Tata Power Co Limited	0.50	—
820 (Nil) Tata Steel Limited	1.00	—
23 (Nil) Tata Consultancy Services Limited	0.76	—
3515 (Nil) TV18 Broadcast Limited	1.50	—
105 (Nil) Zee Entertainment Enterprises Limited	0.25	—
	12.24	—
Less : Provision for Dimunition in Value	1.67	—
TOTAL	10.57	—
The aggregate market value of quoted investment in equity shares is Rs.10.59 lakhs (31st March, 2022 Rs.Nil)		
Figures in bracket are of financial year ended 31/3/2022		
16 INVENTORIES		
Raw Materials and Components	1,896.28	1,032.16
Work-in-Progress	236.85	309.83
Finished Goods	268.04	74.74
(Includes goods in transit Rs.2.11 lakhs previous year Rs.Nil)		
Stores and Loose Tools	67.67	36.93
TOTAL	2,468.85	1,453.66
17 TRADE RECEIVABLES		
Unsecured, Considered good :		
Outstanding for a Period Less Than Six Months	1,119.71	779.19
Outstanding for a Period More Than Six Months	158.55	111.44
TOTAL	1,278.26	890.62

TRADE RECEIVABLE AGE WISE AS ON 31.03.2023
(Rs In Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed –Trade Receivable						
Unsecured– Considered Good	1,119.71	119.83	12.18	22.57	3.97	1,278.26
Disputed Trade Receivable	–	–	–	–	–	–
TOTAL	1,119.71	119.83	12.18	22.57	3.97	1,278.26

TRADE RECEIVABLE AGE WISE AS ON 31.03.2022
(Rs In Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total than
Undisputed –Trade Receivable						
Unsecured– Considered Good	779.19	66.15	41.31	–	3.97	890.62
Disputed Trade Receivable	–	–	–	–	–	–
TOTAL	779.19	66.15	41.31	–	3.97	890.62

(₹ in Lakhs)

	31-03-2023	31-03-2022
18 CASH AND CASH EQUIVALENTS		
Cash on hand	1.88	1.60
Balance with Schedule Banks in current accounts	163.42	234.65
Deposit with Original Maturity for less than or equal 3 months:		
Fixed Deposits with Axis Bank (refer Note no.19)	1,000.00	–
TOTAL	1,165.30	236.26
19 OTHER BANK BALANCES		
Deposit with Original Maturity for more than 3 months but Less than 12 months :		
Bank of Baroda -Margin Money Deposit (BG)#	2.88	1.68
Axis Bank –Margin Money Deposit (BG)#	1.51	–
Fixed Deposits with Axis Bank*	2,720.00	152.08
Fixed Deposits with Small Industrial Development Bank of India (SIDBI)	110.48	37.45
Fixed Deposits with SBI	7.11	6.43
TOTAL	2,841.98	197.64

The Deposits with Bank of Baroda are towards margin money for the bank guarantees issued on behalf of the Company and as such a lien on the same is marked on the same bank deposits

Margin Money Deposits with a carrying amount of Rs.15.79 lakhs (Previous year Rs.17.24 lakhs) are pledged with banks towards Bank Guarantee and Performance Bond.

* Deposit in Axis Bank include amount of Rs.3,700.00 lakhs unutilised amount from issue of shares in IPO

20 SHORT-TERM LOANS AND ADVANCES

Advances Recoverable in Cash or Kind or for value to be received:

Security Deposit	57.68	0.02
Advances to Sundry Creditors	23.80	45.23
Other Advances	4.49	5.52
TOTAL	85.97	50.76

(₹ in Lakhs)

	31-03-2023	31-03-2022
21 OTHER CURRENT ASSETS		
Prepaid Expenses	17.15	13.03
Accrued Interest on Fixed Deposits	23.50	11.66
Balances with Statutory/Government Authorities	188.89	161.27
Amount receivable from Selling Shareholders (Related Parties)	49.18	–
Other Current Assets	4.49	1.94
TOTAL	283.21	187.90
22 REVENUE FROM OPERATIONS		
(a) Sale of Products		
Domestic	2,202.91	678.06
Exports	3,549.15	3,257.86
	5,752.06	3,935.92
(b) Sale of Services		
Service & Recondition Charges	0.37	255.94
Design & Drawing	0.58	2.33
	0.95	258.27
(c) Other Operating Income		
Sale Of Scrap	25.53	19.35
Duty Drawback Received	11.28	11.37
Export Incentives*	64.23	9.48
Sale of Export Licence	–	3.82
	101.04	44.01
TOTAL	5,854.05	4,238.21
* Export Incentives for the year include prior year incentives income Rs.25.04 lakhs)		
22.1 Particulars of Sale of Products		
Mechanical Seals and Spares	5,752.07	3,935.92
22.2 Particulars of Sale of Services		
Servicing and Reconditioning Charges of Mechanical Seals	0.37	255.94
23 OTHER INCOME		
Foreign Exchange Fluctuation Gain	54.98	3.35
Interest on Fixed Deposit	27.09	16.03
Other Interest Income	6.74	0.16
Discount Income	2.35	0.07
Excess provision of Expenses written off	–	0.45
Dividend on Shares	0.15	–
Office Expenses Recovered	5.04	5.04
Sundry Income / Write off	0.59	0.08
Profit on sale of Investment	10.48	–
TOTAL	107.42	25.17
24 COST OF MATERIALS CONSUMED		
Opening Stock	1,032.16	679.17
Add: Purchases	3,245.10	2,092.81
	4,277.26	2,771.99
Less: Closing Stock	1,896.28	1,032.16
TOTAL	2,380.98	1,739.83

	31-03-2023	31-03-2022
24.1 Particulars of Raw Materials and Components purchased		
Bar Material	1,427.47	863.75
Silicon	506.59	316.19
Rotary	295.71	356.33
Others	1,015.33	556.55
	3,245.10	2,092.81
25 CHANGE IN INVENTORIES		
Opening Stock of Work-in-progress	309.83	131.79
Less :Closing Stock of Work-in-progress	236.85	309.83
	72.98	(178.05)
Opening Stock of Finished Goods	74.74	42.99
Less: Closing Stock of Finished Goods	265.93	74.74
	(191.19)	(31.75)
Goods In transit (Sales) Opening	–	0.71
Goods In transit (Sales) Closing	2.11	–
	(2.11)	0.71
TOTAL	(120.32)	(209.09)
26 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	773.83	583.91
Directors Remuneration	41.25	50.40
Contributions to -		
(i) Provident Fund	46.01	34.35
(ii) ESIC	8.32	7.30
(iii) Gratuity Fund	24.44	2.18
Staff Welfare Expenses	64.68	37.85
Group Health Insurance Policy	3.76	11.32
TOTAL	962.28	727.32

26.1 The Company is having defined benefit plans for gratuity. The cost of providing such defined benefits is determined by using the projected unit credit method of actuarial valuation made at the end of the year. Further the Company has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to such fund based on the actuarial valuation.

26.2 As per Accounting Standard 15 “Employee benefits”, the disclosures as defined in the Accounting Standard are given below:

	(₹ in Lakhs)	
Gratuity (Funded)	31-03-2023	31-03-2022
I) Actuarial Assumptions		
Mortality	IALM (2012-14) Ult	IALM (2006-08) Ult
Discount Rate	7.29%	7.10%
Rate of increase in compensation	10%	6%
Rate of return (expected) on plan assets	7.29%	7.10%
Withdrawal rates	9%	2%

(₹ in Lakhs)

	31-03-2023	31-03-2022
II) Changes in present value of obligations		
PVO at beginning of period	19.35	16.72
Interest cost	1.35	1.12
Current Service Cost	4.94	4.94
Benefits Paid	(0.79)	(0.37)
Actuarial (gain)/loss on obligation	19.09	(3.06)
PVO at end of period	43.94	19.35
III) Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	17.17	16.72
Adjustment to Opening Fair Value of Plan Assets	0.75	–
Expected Return on Plan Assets	1.60	1.12
Contributions	10.00	–
Benefit Paid	(0.79)	(0.37)
Actuarial gain/(loss) on plan assets	(0.61)	(0.30)
Fair Value of Plan Assets at end of period	28.13	17.17
IV) Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	17.17	16.72
Adjustment to Opening Fair Value of Plan Assets	0.75	–
Actual Return on Plan Assets	0.99	0.82
Contributions	10.00	–
Benefit Paid	(0.79)	(0.37)
Fair Value of Plan Assets at end of period	28.13	17.17
Funded Status	(15.81)	(2.18)
Excess of actual over estimated return on Plan Assets	(0.70)	(0.30)
V) Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	(19.09)	3.06
Actuarial Gain/(Loss) for the period (Plan Assets)	(0.61)	(0.30)
Total Gain/(Loss) for the period	(19.70)	2.76
Actuarial Gain/(Loss) recognized for the period	(19.70)	2.76
Unrecognized Actuarial Gain/(Loss) at end of period	–	–
VI) Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss Account		
PVO at end of period	43.94	19.35
Fair Value of Plan Assets at end of period	28.13	17.17
Funded Status	(15.81)	(2.18)
Unrecognized Actuarial Gain/(Loss)	–	–
Net Asset/(Liability) recognized in the balance sheet	(15.81)	(2.18)
VII) Expense recognized in the statement of P & L A/C		
Current Service Cost	4.94	4.94
Interest cost	1.35	1.12
Expected Return on Plan Assets	(1.60)	(1.12)
Net Actuarial (Gain)/Loss recognized for the period	19.70	(2.76)
Expense recognized in the statement of P & L A/C	24.39	2.18

	31-03-2023	31-03-2022
VIII) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	2.18	(0.00)
Adjustment to Opening Fair Value of Plan Assets	(0.75)	–
Expenses as above	24.39	218.02
Contribution paid	(10.00)	–
Closing Net Liability	15.81	2.18
IX) Experience Analysis –Liabilities		
Actuarial (Gain)/Loss due to change in bases	12.13	(1.02)
Experience (Gain) / Loss due to Change in Experience	6.97	(2.04)
Total	19.09	(3.06)
X) Experience Analysis –Plan Assets		
Experience Gain / (Loss) due to change in Plan Assets	0.61	0.30
26.3 The leave encashment liability is actuarially determined by an independent actuary using the Projected Unit Credit method for the period ended 31st March 2023 at Rs.15.30 Lakhs (Previous year ended 31st March, 2022 Rs.7.11 Lakhs)		
27 FINANCE COST		
Interest Expenses :-		
Interest on Term Loans	17.58	9.13
Interest on Car Loan	0.41	–
Interest on OD /CC	0.02	–
Loan Processing Fees	5.68	0.01
TOTAL	23.69	9.14
28 OTHER EXPENSES		
28.1 Manufacturing Expenses		
Carriage Inward & Freight Expenses	30.87	21.56
Consumption of Loose Tools, Stores and Spares	158.21	66.83
Insurance Factory & Machine	1.95	1.57
Factory Maintenance	10.23	7.12
Job Work Charges	49.32	32.90
Custom Duty Paid (FOC)	0.03	1.14
Packing Material	62.50	31.49
Power & Fuel Expenses	74.86	55.34
Repair and Maintenance – Plant & Machinery	16.76	6.60
Rent –Factory Building	68.96	59.15
Rent –Machinery	0.96	1.52
Testing and Inspection Charges	17.17	15.48
Water Expenses	2.87	1.96
TOTAL (A)	494.69	302.66
28.2 Administrative & Other Expenses		
Bank Charges	12.10	11.59
Rates & Taxes	22.77	8.39
Printing & Stationery	21.33	17.78
Legal & Professional Charges	72.10	66.84

(₹ in Lakhs)

	31-03-2023	31-03-2022
Quality Product Audit Fees	8.34	6.94
Audit Fees	2.55	1.00
Communication Expenses	7.63	7.92
Conveyance & Travelling Expenses	78.33	34.65
Vehicle & Fuel Expenses	7.87	9.60
Repairs & Maintenance –Others	33.81	22.63
Interest on Late Payment of TDS	0.08	0.08
Interest on Income Tax	13.19	0.30
Loss by Theft	–	1.01
Security Services	4.08	–
CSR Expenditures–Donations	17.76	14.57
Provision for Diminution in Value of Investments	1.67	–
Loss on Sale of Fixed Assets	4.50	–
Sundry Expenses	17.27	13.53
TOTAL (B)	325.38	216.85
28.3 Selling & Distribution Expenses :		
Advertisement & Publicity	19.77	14.03
Commission and Brokerage	76.85	93.63
Export Expenses	131.43	107.92
Sales Promotion/ Business Promotion	26.19	29.05
Conference & Seminar Expenses	19.17	6.37
Exhibition Expenses	3.51	–
Late Delivery Charges	3.14	10.46
Postage & Courier Charges	13.59	6.10
TOTAL (C)	293.65	267.57
TOTAL (A+B+C)	1,113.72	787.08

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in rupees lakhs, unless otherwise stated)

		Year ended 31-03-2023 (₹ in Lakhs)	Year ended 31-03-2022 (₹ in Lakhs)
29 RELATED PARTY DISCLOSURES:			
Disclosure as required by Accounting Standard 18 are given below:			
29.1 Key Managerial Personnel			
Mr. Umar A K Balwa	Managing Director		
Mr. Mohamed Hanif Sharif Chaudhari	Whole Time Director		
Mr. Rafiq Hussein Balwa	Director	Resigned w.e.f 13/10/2022	
Mr. Sadik Hussein Chaudhari	Director	Resigned w.e.f 13/10/2022	
Mr. Abid Sharif Chaudhari	Director	Resigned w.e.f 13/10/2022	
Mr. Ismail Abdulkarim Balwa	Director	Resigned w.e.f 13/10/2022	
Mr. Hussein Abdulkarim Balwa	Director	Resigned w.e.f 13/10/2022	
Ms Sania U. Balwa	Director	Appointed w.e.f.13/10/2022	
Mr. Deepak Ghangurde	Independent Director	Appointed w.e.f.26/12/2022	
Mr. Ajoy Balkrishna	Independent Director	Appointed w.e.f.26/12/2022	
Mr. Ratan Kandare	Chief Financial Officer	Appointed w.e.f.28/11/2022	
Ms. Neha Chedda	Company Secretary	Appointed w.e.f.16/12/2022	
29.2 Relatives of Key Managerial Personnel			
Mr. Warris Hussein Haider Ali Chaudhari			
Mr. Zakir Hanif Chaudhari			
Mr. Firoz Chaudhari			
Mr. Rafiq Hussein Balwa			
Mr. Sadik Hussein Chaudhari			
Mr. Abid Sharif Chaudhari			
Mrs. Waheeda Umar Balwa			
Mr. Zubair I Balwa			
Mr. Imran I. Balwa			
Mr. Ismail A.K. Balwa			
29.3 Enterprises over which Key Managerial Personnel are able to exercise significant influence			
Isomag Sealmatic India Pvt Ltd - Joint Venture Entity upto 23/07/2022			
AKBG Investments (Partnership Firm)			
A.K.Balwa Charitable Trust			
Associated Hospitality & Developers Pvt Ltd.			
Associated Hospitality & Developers LLC. USA			
Associated Hospitality Pvt Ltd.			
Associated Hospitality Company (Partnership Firm)			
Autoland India Pvt. Ltd.			
Automann India Pvt. Ltd.			
Balwas Realty & Infrastructure Pvt. Ltd..			
Micropneumatic Engineering & Construction Pvt. Ltd.			
Microtact India Pvt.Ltd.			
Morrill & Greenwood Developers Pvt. Ltd.			
Morrill & Greenwood India Pvt. Ltd.			
Panetteria Food Pvt Ltd			
Pastonji Foods Pvt. Ltd.			
Resiplex (AOP)			
Resiplex Hospitality & Developers Pvt. Ltd.			
Techniplex (AOP)			
Techniplex Complex Pvt. Ltd.			
Techniplex II Complex Management Pvt. Ltd.			

		Year ended 31-03-2023 (₹ in Lakhs)	Year ended 31-03-2022 (₹ in Lakhs)
29.4 Transactions with Related Parties			
i) Loan Taken by the Company :		(Rs.In Lakhs)	(Rs.In Lakhs)
<u>Name of the Party</u>	<u>Nature of Transactions</u>		
Zubair Ismail Balwa	Loan Repaid	–	21.12
Imran Ismail Balwa	Loan Repaid	13.19	30.80
Rafiq Hussein Balwa	Loan Repaid	–	7.41
Abid Sharif Chaudhari	Loan Repaid	–	12.17
Mohamed Hanif Sharif Chaudhari	Loan Repaid	–	41.00
Sadik Hussein Chaudhari	Loan Repaid	–	7.60
Ismail Balwa	Loan Repaid	–	9.18
ii) Loan Given :			
a) Techniplex (AOP) :			
Loan Given		–	60.00
Loan Refund Received		–	60.00
b) Associated Hospitality Private Limited :			
Loan Given		125.00	–
Loan Refund Received		125.00	–
iii) Directors Remuneration			
Mohamed Hanif Sharif Chaudhari		26.25	23.10
Sadik Hussein Chaudhari		7.50	13.65
Abid Sharif Chaudhari		7.50	13.65
iv) Salary, Allowances and Bonus:			
Sadik Hussein Chaudhari		8.25	–
Abid Sharif Chaudhari		8.25	–
Warrishhusain Haiderali Chaudhari		6.04	5.37
Zakirhusain Hanif Chaudhari		9.90	8.11
Firoz Hanif Chaudhari		5.77	2.49
Ratan Kandare		3.78	–
Neha Chedda		0.88	–
v) Conference & Seminar Expenses			
Associated Hospitality & Developers Private Limited		2.41	3.65
Resiplex Hospitality & Developers Private Limited		–	1.32
Associated Hospitality Private Limited		13.02	–
vi) Business Promotion Exp			
Associated Hospitality & Developers Private Limited		10.31	4.58
Resiplex Hospitality & Developers Private Limited		0.24	0.07
Associated Hospitality Private Limited		3.59	–
vii) Staff welfare			
Associated Hospitality & Developers Private Limited		3.02	–
Associated Hospitality Private Limited		0.86	–
viii) Rent paid			
Morrill & Greenwood Developers Pvt Ltd.		55.80	55.80
ix) Sale of Goods			
Isomag Sealmatic India Private Limited		107.86	39.66

		Year ended 31-03-2023 (₹ in Lakhs)	Year ended 31-03-2022 (₹ in Lakhs)
29.4 Transactions with Related Parties (Contd....)			
x) Office Expenses Reimbursed from:			
Isomag Sealmatic India Private Limited		5.04	5.04
xi) Reimbursement of Expenses by:			
Isomag Sealmatic India Private Limited		0.47	0.69
Reimbursement of Expenses to:			
Techniplex		–	3.05
Petrol and Fuel Expenses to :			
Umar A.K. Balwa		–	0.77
Abid Chaudhari		0.09	0.18
Hanif S. Chaudhari		0.51	0.73
Sadik H. Chaudhari		0.42	0.55
Zakir H. Chaudhari		0.16	–
xii) Uniform Expenses			
Sakina H. Chaudhari		1.19	–
xiii) Commission & Brokerage			
Jasmin Chaudhari		2.05	–
xiv) Donation Given			
A..K. Balwa Charitable Trust		0.51	–
xv) Selling Shareholders IPO Expenses Recoverable			
Rafiq H. Balwa.		17.38	–
Waheeda U. Balwa		8.69	–
Mohammed Hanif Chaudhari		7.70	–
Abid S. Chaudhari		7.70	–
Sadiq Chaudhari		7.70	–
xvi) IPO Listing Expenses paid for service received from:			
Associated Hospitality & Developers Pvt. Ltd.		0.45	–
Associated Hospitality Pvt. Ltd.		10.30	–
Resiplex Hospitality & Developers Pvt. Ltd.		0.52	–
xvii) Sale of Investments			
Umar A. K. Balwa		14.14	–
Mohammed Hanif Chaudhari		12.54	–
xviii) Interest Received			
Associated Hospitality Pvt. Ltd.		6.74	–
Techniplex (AOP) :		–	0.14
xix) Outstanding Balances:			
Imran Ismail Balwa	Loan payable	–	139.19
Associated Hospitality & Developers Pvt. Ltd.	Payable	0.05	1.15
Associated Hospitality Pvt. Ltd.	Payable	0.06	–
Resiplex Hospitality & Developers Pvt Ltd	Payable	0.52	–
Isomag Sealmatic India Pvt Ltd	Receivable	54.65	0.38
Rafiq H. Balwa.	Receivable	17.38	–
Waheed U. Balwa	Receivable	8.69	–
Mohammed Hanif Chaudhari	Receivable	7.70	–
Abid S. Chaudhari	Receivable	7.70	–
Sadiq Chaudhari	Receivable	7.70	–
Umar A.K. Balwa	Payable (Rent Deposit)	–	0.45
Saleha Balwa	Payable (Rent Deposit)	–	0.45
Salma Hussein Balwa	Payable (Rent Deposit)	–	0.45

	Year ended 31-03-2023 (₹ in Lakhs)	Year ended 31-03-2022 (₹ in Lakhs)
xx) Return of Rent Deposit		
Umar A.K. Balwa	0.45	—
Saleha Balwa	0.45	—
Salma Hussein Balwa	0.45	—
xxi) Staff Training		
Associated Hospitality & Developers Private Limited	0.09	—
30 LEASE RENT PAYABLE:		
In respect of Assets under operating lease, the future lease rentals are as under:—		
Within one year	89.18	55.80
Later than one year but with in five years	269.75	166.59
Later than five years	NIL	NIL
31 CONTINGENT LIABILITIES AND OTHER CAPITAL COMMITMENT:		
31.1 Contingent Liabilities:		
i) Liabilities Disputed and Not Provided for :		
Income tax Appeal	3.60	3.60
ii) Other Contingent Liabilities :		
Bank Guarantees issued	15.11	28.58
Government Subsidy against Machinery Loan from SIDBI	15.00	15.00
31.2 Capital Commitment	48.47	—
32 EARNINGS PER SHARE:		
Profit for the year (A) (Rs.in Lakhs)	1,098.11	835.38
Eq Shares outstanding as on 31st March	90,50,000	2,00,000
Weighted average number of equity shares outstanding during the year (B) *	73,54,167	72,00,000
Basic /Diluted Earning Per Share (A/B)	14.93	11.60
Face Value Per Equity Share in Rs.	10	10
* Basic and diluted earning per share for the previous year have retrospectively adjusted for the bonus element in respect of the bonus shares issued made during the current year		
Basic and diluted earning per share for the current year have adjusted for the issue of shares on 1st March, 2023 during the year under IPO		
33 FOREIGN CURRENCY EXPENDITURE AND INCOME:		
(i) Expenditure in Foreign Exchange:		
Foreign Travelling	13.30	1.43
Business Promotion	12.40	10.65
Business Commission	61.18	66.87
Professional Fees	23.13	19.69
CIF Value of Imports for Raw Materials	1,089.55	761.98
CIF Value of Imports for Capital Goods	113.35	86.09
(ii) Earning in Foreign Exchange:		
Export (FOB Basis)	3,448.50	3,165.90

34 FOREIGN CURRENCY EXPOSURE:

	Foreign Currency Figures in Lakhs		Indian Rupees Figures in Lakhs	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Foreign currency exposures that are not hedged as at				
Total Receivables:				
USD	4.07	3.14	326.79	226.43
EURO	4.12	4.67	359.58	385.74
GBP	0.08	0.03	7.94	2.84
Total Payables:				
USD	1.44	0.87	121.23	66.94
EURO	0.08	0.05	7.25	4.21
CHF	0.00	0.00	0.05	0.04
GBP	0.08	0.15	7.90	15.49

35 SEGMENT REPORTING:

35.1 The Company operates in one segment i.e Mechincal Seal”

35.2 Geographical Information

Segment information (Geographical) reportable under Accounting Standard 17 “Segment Reporting” is as under:

	Year ended 31-03-2023 (₹ in Lakhs)	Year ended 31-03-2022 (₹ in Lakhs)
SALE OF GOODS & SERVICES		
– Out of India	3,549.73	3,260.19
– India	2,228.81	953.35
TOTAL	5,778.54	4,213.54
TRADE RECEIVABLES FROM		
– Out of India	690.79	615.01
– India	587.48	275.61
TOTAL	1,278.27	890.62
ADVANCE FROM CUSTOMERS FROM		
– Out of India	50.07	16.14
– India	0.02	0.00
TOTAL	50.09	16.14

36 COMPANY’S INVESTMENT IN A JOINTLY CONTROLLED ENTITY:

A)	Name of the Jointly Controlled Entity	Country of Incorporation	Proportion of ownership Interest as on 31-03-2023	Proportion of ownership Interest as on 31-03-2022
	Isomag Sealmatic India Pvt Ltd	India	Nil (Refer note B)	50%

The Company’s share of each of the assets, equity & liabilities, income and expenses in the joint venture, based on the audited financial statements are as follows:

Assets

Non-current Assets	Nil	Nil
Current Assets		
a) Inventory in hand	–	2.66
b) Trade Receivables	–	5.36
c) Cash & Bank Balance	–	16.29
d) Short Term Loan & Advances	–	4.04

	Year ended 31-03-2023 (₹ in Lakhs)	Year ended 31-03-2022 (₹ in Lakhs)
II Liabilities		
Current Liabilities		
a) Trade Payable	–	1.02
b) Other Current Liabilities	–	0.26
c) Short Term Provisions	–	2.27
III Income		
a) Sale of Products	–	34.83
b) Other Operating Income	–	0.38
c) Other Income	–	0.09
IV Expenses		
a) Purchase of Stock in Trade	–	22.86
b) Cost of Material Consumed	–	0.47
c) Variation in Stock in Trade	–	(2.05)
d) Other Expenses	–	5.49

B) The Company has disposed off its entire stake in the Jointly Controlled entity on 23rd July, 2022, hence share in assets, equity & liabilities, income and expenses is not applicable as at 31st March, 2023.

37 EXPENDITURE ON RESEARCH & DEVELOPMENT:

Capital Expenditure incurred during the year (Included in Property, Plant and Equipment) :

Plant & Machinery	19.40	32.88
Electrical Fittings	0.07	0.04
Furniture & Fittings	0.31	–
Office Equipments	0.03	1.07
	<u>19.81</u>	<u>33.99</u>

Revenue Expenditure:

The company does not account revenue expenditure incurred on Research & Development activities under separate head but record under respective head of expenses.

Capital Expenditure:

The Company accounts capital expenditure incurred on research and development unit from the financial year 2021–22 i.e. from the financial year in which approval has been granted by DSIR

38 In the opinion of the Board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and all known liabilities provided for.

39 The Company has availed the Cash Credit –CGTMSE facility of Rs.200.00 lakhs from Axis Bank to meet the working capital requirements. Rate of Interest 10.50% p.a. and on the security of entire current assets and fixed assets/Movable fixed assets (unencumbered) of the company, both present and future on exclusive basis. The said facility is guarantee from CGTMSE. The was no borrowing outstanding as on 31/03/2023.

40 Expenditure incurred on Corporate Social Responsibility (CSR) activities:

Gross amount required to be spent during the financial year is Rs. 17.76 lakhs (31st March 2022 Rs.14.56 lakhs)

Amount Spent upto 31/03/2023 (Donation Given) Rs.17.76 lakhs (last year Rs.14.57 lakhs)

Year ended 31-03-2023
(₹ in Lakhs)

Year ended 31-03-2022
(₹ in Lakhs)

41 RATIOS:

Ratios	Numerator	Denominator	As on 31-Mar-23	As on 31-Mar-22	Variation with preceding year	Comments if variation in above 25%
Current Ratio	Current Assets	Current Liabilities	5.38	3.48	54.39%	Refer note (a)
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.06	0.03	86.04%	Refer note (b)
Debt Service Coverage	Earnings available for debt service	Debt service	16.42	6.47	153.72%	Refer note (c)
Return on Equity Ratio	Net profit after tax	Average shareholder's equity	0.14	0.28	-49.87%	Refer note (d)
Inventory Turnover Ratio (Times)	Sales	Average inventory	2.98	3.67	-18.62%	
Trade Receivables Turnover Ratio (Times)	Net credit sales	Average accounts receivables	5.40	5.56	-2.91	
Trade Payable Turnover Ratio (Times)	Net credit purchases	Average accounts payables	3.62	3.93	-7.88%	
Net Capital Turnover ratio (Times)	Net Sales (Revenue from Operation)	Working capital	1.33	2.26	-41.03%	Refer note (e)
Net profit ratio	Net profit	Net sales	0.19	0.20	-4.83%	
Return on capital employed	Earnings before Interest and taxes	Capital employed	0.18	0.37	-50.50%	Refer note (f)
Return on Investments	Return on Investment	Avg Investments	76%	0.89%	8429%	Refer note (g)

Note:

- Increase in current assets mainly due to unutilised amount from fresh issue of share capital is temporary kept in fixed deposits resulting into increase in Current Ratio.
- During the year the Company has taken term loan for purchased of machineries and equipments resulting increase in debt.
- During the previous year the Company repaid almost all unsecured loans resulting into higher outflow of funds towards debt service resulting into higher debt service out of earning in previous year.
- Company has issued fresh equity shares as part of IPO resulting increase in equity fund during the year.

Annual Report 2022-23

- e Current assets of the company for the year increase due to unutilised fund temporary kept in fixed deposits resulting into increased in working capital which in turn result into decreased in working capital Turnover ratio.
- f Capital employed has increased during the year on account of fresh issue of shares by the Company resulting in change in the ratio
- g During the year Company has disposed off its entire investment in joint venture company at profit resulting into capital gain during the year. However there was no capital gain income in the previous year.

42 OTHER STATUTORY INFORMATION:

(i) Loans or Advances in the nature of Loans to promoter, directors, KMPs and the related parties

The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs. However, during the year the Company had granted loan to one related party during the year. Loan has been granted for general corporate purpose. Details of the said loan are as under:

Aggregate amount granted / provided during the year to:

Associated Hospitality Private Limited	Rs.125.00 Lakhs
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Balance outstanding as at 31st March 2023	Nil
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The Loan was given after complying with the provisions of Section 186(4) of the Companies Act, 2013. The loan was given in accordance with the terms and conditions agreed between the parties and is to be used by the recipient in the normal course of business. The said loan is repaid by the party in full on 27th February, 2023 as per the terms. The rate of Interest on loan was 7.90% p.a.

(ii) Details of Benami Property held

The Company does not have any Benami property, as such no proceeding under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder has been initiated or pending against the Company for holding any Benami property.

(iii) Borrowings from banks or financial institutions on the security of current assets

The Company has availed Cash Credit – under CGTMSE working capital facility from Axis Bank Ltd. against the security of current assets. However there is no borrowing outstanding as on 31st March 2023 As per the sanction terms the Company is required to file details of Stock and Book debt statement for each quarter. The Company has filed statement of Stock and Book Debts with the bank. There are no material discrepancies in the said statement with the books of account.

(iv) Wilful Defaulter

The Company has not been declared as Wilful Defaulter by any bank or financial institution or other lender.

(v) Relationship with Struck off Companies

There were no transactions with the companies struck off under Sec. 248 of the Companies Act, 2013 or Sec. 560 of the Companies Act, 1956 during the year as such there is nothing to disclose.

(vi) Registration or satisfaction of charges with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the stipulated period.

(vii) Utilisation of Borrowed funds and share premium:

(A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall

- i) 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
- ii) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiarie.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i) 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
- ii) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiarie

(viii) Crypto Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(ix) Undisclosed Income

The Company does not have any transaction which is not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(x) Capital Work in Progress

The Company does not have Capital Work in Progress as at the year end, hence nothing is to be disclosed.

- (xi) Additional regulatory informations as per notification dated 24th March 2021 are reported wherever applicable. In cases where such requirements are not applicable to the Company have not been reported.

43 Figures of the financial year have been regrouped/reclassified wherever necessary to make them comparable with that of the year.

As per our report of even date

For R. R. Shah & Associates
Chartered Accountants
Firm Registration No.112007W

for and on behalf of the Board of Directors

Sd/-
(Umar A.K. Balwa)
Managing Director
DIN :00142258

Sd/-
(Hanif S. Chaudhari)
Whole Time Director
DIN :02817594

Sd/-

(Rajesh S. Shah)
Partner
Membership No.017844
Place : Mumbai
Date : 29.05.2023

Sd/-
(Neha Chedda)
Company Secretary
PAN: ALHPV3879N
Place : Mumbai
Date : 29.05.2023

Sd/-
(Ratan Kandare)
Chief Financial Officer
PAN:BHZPK1982L



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