



ATAM VALVES LIMITED

Our Company was originally incorporated as a Partnership Firm in 1982 which had Vimal Parkash Jain, as one of the Partners and commenced the business from mid-1982. Later, Vimal Parkash Jain founded and incorporated "Atam Valves Private Limited", a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 30, 1985 bearing Registration Number 6476 issued by Registrar of Companies, Punjab, HP & Chandigarh by taking over the entire business of Atam Valves, a Partnership Firm. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders dated November 09, 2017 and the name of our Company was changed to "Atam Valves Limited" to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Chandigarh, dated November 24, 2017 bearing Corporate Identification Number U27109PB1985PLC006476 For further details, please refer the chapter titled "History and Corporate Structure" beginning on page 121 of this Draft Prospectus.

Registered Office: 1051, Industrial Area, Jalandhar, Punjab – 144 004 | **Tel No:** 0181 5001111 | **Email:** cs@atamfebi.com

Website: www.valvesexporters.com | **Contact Person:** Natisha Choudhary, Company Secretary & Compliance Officer

OUR PROMOTERS: VIMAL PARKASH JAIN AND AMIT JAIN

THE ISSUE	
<p>INITIAL PUBLIC ISSUE OF UP TO 15,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- EACH ("EQUITY SHARES") OF ATAM VALVES LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE), AGGREGATING ₹ [●] LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- FOR CASH AT A PRICE OF ₹ [●] EACH AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.</p>	
<p>THE FACE VALUE OF THE EQUITY SHARES IS ₹. 10.00 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE</p>	
<p>THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED AND RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 225 OF THIS DRAFT PROSPECTUS. A copy of the Prospectus will be delivered to the Registrar of Companies for filing as required under Section 26 of the Companies Act, 2013</p>	
<p>All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account and UPI ID in case of RI's, if applicable, in which the application amount shall be blocked by the Self-Certified Syndicate Banks ("SCSBs") or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to chapter titled "Issue Procedure" on page 225 of this Draft Prospectus.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10 per Equity Shares and the Issue price is [●] per Equity Share, is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page 70 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 20 of this Draft Prospectus.</p>	
COMPANY'S ABSOLUTE RESPONSIBILITY	
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In- approval letter dated [●] from BSE SME for using its name in this offer document for listing of our shares on the BSE SME. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 Fax No.: 022 2618 6966 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Rinkesh Saraiya SEBI Registration Number: INM000010163 Investor Grievance E-Mail: mb@fedsec.in</p>	 <p>BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059, India. Tel No.: +91 22 62638200 Fax No.: +91 22 62638299 E-mail: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Raphael SEBI Registration No.: INR000001385 Investor Grievance E-mail: investor@bigshareonline.com</p>
ISSUE PROGRAMME	
ISSUE OPENS ON:	[●]
ISSUE CLOSES ON:	[●]

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SECTION I – GENERAL

CONVENTIONAL AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Tax Benefits”, “Restated Financial Statement”, “Outstanding Litigation and Material Developments”, “Key Industry Regulations and Policies” and section titled “Main Provisions of Articles of Association” on pages 73,146,194,108 and 258 respectively, shall have the meanings ascribed to such terms in the respective sections.

GENERAL TERMS

Term	Description
“Atam Valves Limited”, “AVL”, “We” or “us” or “Our Company” or “the Issuer”	Unless the context otherwise indicates or implies refers to Atam Valves Limited, a public limited Company incorporated under the provisions of the Companies Act, 1956 with its registered office at 1051, Industrial Estate Area, Jalandhar, Punjab – 144 004, India
Promoter(s) / Core Promoter(s)	1) Vimal Parkash Jain; and 2) Amit Jain
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of SEBI ICDR Regulations as disclosed in the chapter titled “Our Promoter and Promoter Group” on page 137 of this Draft Prospectus
“you”, “your” or “yours”	Prospective Investors in this Issue

CORPORATE RELATED TERMS & INDUSTRY RELATED TERMS

Term	Description
AOA/Articles / Articles of Association	The Articles of Association of Atam Valves Limited, as amended from time to time
Audit Committee	The audit committee of our Board, as described in “Our Management” on page 124 of this Draft Prospectus
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted from time to time including any Committees thereof as the context may refer to
Company Secretary and Compliance Officer	The Company Secretary of our Company, being Natisha Choudhary
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Pamila Jain
Director(s)	Director(s) on the Board of Atam Valves Limited as appointed from time to time, unless otherwise specified
Equity Shares/Shares	Equity Shares of our Company having face value of ₹. 10 each, fully paid up, unless otherwise specified in the context thereof
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company
Group Companies	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “Our Group Companies” on page 141 of this Draft

Term	Description
	Prospectus
Independent Director	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled <i>"Our Management"</i> on page 124 of this Draft Prospectus
ISIN	International Securities Identification Number is INE09KD01013
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer <i>"Our Management"</i> on page 124 this Draft Prospectus.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Board described in the chapter titled <i>"Our Management"</i> on page 124 of this Draft Prospectus.
Roc/Registrar of Companies	Registrar of Companies, Chandigarh, situated at Corporate Bhavan, 1st Floor, Plot No. 4-B, Madhya Marg, Sector 27B, Chandigarh – 160019, India
Restated Financial Statements	The restated audited financial statements of our Company for the Financial Years ended March 31, 2017, 2018 and 2019 and for the period ended December 31, 2019 which comprises of the restated audited balance sheet, restated audited statement of profit and loss and the restated audited cash flow statement, together with the annexures and notes thereto disclosed in Section titled <i>"Financial Statements"</i> on page 146 of this draft prospectus.
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee of the Board of Directors constituted described in the chapter titled <i>"Our Management"</i> on page 124 of this Draft Prospectus
Statutory Auditors / Peer Reviewed Auditor	Our Statutory Auditors and Peer Review Auditors, M/s K.C. Khanna & Co. (FRN: 000481N)

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The acknowledgement slips or document issued by the Designated Intermediary to a Bidder as proof of having accepted the Application Form
Allot / Allotment / Allotted / Allotment of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee(s)	A successful Applicant to whom the Equity Shares are being Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment will be made
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.
Application Lot	[●] Equity Shares
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account

Term	Description
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Prospectus
Bankers to the Company	[•]
Banker to the Issue / Refund Banker / Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account and Refund Account will be opened and in this case being ICICI Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in "Issue Procedure" on page 225 of this Draft Prospectus
Business Day	Any day on which commercial banks are open for the business
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number of the Applicant's Beneficiary Account
Collection Centers	Broker Centers notified by BSE Limited where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the SME platform of BSE Limited
Collecting Depository Participant or CDP/ Designated CDP Locations	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations (in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI) as per the list available on the website of the Stock Exchange.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and SME Platform of BSE Limited and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID as applicable
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Issue
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue
Designated Market Maker	[•] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the BSE Limited.
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35

Term	Description
Designated Stock Exchange	SME Platform of BSE Limited (BSE SME)
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Draft Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Draft Prospectus/ Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount
Escrow Agent	Escrow agent appointed pursuant to the Escrow Agreement namely ICICI Bank Limited
Escrow Agreement	An agreement to be entered among our Company the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s), the LM and the Syndicate Members for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being ICICI Bank Limited
First Applicant	Applicant whose name appears first in the Application Form or the revision form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. CIR/CFD/DIL/12/2013 dated October 23, 2013, notified by SEBI, suitably modified and included in the chapter titled "Issue Procedure" on page 225 of this Draft Prospectus
Issue / Issue Size / Public Issue / IPO / Offer	Initial Public Issue of up to 15,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per equity share (including a premium of ₹ [●] per equity share) aggregating to ₹ [●] Lakhs by our Company.
Issue Agreement	The agreement dated February 06, 2020 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	The date on which the Issue closes for subscription.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective bidders can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of bidders. Our Company, in consultation with the LMs, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published.
Issue Price	₹ [●] per Equity Share (Including Premium of Rs. [●] per share)
Issue Proceeds	The proceeds from the Issue based on the total number of Equity Shares

Term	Description
	Allotted under the issue.
Lead Manager/ LM	The Lead Manager to the Issue namely, Fedex Securities Private Limited
Listing Agreement	The Listing Agreement to be signed between our Company and SME Platform of BSE Limited (BSE SME)
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at a price of ₹ [●] per Equity Share (Including premium of Rs. [●] per share) aggregating to ₹ [●] Lakhs for the Market Maker in this Issue
MSE	Micro and Small Enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (the Issue Price) aggregating up to ₹ [●] Lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled “ <i>Objects of the Issue</i> ” on page 65 of this Draft Prospectus
Non-Institutional Bidders / Non-Institutional Investor / NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require
Prospectus	The Draft Prospectus/Prospectus to be issued in accordance with Section 26 of the Companies Act and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the issue, including any addenda or corrigenda thereto
Public Issue Account	The account to be opened with the Banker to the Issue and Sponsor Bank under section 40 of Companies Act, 2013 to received monies from the Escrow Account and ASBA
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated September 07, 2019, entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by

Term	Description
	SEBI
Registrar to the Issue/Registrar	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Bidders/RIBs/ Retail Individual Investors/ RIIs	Individual Bidders (including HUFs applying through their karta and Eligible NRIs), submitting Application Forms, who have applied for Equity Shares for an amount not more than ₹ 200,000 in any of the application options in the Net Issue
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date
SME	Small and medium sized enterprises
Self-Certified Syndicate Bank(s) / SCSBs	A bank registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=35)
Sponsor Bank	Sponsor Bank being ICICI Bank Limited
Syndicate Member	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form
Underwriters	[•]
Underwriting Agreement	The Agreement dated [•] entered between the Underwriter and our Company
UPI	Unified payment Interface which is an instant payment mechanism, developed by National Payment Corporation of India (NPCI), which allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identified a person's bank account ID created on the unified payments interface for single window mobile payment system developed by the National Payments Corporation of India.
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment
U.S Securities Act	U.S Securities Act of 1933, as amended
Wilful Defaulter	An entity or a person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (zn) of the SEBI ICDR Regulations.

Term	Description
Working Day	“Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in city as mentioned in prospectus are open for business and in case of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

GENERAL AND INDUSTRY TERMS OR ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards issued by ICAI as notified under the Companies (Accounts) Rules, 2014
APAC	Asia-Pacific
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn.	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016, as amended
CCPS	Compulsorily Convertible Preference Shares
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, along with the relevant rules made thereunder as may be amended from time to time
Cr.	Crore
CSR	Corporate Social Responsibility
CSO	Central Statistics Organization
CY	Calendar Year
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification
EGM/ EOGMs	Extraordinary General Meeting
EPS	Earnings Per Share
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EMEA	Europe, Middle East, and Africa
EPFO	Employees’ Provident Fund Organization
ESIC	Employee State Insurance Corporation
FBP	Foreign Bill Purchase
FC	Foreign Currency
FCNR Account/ FCNR	Foreign currency non-resident account
FDI	Foreign Direct Investment
FD	Fixed Deposit
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FFS	Form Filled Sealed
FI	Financial Institution
FICCI	Federation of Indian Chambers of Commerce & Industry

Term	Description
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 (twelve) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry
FVCI	Foreign venture capital investors as defined and registered under SEBI FVCI Regulations
GMP	General Manufacturing Practice
Gol or Government	Government of India
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HVAC	Heating, Ventilation and Air Conditioning
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
IEC	Import Export Code
IFRS	International Financial Reporting Standards
IIA	India Industries Association
IMF	International Monetary Fund
Rs. / Rupees / INR / ₹	Indian Rupees
RM	Raw Material
Indian GAAP	Generally Accepted Accounting Principles in India
INCOTERMS	International Commercial Terms
IST	Indian Standard Time
IT Act	The Income Tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometres
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
M&E	Media and Entertainment
MICR	Magnetic Ink Character Recognition
MNCs	Multi-National Companies
Mn	Million
MT	Metric Tonnes
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
N.A. / NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NPCI	National Payment Corporation of India
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held

Term	Description
	by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the IPO.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SEBI	The Securities and Exchange Board of India constituted under SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sq. metres	Square Metres
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TPA	Tonnes Per Annum
UK	United Kingdom
U.S. / USA / United States	United States of America
USD / US\$	United States Dollars
UV	Ultraviolet
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
YoY	Year on year

TECHNICAL / INDUSTRY RELATED TERMS

Term	Description
ASSOCHAM	The Associated Chambers of Commerce of India
CCEA	Cabinet Committee on Economic Affairs
CNC	Computerized Numeric Control Machine
CPI	Consumer Price Index
DPIIT	Department for Promotion of Industry and Internal Trade

Term	Description
EEPC	Engineering Export Promotion Council
EMDEs	Emerging Market and Developing Economies
FAME II	Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles
GDP	Gross Domestic Product
HMC	Horizontal Machining Center
IIP	India's Index of Industrial Production
IMD	India Meteorological Department
MPI	Magnetic Particle Inspection
N.D.T	Magnetic Particle Inspection
PMI	Purchasing Managers' Index
PPP	Purchasing Power Parity
SPMs	Special Purpose Machines
VMV	Vertical Machining Center
WEO	World Economic Outlook

FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in the Draft Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- ❖ Impact of the COVID-19 pandemic on our business and operations;
- ❖ General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- ❖ Competition from existing and new entities may adversely affect our revenues and profitability;
- ❖ Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- ❖ Our business and financial performance is particularly based on market demand and supply of our products;
- ❖ The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- ❖ Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- ❖ Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- ❖ The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors” and Chapter titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 20, 93 and 183 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially

different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance.

These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the LM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Prospectus are the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus

Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our Restated financial statements of our Company for the period ended December 31, 2019 and for the financial year ended March 31, 2019, 2018 and 2017 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on “Reports in Company Prospectus”, as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled “*Restated Financial Statement*” beginning on page 146 this Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “*Risk Factors*”, “*Business Overview*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page numbers 20, 93 and 183, respectively, of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018, as amended and the Indian GAAP.

Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Currency and units of presentation

In the Draft Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lacs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal.

SUMMARY OF OFFER DOCUMENT

SUMMARY OF BUSINESS

Our Company is engaged into a manufacturing, production and sale of all types of valves, cocks, boiler mounting, pipe fittings, sanitary fitting, fabrication of steel and iron or non-ferrous metal and by products. For almost 3.5 decades our Company is manufacturing Flow Indicators, Auto Injectors, Industrial Valve, Globe Valve, Relief Valve, Horizontal Check Valve and allied products. Backed with experienced personnel able to innovatively design the cost-efficient products.

Since the inception of our Company, we have emerged as one of the major players in the manufacturing of Gunmetal, Bronze and Brass Bushes, Industrial Valves and Cocks marketed under the brand name ATAM and FEBI.

SUMMARY OF INDUSTRY

The major factor driving the market studied is the growing demand from the power and chemical industries. Stagnant industrial growth in developed countries is expected to hinder the growth of the market studied.

Key Highlights

- The oil and gas industry dominated the market in 2017, and it is expected to experience growth during the forecast period, owing to the increasing oil and gas activities across the world.
- Increasing demand for automatic valves is likely to act as an opportunity in the future.
- Asia-Pacific dominated the market across the world, with the largest consumption from countries, such as China and India.

For more details please refer chapter titled “*Industry Overview*” on page 76 of this Draft Prospectus

PROMOTERS

The Promoters of our Company are Vimal Jain and Amit Jain.

ISSUE SIZE

The Issue size comprises of issuance of up to 15,00,000 Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share (including premium of ₹ [●] per share) aggregating to ₹ [●] Lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 02, 2019 and approved by the shareholders of our Company vide a special resolution at the Annual General Meeting held on September 07, 2019 pursuant to section 62(1)(c) of the Companies Act.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“*Objects of the Issue*”):

(₹ in Lakhs)	
Particulars	Amount (₹ in Lakhs)*
Repayment/ Prepayment of certain secured borrowings availed by our Company	314.00
General corporate purposes	[●]

Total	[•]
-------	-----

***the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue*

PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Sr. No.	Name of the Shareholder	Pre – Issue	
		No. of shares	% of pre-Issue capital
1.	Vimal Jain	8,97,030	29.90
2.	Amit Jain	14,30,950	47.70
	Total (A)	23,27,980	77.60
	Promoter Group		
1.	Pamila Jain	6,60,000	22.00
2.	Vimal Jain HUF	6,000	0.20
3.	Amit Jain HUF	6,000	0.20
4.	Anu Jain	10	0.00
	Total (B)	672010	22.40%
	Grand Total (A+B)	29,99,990	100.00%

SUMMARY OF FINANCIAL INFORMATION

Particulars	For period ended December 31, 2019	For the year ended		
		2019	2018	2017
Share Capital (₹ in Lakhs)	300.00	300.00	300.00	80.00
Networth (₹ in Lakhs)	486.78	436.16	370.95	259.93
Revenue (₹ in Lakhs)	1280.30	1841.34	1732.23	1561.40
Profit after Tax (₹ in Lakhs)	50.63	65.21	51.02	27.69
Earnings per share (Basic & diluted) (₹)				
Before Bonus & After Bonus	1.69	2.17	1.91	1.15
Net Asset Value per Equity Share (Basic & diluted) (₹)				
Basic	16.23	14.54	12.36	10.83
Diluted	16.23	14.54	13.90	10.83
Total borrowings (₹ in Lakhs)	883.48	1,071.94	1,275.21	1,179.34

QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.)
Proceedings against our Company		
Civil	Nil	Nil
Criminal	Nil	Nil

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.)
Tax	1	17003
Proceedings by our Company		
Civil	8	3756398
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	2	1628
Proceedings by our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Directors other than our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	1	4470
Proceedings by our Directors		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 194 of this Draft Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” on page 20 of this Draft Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	As at 31st Dec 2019	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
(i) Contingent liabilities	Nil	Nil	Nil	Nil
(ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided	Nil	Nil	Nil	Nil

SUMMARY OF RELATED PARTY TRANSACTIONS

(₹ In Lakhs)

Name	Relationship	Nature of Transaction	Period ended 31.12.2019		Year ended 31.03.2019		Year ended 31.03.2018		Year ended 31.03.2017	
			Amount of Transaction	Amount Payable at the end of period	Amount of Transaction	Amount Payable at the end of period	Amount of Transaction	Amount Payable at the end of period	Amount of Transaction	Amount Payable at the end of period
Sh. Amit jain	Managing Director	Remuneration	27.00	3.42	36.00	2.61	32.00	2.61	30.00	1.88
		Rent	1.17	-	0.36	-	0.36	-	0.36	-
		Interest	23.61	-	45.15	-	61.40	-	60.58	-
		Loan received	120	282.75	180.00	538.00	125.00	629.87	35.00	653.61
		Loan repaid	397	-	312.50	-	204.00	-	197.00	-
Smt. Pamila Jain	Director	Remuneration	22.50	6.77	30.00	4.09	26.00	4.16	24.00	1.54
		Rent	2.18	-	2.40	-	2.40	-	2.40	-
		Interest	1.15	-	2.94	-	4.50	-	6.24	-
		Loan received	-	6.26	8.00	23.72	11.00	34.07	16.00	59.03
		Loan repaid	18.50	-	21.00	-	40.00	-	47.50	-
Sh. Vimal Parkash Jain	Director	Remuneration	27.00	2.28	36.00	2.28	32.00	2.31	30.00	1.89
		Interest	6.41	-	7.43	-	6.85	-	10.62	-
		Loan received	-	98.21	11.00	94.94	17.00	77.26	15.00	74.09
		Loan repaid	2.50	-	-	-	20.00	-	95.00	-
Sh. Manoj Jain #	Director	Remuneration	4.59	0.51	5.40	0.36	1.26	0.36	-	-
Amco Industries	Concern in which Managing Director exercises control	Purchase of goods	112.06	-	138.91	4.64	47.92	14.39	86.92	-

Sh. Manoj Jain was director of the company for the period 28.12.2017 to 07.09.2019 and the transactions during the said period have been reported above.

The following are the companies where directors are able to exercise control but no transactions have been taken place during the period.
(i) Atam and Febi Valves Private Limited
(ii) Febi Valves Private Limited

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Prospectus

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

Our promoter has not acquired any shares in the last one year preceding the date of this draft prospectus.

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Prospectus is:

Name	Average Cost of Acquisition per Equity Share (in ₹)
Vimal Jain	2.55
Amit Jain	6.09

Since, the shares acquired by our promoters were issued, transferred and allotted at par.

DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued Equity Shares for consideration other than cash in last one year.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 93 and 183, respectively of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality therein:

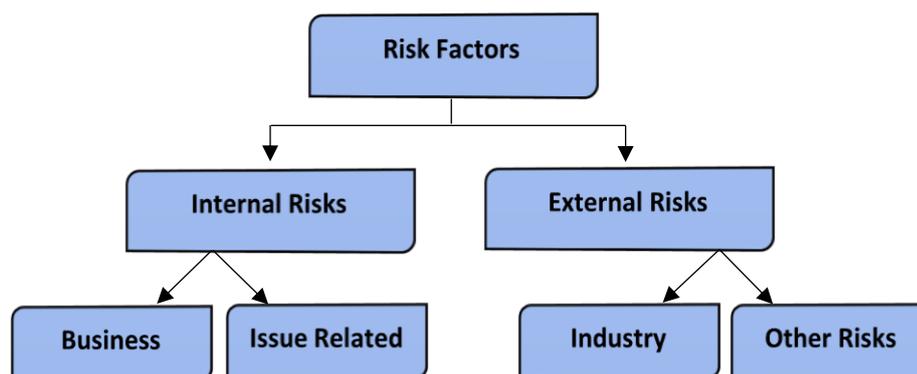
- Some risks may not be material at present but may have a material impact in the near future.*
- Some risks may not be material individually but may be found material when considered collectively*
- Some risks may have material impact qualitatively and not quantitatively and vice-versa*

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and may also have an adverse effect on our business. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please refer to chapter titled "Forward-Looking Statements" beginning on page 12 of this Draft Prospectus.

Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled "Financial Statements" beginning on page 146 of this Draft Prospectus.

The risk factors are classified as under for the sake of better clarity and increased understanding:



INTERNAL RISKS

Business Related Risks:

1. *There are outstanding litigation involving our Company, the Promoters and the Group Companies, which, if determined adversely, may affect their business and operations and our reputation.*

Our Company, Promoters, Directors and Group Companies are involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company, Directors, Promoters or Group Companies may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation.

In the ordinary course of business, our Company and our Promoters are involved in certain legal proceedings, which are pending at varying levels of adjudication at different forum. The summary of outstanding matters set out below includes details of civil proceedings, criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Promoters, Directors and our Group Company.

According to the Materiality Policy, any outstanding litigation, other than criminal proceedings, statutory or regulatory actions and taxation matters, is considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 2.53 Lakhs or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.)
Proceedings against our Company		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	1	17003
Proceedings by our Company		
Civil	8	3756398
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	2	1628

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.)
Proceedings by our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Directors other than our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	1	4470
Proceedings by our Directors		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil

Brief details of such outstanding litigation as of the date of this Draft Prospectus are set forth in chapter "Outstanding Litigation and Material Developments" on page 194 of this Draft Prospectus. We cannot assure you that any of the legal proceedings described above will be decided in favor of the Company, the Promoters, Directors and the Group Companies, respectively. Further, the amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally. Should any new developments arise, such as a change in Indian law or rulings by appellate courts or tribunals, additional provisions may need to be made by us, the Promoters, the Directors and the Group Companies in our respective financial statements, which may adversely affect our business, financial condition and reputation. We may incur significant expenses and management time in such legal proceeding. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, future financial performance and results of operations.

2. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

In late 2019, the COVID-19 disease, commonly known as "novel coronavirus", was first reported in Wuhan, China. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 it was declared a pandemic. As on the date of this Draft Prospectus, the COVID-19 disease has spread to many other countries, with the number of reported cases and related deaths increasing daily and, in many countries, exponentially. Several countries' governments and numerous companies have imposed increasingly stringent restrictions to help avoid, or slow down, the spreading of COVID-19, including, for example, restrictions on international and local travel, public gatherings and participation in meetings, as well as closures of non-essential services, universities, schools, stores, restaurants and other key service providers, with some countries imposing strict curfews. In India, the Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which was further extended, with certain modifications, till May 30, 2020, and there can be no assurance that this lockdown will not be extended further on one or more occasions. These measures have led to a significant decline in economic activities and severe restrictions on the

non-essential products manufacturing activities.

We continue to monitor developments closely as the COVID-19 pandemic develops. The impact of the COVID-19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic economic activity in India and globally, and the nature and severity of measures adopted by governments.

Risks arising on account of COVID-19 can also threaten the safe operation of our facilities and transport of our products, cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our employees. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition.

As of the Draft Prospectus, there is significant uncertainty relating to the severity of the near and long term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations.

3. Adverse developments in the global or local macroeconomic environment may adversely affect our business and results of operations

Our business and financial performance are affected by global and local economic conditions. A portion of our revenue is generated by export sales of our products to global markets. In addition, our Company's performance is significantly influenced by the economic situation and governmental policies in India. A slowdown in global economic growth or in economic growth in India (including as a result of the COVID-19 pandemic) could exert downward pressure on the demand for our products which could have an adverse effect on our business, cash flows, financial condition and results of operations. Further, a prolonged weakness in the global and domestic Indian financial and economic situation may have a negative impact on third parties with whom we do, or may do, business.

4. Our Registered office and Manufacturing units are not owned by us.

Our registered Office and manufacturing unit (1050-1051), located at 1050, Industrial Area, Jalandhar – 144004, Punjab, India is not owned by our Company and is taken on lease vide a lease deed dated July 31, 2019 between our Company and Pamila Jain, Wholetime Director and Chief Financial Officer of our Company for a period of Ten (10) years commencing from July 25, 2019 and manufacturing unit (E11), located at E-11, Industrial Area, Jalandhar –144 004, Punjab, India is not owned by our Company and is taken on lease vide a lease deed executed on July 31, 2019 from Amit Jain, Managing Director of our Company for a period of Ten (10) years commencing from August 1, 2019. However, the agreement can be extended and renewed, but cannot assure that such extension will be at terms favorable to the company or extendable at all. In an adverse scenario, we may have to shift our Registered office and manufacturing units to different premises, the terms of which may not be suitable for company. Such situation may adversely impact our business operations.

5. Some of our corporate records including forms filed with the Registrar of Companies (ROC) are not traceable. Discrepancies/errors noticed in some of our Corporate records relating to forms filed with the Registrar of Companies and other provisions of the Companies Act, 2013/1956.

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with the Registrar of Companies prior to the year 2006. Due to change in methods of record keeping on account of technological advancement and computerisation, over the years, certain forms filed with ROC prior to the year 2006 shifting of registered office form, and Annual Returns prior to year 1998. Further online filing of RoC documents was initiated in the

year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Though Our Company had carried search for the physical copies of the untraceable forms at the office of ROC, Chandigarh, but the forms are not available at the office of Registrar of Companies as well and the same has been certified by the Practicing Company Secretary M/s. Vishal Soni & Associates by the certificate dated May 08, 2020 UDIN no.F008876B000217733 .

As such under the circumstances elaborated above, Our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Also, our Company may not be in a position to attend to and / or respond appropriately to any legal matter due to lack of lost / destroyed records and to that extent the same could adversely affect our business operations.

In addition to the above certain discrepancies / error has been noticed in certain forms filed with ROC and corporate records maintained by the company, by virtue of this, we cannot assure you of the accuracy of internal records maintained by our Company in respect to the above mentioned period and that such discrepancies / inconsistency will not adversely affect our business. However, regulatory body may or may not take action against such discrepancies / inconsistency.

6. *Our cost of production is exposed to fluctuations in the prices of raw materials.*

As on March 31, 2019 and March 31, 2018 the raw material expense is 39.49% and 51.24% of the total expense respectively. We might expose to fluctuations in the prices of raw materials as well as their unavailability. We typically do not enter into any long-term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the raw materials. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

7. *Any disruption in production at, or shutdown of either of our manufacturing facility could adversely affect our business, results of operations and financial condition.*

Both the manufacturing facilities from which we operate are situated at Jalandhar, Punjab. All our products are manufactured at these facilities. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of machineries or equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external outworkers, terrorist attacks, acts of war, break-ins, and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and imposition of civil and / or criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

8. *Our Company's failure to maintain the quality standards of the products or keep pace with the technological developments could adversely impact our business, results of operations and financial condition.*

Being a manufacturer of Valves and Boiler Mountings, we are subject to significant regulatory scrutiny being valve industry. Further, we are liable for the quality of our products for the entire duration of the warranty life of the product manufactured by us. If any defect, damage or tempering or contamination of the products are observed after our products reach the market,

this could adversely affect our supply chain and our ability to meet the demand for the products. Re-review of such products that are already marketed or withdrawing them from market shall impact the financial stability of our Company. We may also face risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality problems. Such adverse publicity will lead to defamation of our Company which may cause a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future. As on the date of this Draft Prospectus, our Company has obtained ISO 9001:2015 "Quality Management System" Certificate for Manufacturing and supply of valves, cocks and Boiler Mountings which is valid only for a year and renewed after completion of Annual Surveillance Audit. Hence, deterioration in the process of quality may results in loss of such certificate.

9. *We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing our business operations. Also, our lenders have imposed certain restrictive conditions on us under our financing arrangements.*

There are restrictive covenants in the agreements entered into with our lenders. Certain covenants in these agreements require us to obtain prior approval/permission from our lenders in certain conditions. The agreements governing certain of our debt obligations include terms that require us to, among other things, take prior approval of our lenders for undertaking any change in capital structure, pledge, lien, consolidation, reorganization, dissolution, amendment or modification of our charter documents, etc. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.

As on the date of this Draft Prospectus, we are yet to obtain consent from our lenders and there can be no assurance with respect to time for receipt of consent from the lenders. However, our Company proposes to obtain consent prior to filing the Prospectus with the Registrar of Companies.

For details of these restrictive covenants, see the chapter titled "*Financial Indebtedness*" on page 190 of this Draft Prospectus

10. *Our Company has availed secured loans from the financial institution and our lenders has collateral security as our promoters personal guarantee and immovable properties.*

Our Company has taken loan by creating charge over our immovable properties and the promoters of our Company has given personal guarantee in respect of loans / facilities availed by our Company. For Details of outstanding borrowed secured loan please refer to chapter titled "*Financial Statements*" and "*Financial Indebtedness*" on page 146 and 190 respectively of the Draft Prospectus. in the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on our business, financial condition and results of operations. If there is change in the security provided by our Company, then bank has a right to revoke or recall or modify the loan sanctioned.

Additionally, if personal guarantee is withdrawn by the guarantors that might affect the financing arrangement and business of our Company.

11. *The Company is dependent upon few Suppliers for purchase of major portion of our Raw Material.*

The main raw material is majorly consisting of iron, casting and as mentioned in the chapter titled "*Business Overview*" on page 93 of this Draft Prospectus. Our top ten suppliers contribute 76.46 % and 73.59 % of our total purchases for the year ended March 31, 2019 and March 31, 2018

respectively. We are completely dependent on third party suppliers for the supply of raw materials. If suppliers fail to provide us timely delivery of raw materials then the manufacturing process will be stopped. The discontinuation of any of this large supplier will significantly affect our operations, revenue and profitability.

12. *We are significantly dependent on our top ten customers. Any loss of business from one or more of them may adversely affect our revenues and profitability.*

Our top ten customers contribute approximately 39.21 % and 37.98% of our revenue for the years ended March 31, 2019 and March 31, 2018 respectively. Any decline in our Quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth. Also, our Company manufactures valves on specific order, in order to fail to comply with the requirements of the customer shall leads to reduction of our customer base and shall affect the business of our Company.

For further details of our top ten (10) customers, please refer chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on Page 183 of Draft Prospectus.

13. *There are no long-term supply agreements / with our vendors / suppliers and also no formal supply agreement or contract with our vendors/suppliers for uninterrupted services.*

We do not have any long-term / formal agreement or contract with our vendors/suppliers; we operate on a purchase order system. In absence of any long-term / formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all or delayed supplies or price variation which would materially affect our results of operations. In the event of any disruption in the raw material supply or the non-availability of raw material in the required quantity and quality from alternate source, the production schedule may be adversely affected impacting the sales and profitability of the Company. In the event where the prices of such raw materials were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition. Our Business may be adversely affected if there is any disruption in the raw material supply or due to non-availability of raw material.

14. *We face significant competition. Any failure to compete effectively may have a material adverse effect on our business and operations.*

In India Valves industry is highly competitive and fragmented with major veteran players. If we fail to create a position or our existing position deteriorates, the operating results or financial condition will get adversely affected. Aggressive discounting and marketing by competitors may also adversely impact our performance for a temporary period and to certain extent. We may in future experience increased competition from existing or new players in Valves industry. Due to increase in competition, we may temporarily experience downward pressure on prices, lower demand for our products, reduced margins and a loss of market share, all of which would have an adverse impact on our business and results of operations.

15. *The shortage or non-availability of power facilities may adversely affect our manufacturing*

processes and have an adverse impact on our results of operations and financial condition.

Our manufacturing processes require substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that alternative/ independent sources of power supply cannot suffice the need for long duration and since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of oil prices and other constraints which in turn shall have an impact on our production, profitability and turnover of our Company. So, any shortage or non-availability of power may adversely affect our manufacturing process and have an adverse impact on the operations and financial condition of our Company.

16. *Delays or defaults in customers payments could result in a reduction of our profits. We may be subject to working capital shortages due to delays or defaults in payments by clients.*

If customers default in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations.

17. *Compliance with, and changes in safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.*

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental, health and safety laws including but not limited to:

- The Environment Protection Act, 1986 (“Environment Protection Act”)
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974

Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition. Further amendments to such statutes may impose additional provisions to be followed by our Company and accordingly our Company may need to avoid use of certain ingredients in preparation of our products, discontinue any range of product, incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition and results of operations. We also have ISO 14001:2015 certificate for Environmental Management System any default or non-compliance from abiding by the law, we may lose the said certificate.

18. *Our continued success is dependent on our senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoters or Directors may have an adverse effect on our business prospects.*

Our experienced Directors and senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. Our Chairman and Whole Time Director is the founder of our Company and has been employed with our Company since the incorporation under various capacities. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger

companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of Directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

19. *Our manufacturing activities are dependent upon availability of skilled and unskilled labour.*

The industry in which we deal is labour intensive. For manufacturing of valves our Company has engaged numerous skilled and unskilled labours for production of valves. Their availability is an essential requirement for our manufacturing concern. Non- availability of labour or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business. Our company is also exposed to strikes and other industrial action by our labours. If such actions occur in future by our labour, then it may adversely affect our business and results of operations.

20. *Our Company is dependent on third party transportation for the delivery of raw materials and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.*

Our Company uses third party transportation for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition, such goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials or delivery of goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

21. *We face foreign exchange risk, which may negatively affect our business, financial condition and results of operations*

We export our Products from India and payment for these sales is received in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations. We are not involved in the hedging of foreign currency which would result in losses and gains resulting from translation of foreign currency denomination on our financials.

22. *Our Company has not complied with Accounting Standard-18 regarding Related Party Transaction prescribed by the Institute of Chartered Accountants of India (I.C.A.I) till the Financial Year 2019.*

Our Company have not complied with the disclosure requirement or applicable Accounting Standard for providing details on the Related Party Transactions in the financial statements. As per the norms of Accounting Standard- 18 every company is required to disclose in the financial statement details regarding Related Party Transaction undertaken during the financial year and our company have not complied to such disclosure requirement in the past. We cannot assure, that our company will be able to comply with the disclosure requirement in future. Any penalty or action by any regulatory body or fine for the said non-disclosure may impact our financial

condition and results of operations.

- 23. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities. Further, some of the approvals are required to be transferred in the name of “Atam Valves Limited” from “Atam Valves Pvt Limited”, pursuant to conversion of our Company from private to public company. Any failure to obtain and renew them or failure to transfer them in name of “Atam Valves Limited” in a timely manner may adversely affect our business operations**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may have expired and we may have either made or are in the process of making an application to obtain such approval or its renewal. Further, we cannot assure that we will be able to obtain the approvals for which applications have been made including renewals in a timely manner or at all.

The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. If our Company fails to comply with, or unable to comply with any of these conditions stipulated under the licenses, our certificate of registration / licenses for carrying on a particular activity may be suspended and / or cancelled and we will not be able to carry on such activity, which would adversely impact our business and results of operations. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

Our Company is in the process of updating some of its certificates/ licenses with respect to the details of our offices/ units or updation of its name from “Atam Valves Pvt Limited” to “Atam Valves Limited” after the conversion from Partnership firm to public company. The same will be updated in the Prospectus. For more information on the licenses obtained by our Company and the licenses applied for by our Company, please refer chapter titled “Government and other Statutory Approvals” beginning on page 201 of this Draft Prospectus.

Whereas the Company has to make an application to the concerned authorities to renew all the BIS Licenses which are expired and/or will be expired and Company also needs to apply for the name change of the Company from pursuant to the conversion of the Company from “Atam Valves Pvt Limited” to “Atam Valves Limited” and The Company has not applied and/or registered for the payment of the Professional Tax (Punjab Professional Tax) under the Income Tax Act,1961 as stated by Punjab state Development Act,2018 hence the liability may arise in present or in future upon the Company calling the company to make the payment against the demand notices in regards to “Professional tax” to be issued by the officer incharge of the Income Tax Department/Authorities.

- 24. Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.**

Our insurance policies consist of, among others, standard fire and special perils, earthquake, etc. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. Further there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

25. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "Dividend Policy" beginning on page 145 of this Draft Prospectus.

26. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

27. Our Company has borrowed unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

Based on restated financial statement, our Company has unsecured loans as at December 31, 2019 amounting to ₹ 387.21 Lakhs from Promoters and members of Promoter Group and ₹.95.40 Lakhs from Banks which are repayable on demand to relevant lenders. These unsecured loans may be re-called at any time by these parties. In the event these loans are required to be re-paid on a short notice, our Company may have to arrange additional fund which may impact our Financials. For further details in relation to the unsecured loans of our Company, please refer to chapter titled "Financial Statements" and "Financial Indebtedness" on page 146 and 190 respectively of the Draft Prospectus

28. We have in the past entered into related party transactions and may continue to do so in the future.

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to Chapter titled "Financial Statement" on page 146 of this Draft Prospectus.

29. Conflict of interest may arise out of common business undertaken by our Company, Promoter and certain of our group entities.

Our Promoter may have interests in other companies and entities that may compete with us, including our Promoter group Company and Group Companies. For an instance, Vimal Jain (Chairman and Wholetime Director) and Amit Jain (Managing Director) who are also director of our group Companies which are in the business of manufacturing of valves and which business are

similar to our Company business. Amit Jain, Promoter and Managing Director of our Company runs a Sole proprietorship business in the name of M/s. AMCO Industries which is in the business of manufacturing of valves which is similar to the business of our Company. There can be no assurance that conflict of interests shall not arise in the future in allocating business opportunities to their other business interests where our respective interests diverge. In cases of conflict, our promoters may favour other companies in which our promoter have an interest that could have a material adverse effect on our business.

30. *We may be subjected to risks associated with product warranty.*

We provide products warranties of Eighteen (18) Months from the date of sale of the products against manufacturing defects. In the event of claimed defects or non-performance of our products, our practice is to accept such genuine claims and to replace such products. In the future, we may face material number of warranties claims due to defects in our products. Defects, if any, in our products could adversely affect our reputation and demand for our products. In the event that defects, or warranty claims become more frequent, there may be an adverse effect on our operating results and financial condition.

31. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

32. *Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.*

Post this Issue, our Promoter and Promoter Group will collectively own significant percentage of our equity share capital / voting rights. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoter will continue to exercise control over the Company, which may or may not conflict with interests of some or all of our creditors or other shareholders. Accordingly, we cannot assure that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

33. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.*

We maintain large amounts of inventory at our premises at all times. Although we have set up security measures, our operations may be subject to incidents of theft or damage to inventory. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur

a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

34. *We may not be able to sustain if there is no effective implementation of our business, growth and marketing strategy.*

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. We have distributors and agents for the selling of our product in India as well as overseas. We do not have any long term agreement with any of the distributors and agents and termination of services may affect our business and profitability. Changes in regulations applicable to the industry in which we operate may also make it difficult to implement our business strategy. We cannot provide assurance that we will be able to execute our strategy on time and within the estimated budget, or that we will meet the expectations of targeted customers. Inability on our part to manage our business and effectively implement growth strategy could have a material adverse effect on our business, financial condition and profitability.

35. *We have not independently verified certain data in this Draft Prospectus.*

We have not independently verified data from the Industry and related data contained in this Draft Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

36. *The laws of various countries govern our Suppliers contracts and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.*

Several of our sale orders executed with our suppliers are governed by the laws of the country in which either the supplier is incorporated or where the business of the supplier is situated and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible for our Company to manage such litigation or obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India.

Issue Related Risks:

37. *The Offer price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer and the market price of our Equity Shares may decline below the offer price and you may not be able to sell your Equity Shares at or above the Offer Price.*

The Offer Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell

your Equity Shares at or above the Offer Price. Among the factors that could affect our share price include without limitation. The following:

- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press, media or investment community;
- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

38. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

39. *There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholders ability to sell for the price at which it can sell, equity shares at a particular point in time*

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index- based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is said by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

40. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.*

As on date of this Draft Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the issue. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 65 of this Draft Prospectus.

41. *Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 65 of this Draft Prospectus, our Company’s management will have flexibility in applying proceeds of the Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any monitoring agency.*

We intend to use fresh Issue Proceeds towards working capital requirements of the Company, General Corporate purpose and to meet issue expenses. We intend to deploy the Net Issue Proceeds in Financial Year 2020-21 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 65 of this Draft Prospectus. The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors, additionally Audit Committee of the Board shall oversee the utilization of the funds. The fund requirement and deployment is based on internal management estimates and has not been appraised by any monitoring agency. Accordingly, within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 65 of this Draft Prospectus, the management will have flexibility in applying the proceeds received by our Company from the Issue. However, the company shall comply with Section 27 of the Companies Act, 2013 before varying the Objects of the Issue. The Audit Committee will monitor the utilisation of the proceeds of this offer.

- 42. The objects of the issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the issue”.**

The fund requirement and deployment, as mentioned in the “Objects of the Issue” beginning on page 65 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

EXTERNAL RISKS

Industry Risks:

- 43. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

- 44. Any slowdown in the rate of growth prospects of the dependent industries would impact our Company growth prospects.**

Our Valves industry majorly supply valves to power, steel, oil & gas industry, etc. if the demand from such industries falls then the production & consumption of valves shall be affected. Hence,

such fall in dependent industries shall impact the business of our Company.

45. *Malpractices by some players in the industry affect overall performance of emerging Companies.*

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like our as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

Other Risks :

46. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" beginning on page 108 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

47. *Any downgrading of India's debt rating by an independent may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rate and other commercial terms at which such additional financing may be available. This could have adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the price of our Equity Shares.

48. *Political instability or a change in economic liberalization and deregulation policies could*

seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

49. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

50. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

51. *Natural calamities and health epidemics could have a negative impact on the Indian economy and cause our Company's business to suffer.*

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to our manufacturing cycle or facility and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

52. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

53. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

54. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager shall appoint Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

55. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of "BSE" in a timely manner, or at all.*

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted unless the post issue formalities are completed after the Equity Shares have been issued. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of "BSE". Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

56. *Conditions in the Indian Securities market may affect the price or liquidity of the Equity Shares.*

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

SECTION III – INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	Up to 15,00,000 Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
Of Which	
Market Maker Reservation Portion	Up to [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
Net Issue to the Public	Up to [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
Of Which	
(A) Retail Portion	[●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors
(B) Non – Institutional Portion	[●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
Pre-and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	30,00,000 Equity Shares of face value of ₹ 10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of ₹ 10 each
Use of Issue Proceeds	For details please refer chapter titled “Objects of the Issue” on page 65 of this Draft Prospectus.

Notes

- *The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 02, 2019 and approved by the shareholders of our Company vide a special resolution at the AGM held on September 07, 2019 pursuant to section 62(1)(c) of the Companies Act This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended. For further details please refer to section titled “Issue Structure” on page 223 of this Draft Prospectus.*
- The Issue is being made through the Fixed Price process wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants.
- However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment

limits prescribed under the relevant regulations/statutory guidelines. For details, please refer chapter titled "*Issue Procedure*" on page 225 of this Draft Prospectus.

Subject to valid Applications being received at the Issue Price, under subscription, if any, in any category would be met with spill-over from the other categories or a contribution of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange i.e. BSE Limited.

SUMMARY OF FINANCIAL INFORMATION
ANNEXURE I RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	Note No.	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	1	300.00	300.00	300.00	80.00
(b) Reserves and Surplus	2	186.78	136.16	70.95	179.93
(2) Share Application Money Pending Allotment		-	-	-	-
(3) Non-Current Liabilities					
(a) Long-Term Borrowings	3	545.80	826.41	943.81	914.99
(b) Other Long-Term Liabilities	4	4.00	4.00	4.00	4.00
(c) Defferd Tax Liability(Net)	5	-	-	-	-
(d) Long Term Provisions	6	21.28	16.36	14.47	11.29
(4) Current Liabilities					
(a) Short-Term Borrowings	7	255.89	176.10	272.99	211.68
(b) Trade Payables	8	115.12	79.90	87.75	97.23
(c) Other Current Liabilities	9	148.29	156.27	137.36	151.36
(d) Short-Term Provisions	10	19.96	31.00	24.57	23.49
Total		1,597.12	1,726.20	1,855.90	1,673.97
II.ASSETS					
(1) Non-Current Assets					
(a) Property, plant and Equipments	11	276.29	249.11	260.30	171.93
(b) Intangible Assets	11	0.14	0.26	0.43	1.17
(c) Capital Work in Progress		-	-	-	-
(d) Non-Current Investments		-	-	-	-
(e) Deferred Tax Assets (Net)	5	23.09	26.04	24.32	29.55
(f) Other non-current assets		-	-	-	-
(g) Long Term Loans & Advances		-	-	-	-
(2) Current Assets					
(a) Current Investments		-	-	-	-
(b) Inventories	12	804.55	716.70	922.79	922.76
(c) Trade receivables	13	421.56	625.06	501.27	388.91
(d) Cash and bank balances	14	16.45	16.61	13.80	18.45
(e) Short-Term Loans And Advances	15	53.40	80.82	118.23	124.81
(f) Other Current Assets	16	1.64	11.60	14.76	16.39
Total		1,597.12	1,726.20	1,855.90	1,673.97

As per our report of even date attached
For K.C. Khanna & Co.
Chartered Accountants
Firm Reg No. 000481N

For and on behalf of Board of Directors

(Abhishek Goel)

Director

Director

Company
Secretary

Partner

M.No. 521575

Amit Jain

Vimal Jain

Natisha
Choudhary

Place: Ludhiana

Place: Jalandhar

Dated: May 14, 2020

Dated: May 14, 2020

ANNEXURE II - RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Sr. No.	Particulars	Note No.	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A	<u>Revenue:</u>	-				
	Revenue from operations (gross)	17	1,278.98	1,833.83	1,778.14	1,718.24
	Less : Excise duty		-	-	47.90	158.07
	Revenue from operations (net)		1,278.98	1,833.83	1,730.24	1,560.17
	Other Income	18	1.32	7.51	1.99	1.23
	Total Revenue		1,280.30	1,841.34	1,732.23	1,561.40
B	<u>Expenses:</u>	-				
	Cost of Materials Consumed	19	676.99	682.31	798.40	658.49
	Purchases of Stock-in-trade	20	-	-	-	19.41
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(83.60)	216.86	11.14	80.80
	Employee benefit expenses	22	297.82	384.53	344.16	244.33
	Financial Cost	23	64.14	104.62	117.69	130.64
	Depreciation and amortization expenses	24	41.64	66.92	55.66	60.54
	Others Expenses	25	213.50	298.03	328.85	331.74
	Total Expenses		1,210.49	1,753.27	1,655.90	1,525.95
C	Profit before tax (A-B)		69.81	88.07	76.33	35.45
D	Tax expense :					
	-Current tax		16.23	24.59	20.08	20.47
	-Deferred tax expense		2.95	(1.73)	5.23	(12.72)
	-Income tax relating to earlier year		-	-	-	0.01
	Profit/(Loss) for the period after Tax (C-D)		50.63	65.21	51.02	27.69

As per our report of even date attached

For and on behalf of Board of Directors

For K.C. Khanna & Co.

Chartered Accountants

Firm Reg No. 000481N

(Abhishek Goel)

Director

Director

Company
Secretary

Partner

M.No. 521575

Amit Jain

Vimal Jain

Natisha
Choudhary

Place: Ludhiana

Place: Jalandhar

Dated: May 14, 2020

Dated: May 14, 2020

ANNEXURE -III - RESTATED STATEMENT OF CASH FLOW

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Cash Flow From Operating Activities:				
Net Profit before tax as per Statement of Profit And Loss	69.82	88.07	76.32	35.45
Adjustments for:				
Depreciation and amortisation expense	41.64	66.92	55.66	60.54
Profit on Sale of Property Plant and Equipment	-	(0.26)	(0.75)	0.00
Finance Cost	63.27	102.65	115.04	128.28
Operating Profit Before Working Capital Changes	174.73	257.38	246.27	224.27
Adjusted for (Increase)/ Decrease in:				
(a) Trade Payables	35.22	(7.85)	(9.47)	51.33
(b) Other Current Liabilities	(20.33)	7.90	(19.74)	13.32
(c) Long-Term Provisions	4.93	1.88	3.18	11.29
(d) Short-Term Provisions	(2.58)	1.82	1.54	2.95
(e) Inventories	(87.85)	206.08	(0.02)	102.47
(f) Trade receivables	203.51	(123.79)	(112.37)	146.47
(g) Short-Term Loans And Advances	17.98	42.41	5.73	(1.56)
(h) Other Current Assets	9.29	2.48	0.94	(19.56)
Cash Generated From Operations	160.15	130.93	(130.22)	306.72
Net Income Tax paid/ refunded	(15.27)	(24.97)	(19.68)	(20.33)
Net Cash Flow from/(used in) Operating Activities: (A)	319.62	363.33	96.37	510.66
Cash Flow From Investing Activities:				
(Purchases) of Property Plant and Equipment	(68.70)	(55.30)	(151.68)	(10.24)
Sales of Property Plant and Equipment	-	0.62	9.15	0.04
Net Cash Flow from/(used in) Investing Activities: (B)	(68.70)	(55.30)	(142.53)	(10.20)
Cash Flow from Financing Activities:				
Proceeds From issue of Share Capital	-	-	60.00	-
Repayment of Long Term Borrowings	(443.53)	(313.92)	(285.57)	(336.74)
Proceeds from Long Term Borrowings	175.28	207.54	320.13	66.00

Increase/(Decrease) in Short Term Borrowings	79.79	(96.89)	61.31	(102.17)
Interest on Borrowings	(63.27)	(102.65)	(115.04)	(128.28)
Net Cash Flow from/(used in) Financing Activities (C)	(251.74)	(305.92)	40.83	(501.19)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(0.82)	2.12	(5.33)	(0.74)
Cash & Cash Equivalents As At Beginning of the Year	4.02	1.90	7.24	7.98
Cash & Cash Equivalents As At End of the Year	3.20	4.02	1.91	7.24

As per our report of even date attached

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

(Abhishek Goel)

Partner
M.No. 521575

Place: Ludhiana
Dated: May 14, 2020

For and on behalf of Board of Directors

Director	Director	Company Secretary
Amit Jain	Vimal Jain	Natisha Choudhary

Place: Jalandhar
Dated: May 14, 2020

GENERAL INFORMATION

Our Company was originally incorporated as a Partnership Firm in 1982 which had Mr. Vimal Parkash Jain, as one of the Partners and commenced the business from mid-1982. Later, Vimal Parkash Jain founded and incorporated “*Atam Valves Private Limited*”, a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 30, 1985 bearing Registration Number 6476 issued by Registrar of Companies, HP & Chandigarh, Punjab, by taking over the entire business of Atam Valves, a Partnership Firm. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by the shareholders dated November 09, 2017 and the name of our Company was changed to “*Atam Valves Limited*” to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Chandigarh dated November 24, 2017 bearing Corporate Identification Number U27109PB1985PLC006476.

REGISTERED OFFICE OF OUR COMPANY

ATAM VALVES LIMITED

1051, Industrial Area, Jalandhar,
Punjab – 144 004

Tel No: 0181 5001111

Email: cs@atamfebi.com

Website: www.valvesexporters.com

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Chandigarh, Located at the following address:

The Registrar of Companies

Corporate Bhavan, 1st Floor,
Plot No. 4-B, Madhya Marg, Sector 27B
Chandigarh – 160019, Punjab, India

BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors as set forth the details in the following table :

Name	DIN	Designation	Address
Vimal Parkash Jain	01063027	Chairman and Whole time Director	H No. 95, Shaheed Udham Singh Nagar, Jalandhar, Punjab – 144001, India
Amit Jain	01063087	Managing Director	H No. 95, Shaheed Udham Singh Nagar, Jalandhar, Punjab – 144001, India
Pamila Jain	01063136	Wholetime Director	H No. 95, Shaheed Udham Singh Nagar, Jalandhar, Punjab – 144001, India
Rajni Sharma	08510736	Independent Director	B B 34A, Lane Number-1, Near Cheema Chowk, Shiv Vihar Jalandhar 144001, Punjab, India
Surinder Kumar Salwan	08510741	Independent Director	H No. 418 / 5, Guru Nanak Pura West, Jalandhar – 144 009, Punjab, India
Ravi Bhushan Jain	08510737	Independent Director	99, Gulab Devi Road, Rose Park Grain Market, Jalandhar 144008, Punjab, India

For detailed profile of our Board of Directors, please refer to the section titled “*Our Management*” on page 124 of this Draft Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Natisha Choudhary

1051, Industrial Area, Jalandhar, Punjab – 144 004

Tel No: 0181 5001111

Email: cs@atamfebi.com

Website: www.valvesexporters.com

Note: Investors can contact our Company Secretary and Compliance Officer, the Lead Manager or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc.

All grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form Number, Applicant DP ID, Client ID, UPI ID, PAN, date of the ASBA Form, address of the applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Fedex Securities Private Limited B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No: +91 8104985149 Fax No: +91 22 26186966 Contact Person: Rinkesh Saraiya Email Id: mb@fedsec.in Website: www.fedsec.in Investor Grievance Email: mb@fedsec.in SEBI Registration Number: INM000010163	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra, India Tel.No: +91 22 62638200 Fax No: +91 22 62638299 E-mail Id: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Raphael SEBI Registration No: INR000001385
LEGAL ADVISOR TO THE ISSUE	BANKERS TO THE COMPANY
Pooja Sharma 8/14, Malad Co-op Hsg Soc Ltd, Poddar Park, Malad (East), Mumbai- 400097 Mob No: 9022869773 Email Id: poojalegalventures@gmail.com Bar Council No.: MAH/5967/2013	[●] [●] Tel No: [●] Email: [●] Website: [●] Contact Person: [●]

BANKERS TO THE ISSUE / REFUND BANK /SPONSOR BANK

ICICI Bank Limited

Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate, Mumbai - 400020
Tel No: 022-66818911/23/24
Email: kmr.saurabh@icicibank.com
Website: www.icicibank.com
Contact Person: Saurabh Kumar
SEBI Registration No.: INBI00000004

STATUTORY & PEER REVIEW AUDITOR*

M/s K. C. Khanna & Co.

202, Stock Exchange Building, Feroze Gandhi Market,
Ludhiana, Punjab – 141 001
Tel No: +91 94172 92403
Fax No: Not Available
Email Id: ldh.kckhanna@gmail.com
Website: Not Available

Contact Person: CA Abhishek Goel

Firm Registration No: 000481N

Membership No: 521575

** M/s K. C. Khanna & Co., are appointed as peer review auditors of our Company in compliance with Chapter IX of Part A of Schedule VI of SEBI (ICDR), 2018 and hold a valid peer review certificate No. 011803 dated August 08, 2019 issued by the "Peer Review Board" of the Institute of Chartered Accountants of India, New Delhi.*

SYNDICATE MEMBER

As on the date of this Draft Prospectus, there are no syndicate members.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks ("SCSBs")

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

Registered Brokers

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchanges, i.e. through the Registered Brokers at the Brokers Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Registrar to The Issue and Share Transfer Agents ("RTA")

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Collecting Depository Participants ("CDP")

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

This being an Issue of Equity Shares, credit rating is not required.

IPO GRADING

No credit rating agency registered with SEBI has been appointed for purpose of obtaining grading for the issue

DEBENTURE TRUSTEES

Since this is not a debenture issue, appointment of debenture trustee is not required.

MONITORING AGENCY

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Since the Issue size is only of ₹ [●], our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue.

FILING THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT

The Draft Prospectus and Prospectus shall be filed with the Stock Exchange. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus and Prospectus shall also be furnished to the board in a soft copy, pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. and the SEBI shall not issue any observation on the Prospectus in terms of Regulation 246(2) of SEBI ICDR Regulations.

A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 shall be delivered and filed to the Registrar of Companies where the registered office of the Company is situated.

For address of Registrar of Companies, please refer to head “Registrar of Companies” in the Chapter titled “General Information” beginning on page 44 of this Draft Prospectus.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Fedex Securities Private Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities are not required.

UNDERWRITER

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (in Lakh)	% of the total Issue size Underwritten
[●] Address: [●] Tel No: [●] Fax No: [●] Contact Person: [●] Email Id: [●] Website: [●] Investor Grievance Email: [●] SEBI Registration Number: [●]	[●]	[●]	[●]
TOTAL	[●]	[●]	[●]

Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their underwriting obligations in full.

CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS

Details of previous Auditor	Details of New Auditor	Reason
J.C. Arora & Associates Address: 1st Floor Sohal Complex, Sehdev Market, Jalandhar-144 001, Punjab E-mail: jca_25375@yahoo.co.in Membership No.: 092097 Firm Registration Number: 012880N	R.A. Marwaha & Company Address: 464-L, Model Town, Jalandhar-144 003, Punjab E-mail: akrandeva@rediffmail.com Peer Review Number: 007434 Firm Registration Number: 006393N	Resignation

R.A. Marwaha & Company Address: 464-L, Model Town, Jalandhar-144 003, Punjab E-mail Address: akrandeva@rediffmail.com Peer Review Number: 007434 Firm Registration Number: 006393N	M/s K. C. Khanna & Co. 202, Stock Exchange Building, Feroze Gandhi Market, Ludhiana, Punjab – 141 001 Email Id: ldh.kckhanna@gmail.com Firm Registration No: 000481N Membership No: 521575 Peer Review No. : 011803	Resignation
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DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfill the obligations of Market Making for this Issue:

Name:	[●]
Tel No:	[●]
Fax No:	[●]
Email id:	[●]
Website:	[●]
Contact Person:	[●]
SEBI Registration Number:	[●]
Market Maker Registration No. (SME Segment of BSE):	[●]

[●], registered with BSE SME (SME Platform of BSE Limited) will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and as amended from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of Stock Exchange and SEBI from time to time
3. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

Sr no.	Market Price slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

4. The minimum depth of the quote shall be Rs. 1.00 Lakh. However, the investors with holdings of value

less than 1.00 Lakh shall be allowed to Issue their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●] per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, maybe revised by BSE SME, from time to time.

5. After a period of three (3) months from the market making period, the market maker would be exempted to provide 2-way quote if the Shares of market maker in our Company reaches to upper limit. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to lower Limit the market maker will resume providing 2-way quotes.

Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to 20 Crore	25%	24%
20 to 50 Crore	20%	19%
50 to 80 Crore	15%	14%
Above 80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/Stock Exchange from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

6. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
8. There would not be more than five Market Maker for a script at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on the Stock Exchange.
10. The shares of our Company will be traded in continuous trading session from the time and day our company gets listed on BSE SME (SME platform of BSE Limited) and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
12. The Market Maker shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

13. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. .
14. BSE will have all margins which are applicable on the BSE Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE Limited can impose any other margins as deemed necessary from time-to- time.
15. BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership.
16. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Prospectus and after the proposed Issue is set forth below:

(Amount in ₹ Lakhs, except the share data)

Particulars	Aggregate value at face value	Aggregate value at Issue Price
AUTHORISED SHARE CAPITAL		
50,00,000 Equity Shares of face value of ₹. 10 each	500.00	--
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
30,00,000 fully paid up Equity Shares of face value of ₹. 10 each	300.00	--
PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS*		
Issue of up to 15,00,000 Equity Shares of face value of ₹ 10 each at a price of ₹ [●] per Equity Share*	[●]	[●]
Which comprises of:		
Market Maker Reservation portion: Up to [●] Equity Shares of face value of ₹. 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
Net Issue to the Public: [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
Of which:		
Allocation to Retail Individual Investors: [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors	[●]	[●]
Allocation to Other than Retail Individual Investors: [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.	[●]	[●]
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of face value ₹ 10 at a price of ₹ [●] per Equity Share^	[●]	-
SECURITIES PREMIUM ACCOUNT		
Before the Issue		Nil
After the Issue		[●]

*The present Issue has been authorised by the Board of Directors of vide a resolution at its meeting held on September 02, 2019 and shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act at the AGM held on September 07, 2019.

Details of changes in authorized share capital of our Company since incorporation

On incorporation, the initial Authorised share capital of our Company was ₹ 3,00,000 into 3,000 Equity Shares of ₹ 100 each. Further, the Authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Resolution	Details of Change	AGM / EGM
September 30, 1995	The authorised share capital of our Company increased from ₹ 3,00,000 divided into 3,000 Equity Shares of ₹ 100 each to ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each.	AGM
April 1, 2004	The authorised share capital of our Company increased from ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each to ₹ 20,00,000 divided into 20,000 Equity Shares of ₹ 100 each	EGM
November 03, 2004	The authorised share capital of our Company increased from ₹ 20,00,000 divided into 20,000 Equity Shares of ₹ 100 each to ₹ 25,00,000 divided into 25,000 Equity Shares of ₹ 100 each	EGM
March 31, 2005	The authorised share capital of our Company increased from ₹ 25,00,000 divided into 25,000 Equity Shares of ₹ 100 each to ₹ 40,00,000 divided into 40,000 Equity Shares of ₹ 100 each	EGM
December 20, 2007	The authorised share capital of our Company increased from ₹ 40,00,000 divided into 40,000 Equity Shares of ₹ 100 each to ₹ 80,00,000 divided into 80,000 Equity Shares of ₹ 100 each	EGM
July 25, 2017	The authorised share capital of our Company increased from ₹ 80,00,000 divided into 80,000 Equity Shares of ₹ 100 each to ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each	EGM
December 28, 2017	<p>Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Shares of ₹ 10 each.</p> <p><i>Pursuant to the subdivision the authorised share capital of the Company is as follows:</i></p> <p><i>"The authorised share capital of our Company shall be ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each"</i></p>	EGM

NOTES TO THE CAPITAL STRUCTURE

1. History of Issued and Paid up Capital of or Company

a. Share Capital history of our Company

Date of Allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Form of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
Incorporation	25 ⁽ⁱ⁾	100	100	Cash	Subscription to MOA	25
March 31, 1986	975 ⁽ⁱⁱ⁾	100	100	Cash	Further Allotment	1,000
November 03, 1992	1 ⁽ⁱⁱⁱ⁾	100	100	Cash	Further Allotment	1,001
October 31, 1995	2,000 ^(iv)	100	100	Cash	Further Allotment	3,001
March 31, 1997	6,999 ^(v)	100	100	Cash	Further Allotment	10,000
April 01, 2004	10,000 ^(vi)	100	100	Cash	Further Allotment	20,000
March 31, 2005	20,000 ^(vii)	100	100	Cash	Further Allotment	40,000
December 31, 2007	40,000 ^(viii)	100	100	Cash	Further Allotment	80,000
September 30, 2017	1,60,000 ^(ix)	100	NA	Other than Cash	Bonus Issue (2:1)	2,40,000
October 20, 2017	60,000 ^(x)	100	100	Cash	Rights Issue	3,00,000
Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each. The share position after the sub-division is as follows:						
December 28, 2017	-	10	-	-	-	30,00,000

i. Initial Subscribers to the Memorandum of Association of our Company:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Vimal Parkash Jain	10
2.	Vinod Kumar Jain	10
3.	Bimla Jain	5
Total		25

ii. Further Allotment of 975 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Vinod Kumar Jain	247
2.	Bimla Jain	204
3.	Vimal Parkash Jain	2
4.	Janak Rani	2
5.	Tshering Mohan	2
6.	Lalit Mohan Rajprohit	201
7.	Ramesh Jain	2
8.	Lajwanti Jain	2
9.	Vikas Jain	2
10.	Poonam Jain	2
11.	Vivek Jain	50
12.	Simla Jain	247
13.	Savita Jain	2
14.	Teena jain (Under Natural Guardian of Vinod Kumar Jain)	2
15.	Pooja Jain (Under Natural Guardian of Vinod Kumar Jain)	2
16.	Shagun Jain (Under Natural Guardian of Vinod Kumar Jain)	2
17.	Anu Jain (Under Natural Guardian of Vimal Parkash Jain)	2
18.	Amit Jain (Under Natural Guardian of Vimal Parkash Jain)	2
	Total	975

iii. Further Allotment of 1 Equity Share:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Y. K. Sud HUF	1
	Total	1

iv. Further Allotment of 2,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Amit Jain	2,000
	Total	2,000

v. Further Allotment of 6,999 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Lajwanti Jain	6,999
	Total	6,999

vi. Further Allotment of 10,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Vimal Parkash Jain	2,397
2.	Pamila Jain	4,998
3.	Vimal Parkash Jain HUF	190
4.	Amit Jain HUF	200
5.	Amit Jain	2,215
	Total	10,000

vii. Further Allotment of 20,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Vimal Parkash Jain	10,500
2.	Pamila Jain	3,500
3.	Amit Jain	6,000
	Total	20,000

viii. Further Allotment of 40,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Vimal Parkash Jain	10,000
2.	Pamila Jain	13,500
3.	Amit Jain	16,500
	Total	40,000

ix. Bonus Issue [in the ratio of 2:1] of 1,60,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Vimal Parkash Jain	59,802
2.	Pamila Jain	44,000
3.	Vimal Parkash Jain (HUF)	400
4.	Amit Jain (HUF)	400
5.	Amit Jain	55,398
	Total	1,60,000

x. Rights Issue of 60,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Amit Jain	60,000
	Total	60,000

b. Issue of Equity Shares allotted for consideration other than cash:

Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Reason / Nature of allotment	Benefit accrued to our Company	Persons to whom allotment were made
September 30, 2017	1,60,000	100	-	Bonus Issue in the ratio of 2 Equity Shares for every 1 Equity Share held	Nil	<ul style="list-style-type: none"> • Vimal Parkash Jain • Pamila Jain • Vimal Parkash Jain (HUF) • Amit Jain (HUF) • Amit Jain

c. Our Company has not issued any Equity Shares at price below Issue Price within last one (1) year from the date of this Draft Prospectus

2. History of the Equity Share capital held by our Promoters

As on the date of this Draft Prospectus, our Promoters hold 23,27,980 Equity Shares, equivalent to 77.60 % of the issued, subscribed and paid-up Equity Share capital of our Company.

a. Capital built-up of our Promoters:

Vimal Parkash Jain							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)
September 30, 1985	10	Cash	100	100	Subscription to MOA	0.00	[●]
March 31, 1986	2	Cash	100	100	Further Allotment	0.00	[●]
February 12, 1989	(10)	Cash	100	100	Transfer to Vimal Parkash Jain HUF	(0.00)	[●]
March 30, 2002	7,001	Cash	100	Nil	Transmission from Lajwanti Jain	2.33	[●]
April 01, 2004	2,397	Cash	100	100	Further Allotment	0.80	[●]
March 31, 2005	10,500	Cash	100	100	Further Allotment	3.50	[●]
December 31, 2007	10,000	Cash	100	100	Rights Issue	3.33	[●]
April 03, 2017	1	Other than Cash	100	Nil	Transmission from Muni Lal Jain	0.00	[●]
September 30, 2017	59,802	Other than Cash	100	N/A	Bonus Issue in the ratio 2 Equity Share for every 1 Equity Share held	19.93	[●]
Total Before Sub-Division	89,703	--	100	--		29.90	[●]

Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each. The share position after the sub-division is as follows:

Vimal Parkash Jain							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)
Total after sub-division	8,97,030	--	10	--	--	29.90	[●]
Total	8,97,030	--	10	--	--	29.90	[●]

Amit Jain							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)
March 31, 1986	2	Cash	100	100	Further Allotment	0.00	[●]
April 01, 1993	400	Cash	100	100	Transferred from: 292 Shares – Vinod Jain 102 Shares – Savita Jain 2 Shares – Teena Jain 2 Shares – Pooja Jain 2 Shares – Shagun Jain	0.13	[●]
October 31, 1995	2,000	Cash	100	100	Further Allotment	0.67	[●]
April 15, 2000	582	Cash	100	Nil	Transmission from Simla Jain	0.19	[●]
April 01, 2004	2,215	Cash	100	100	Further Allotment	0.74	[●]
March 31, 2005	6,000	Cash	100	100	Further Allotment	2.00	[●]
December 31, 2007	16,500	Cash	100	100	Further Allotment	5.50	[●]
September 30, 2017	55,398	Other than Cash	100	NA	Bonus Issue in the ratio 2 Equity Share for every 1 Share held	18.47	[●]

Amit Jain							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)
October 20, 2017	60,000	Cash	100	100	Rights Issue	20.00	[●]
November 09, 2017	(2)	Cash	100	100	1. Transfer 1 share to Vinay Jain 2. Transfer 1 Share to Anu Jain	(0.00)	[●]
Total Before Sub-Division	1,43,095	-	100	-	-	47.70	[●]
Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each. The share position after the sub-division is as follows:							
Total After Sub-Division	14,30,950	-	10	-	-	47.70	[●]
Total	14,30,950	-	10	-	-	47.70	[●]

All the Equity Shares allotted to the Promoters as given above were fully paid up as on the date of such allotment. None of the shares have been pledged with any bank/ financial institution and/ or with anybody else.

b. Details of Promoters' contribution locked in for three (3) years:

- i. Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters, shall be locked-in for a period of three (3) years from the date of Allotment.

The lock-in of the minimum Promoters' contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchange before the listing of the Equity Shares.

Following are the details of minimum Promoters' contribution of [●] % which is subject to lock-in for three years does not consist of:

Promoters	Date of Allotment/ Acquisition and when made fully paid-up	No. of Equity Shares acquired	No. of Equity Shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment/Transfer	Consideration (Cash/Other than cash)	Percentage of post-Issue paid-up capital
Vimal Parkash Jain	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Amit Jain	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total			[●]					[●]

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as

per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired three (3) years before the filing of the Draft Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
- Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in;
- Equity Shares held by our Promoters that are subject to any pledge.

Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership into a company in the past one (1) year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm a limited liability partnership in the past one (1) year.

As on the date of this Draft Prospectus, the Equity Shares held by the Promoters and members of the promoter Group are not in dematerialised form and the same are in the process of dematerialisation.

The Equity Shares forming part of Promoter's contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Draft Prospectus with RoC till the date of commencement of lock in period as stated in this Draft Prospectus.

Other than the Equity Shares locked-in as Promoter's contribution for a period of three (3) years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoters' contribution, as per Regulation 238(b) and Regulation 239 of the SEBI ICDR Regulations, shall be locked in for a period of one (1) year from the date of Allotment of Equity Shares in the Issue. As per Regulation 241 of the SEBI ICDR Regulations, such lock-in of the Equity Shares would be created and recorded by the Depositories as per applicable laws.

ii. Other requirements in respect of 'lock-in'

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI Takeover Regulations, as applicable.

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;

If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 238 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

An oversubscription to the extent of 10% of the Issue can be retained, in consultation with BSE SME, for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for three (3) years.

The Equity Shares, which are subjected to lock-in, shall carry the inscription “non-transferable” and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares

iii. Details of share capital locked in for one (1) year

Other than the above-mentioned Equity Shares that would be locked-in for three (3) years, the entire pre-Issue capital of our Company would be locked-in for a period of one (1) year from the date of Allotment in the Issue pursuant to Regulation 238(b) and Regulation 239 of SEBI ICDR Regulations.

iv. Other requirements in respect of lock-in

Pursuant to Regulation 242 of SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked-in as Promoters’ contribution for three (3) years under Regulation 238(a) of SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution or insurance companies registered with Insurance Regulatory and Development Authority of India for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 243 of SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations.

Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under SEBI ICDR Regulations has ended, subject to compliance with SEBI Takeover Regulations, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one (1) year from the date of Allotment may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

3. The table below represents the current Shareholding pattern of our Company as on the date of this Draft Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid up equity shares held (IV)	No of partly paid up equity shares held	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares held in De-mat Form (XIV)
								No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoter and Promoter Group	6	29,99,990	--	--	29,99,990	99.9996	29,99,990	99.9996	--	99.9996	--	--	[•]	[•]	[•]
B	Public	1	10	--	--	10	0.0004	10	0.0004	--	0.0004	--	--	[•]	[•]	[•]
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Total (A+B+C)	7	30,00,000	--	--	30,00,000	100%	30,00,000	100%		100.00	--	--	[•]	[•]	[•]

As on the date of this Draft Prospectus, the Equity Shares held by the Promoters and members of the promoter Group are not in dematerialised form and the same are in the process of dematerialisation.

4. Shareholding of our Promoters and Promoter group pre and post Issue:

Provided below are details of Equity Shares held by our Promoters and Promoter Group as of the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of shares	% of pre-Issue capital	No. of shares	% of post-Issue capital
A	Promoter				
1.	Vimal Parkash Jain	8,97,030	29.90	8,97,030	[●]
2.	Amit Jain	14,30,950	47.70	2,400,000	[●]
	Total (A)	23,27,980	77.60	23,27,980	[●]
B	Promoter Group				
3.	Pamila Jain	6,60,000	22.00	6,60,000	[●]
4.	Vimal Parkash Jain HUF	6,000	0.20	6,000	[●]
5.	Amit Jain HUF	6,000	0.20	6,000	
6.	Anu Jain	10	0.00	10	
	Total (B)	6,72,010	22.40%	6,72,010	[●]
	Grand Total (A+B)	29,99,990	99.99%	29,99,990	[●]

5. Except as mentioned below, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of ₹ 10 each)	Percentage of pre-Issue share capital (%)	Percentage of post-Issue share capital (%)
1.	Vimal Parkash Jain	8,97,030	29.90	[●]
2.	Amit Jain	14,30,950	47.70	[●]
3.	Pamila Jain	6,60,000	22.00	[●]
	Total	29,87,980	99.60	[●]

6. The list of shareholders holding 1% or more of the paid-up capital of our Company is as under:

Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
1.	Vimal Parkash Jain	8,97,030	29.90	[●]
2.	Amit Jain	14,30,950	47.70	[●]
3.	Pamila Jain	6,60,000	22.00	[●]
	Total	29,87,980	99.60	[●]

7. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, ten (10) days prior to the date of filing this Draft Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
1.	Vimal Parkash Jain	8,97,030	29.90	[●]
2.	Amit Jain	14,30,950	47.70	[●]
3.	Pamila Jain	6,60,000	22.00	[●]
	Total	29,87,980	99.60	[●]

8. Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filing this Draft Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
1.	Vimal Parkash Jain	8,97,030	29.90	[●]
2.	Amit Jain	14,30,950	47.70	[●]
3.	Pamila Jain	6,60,000	22.00	[●]
	Total	29,87,980	99.60	[●]

9. Particulars of shareholders holding 1% or more of the paid-up capital, two (2) years prior to the date of filing this Draft Prospectus

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-issue capital (in %)
1.	Vimal Parkash Jain	8,97,030	29.90
2.	Amit Jain	14,30,950	47.70
3.	Pamila Jain	6,60,000	22.00
	Total	29,87,980	99.60

10. As on date of this Draft Prospectus, our Company has Seven (7) shareholders.
11. As on date of this Draft Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Sections 230-232 of the Companies Act, 2013
12. The Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken any transactions of Equity Shares of our Company, during a period of six (6) months preceding the date on which this Draft Prospectus is filed with Stock Exchange.
13. None of the persons/entities comprising our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six (6) months immediately preceding the date of this Draft Prospectus.
14. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
15. Neither the Lead Manager nor any of their associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company.

- 16.** Our Company has neither granted any employee stock option nor issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme in the preceding three (3) years from the date of this Draft Prospectus.
- 17.** Our Company has not revalued its assets since inception and has not issued any Equity Shares by capitalizing any revaluation reserves.
- 18.** Our Company presently does not have any intention, proposal, negotiation or consideration to alter its capital structure within a period of six (6) months from the date of Issue Opening Date, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise or issue of bonus or rights, except that if we acquire companies / business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures. However, our Company has not entered into any acquisitions, joint ventures or strategic alliances as on the date of this Draft Prospectus and has not identified any strategic investments or acquisition opportunities.
- 19.** There are no transactions in our Equity Shares, which have been purchased/ sold by our Promoters, persons in promoter group or by the Directors of our Company and their immediate relatives (as defined under sub-clause (pp) sub-regulation (1) Regulation 2 of the SEBI ICDR Regulations) during the six (6) months preceding the date of filing this Draft Prospectus.
- 20.** As on date of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
- 21.** Our Company shall ensure that transactions in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of registering the Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchange within twenty-four (24) hours of the transaction.
- 22.** Our Promoters and members of our Promoter Group will not participate in this Issue.
- 23.** There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- 24.** The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of the prospectus.

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The issue comprises of fresh issue of up to 15,00,000 equity shares by our Company aggregating up to Rs [•] Lakhs (“Fresh Issue”).

Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:

1. Repayment/ Prepayment of certain secured borrowings availed by our Company; and
2. General corporate purposes

(collectively referred to as “Objects”)

We believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Particulars	Amount (₹ in Lakhs)*
Gross proceeds from the issue	[•]
Less : Issue related Expenses	[•]
Net Proceeds from the Issue	[•]

*To be updated on determination of the Issue Price and will be updated in the Prospectus prior to the filing with RoC

Requirement of funds and utilization of Net Proceeds

Particulars	Amount (₹ in Lakhs)*
Repayment/ Prepayment of certain secured borrowings availed by our Company	314.00
General corporate purposes	[•]
Total	[•]

Schedule of implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilization of Net proceeds in FY 2020-21*
1.	Repayment/ Prepayment of certain secured borrowings availed by our Company	314.00	[•]
2.	General corporate purposes [#]	[•]	[•]

*To be updated in the Prospectus prior to the filing with RoC.

The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2021. In the event that the estimated utilization of the Net Proceeds in financial year 2021 is not completely met, the same shall be utilized, in part or full, in the next financial year or a subsequent period towards the Objects.

Fund Requirements

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the net proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the net proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or additional capital infusion, debt arrangements or any combination of them.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled "*Risk Factors*" beginning on page 20 of this Draft Prospectus.

Means of Finance

In the event of a shortfall in raising the requisite capital from the net proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal or additional capital infusion, debt arrangements or any combination of them. In case of any surplus of monies received in relation to the fresh issue, we may use such surplus towards general corporate purposes.

We confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the issue.

Details of objects of the issue

1. Repayment/ Prepayment of certain secured borrowings availed by our Company

Our Company has entered into various financing arrangements with bank for borrowings. For further details of such borrowings refer to chapter titled "*Financial Indebtedness*" on page 190 of this Draft Prospectus. We intend to utilize an amount of ₹ 314.00 lakhs out of the Net Issue Proceeds to repay certain amounts outstanding.

The details of borrowings we intend to repay are as below-

(₹ in Lakhs)

Name of Lender	Nature of Borrowing	Amount Sanctioned	Amount disbursed till June 25, 2020	Amount Outstanding as on June 25, 2020
HDFC Bank Limited	Cash – Credit	350.00	N.A	234.85
HDFC Bank Limited	Term Loan	150.00	89.65	57.55
HDFC Bank Limited	Term Loan	100.00	76.26	69.21

As certified by M/s. K.C Khanna & Co, Statutory Auditors of our Company, pursuant to certificate dated June 26, 2020 bearing UDIN No 20521575AAAABK5513, our Company has utilized the above mentioned outstanding loan amounts for the purpose for which they were raised in terms of financing arrangements entered into with the lender. We believe such repayment/ prepayment will help reduce our outstanding indebtedness. We believe that reducing the indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity.

We may repay the above borrowings, before we obtain proceeds from the Fresh Issue, through other means and source of financing which, then will be repaid from the Net Proceeds

2. General Corporate Purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying Rs [•] lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc. or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

Issue Related Expenses

The Estimated Expenses are as follows:

(₹ in Lakhs)

Activity	Estimated Expenses (₹ in Lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manager Fees including Underwriting Commission	[•]	[•]	[•]
Brokerage, Selling, Commission and upload fees	[•]	[•]	[•]

Activity	Estimated Expenses (₹ in Lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Registrar to the Issue	[•]	[•]	[•]
Legal and Other Advisory Services	[•]	[•]	[•]
Advertising Expense	[•]	[•]	[•]
Regulators including Stock Exchange	[•]	[•]	[•]
Printing and Distribution of issue stationery	[•]	[•]	[•]
Others, if any (Market making, depositories, marketing fees etc.)	[•]	[•]	[•]
Total estimated issue related expenses	[•]	[•]	[•]

Notes:

1. The fund deployed out of internal accruals up to June 03, 2020 is ₹ 6.65 lakhs towards issue expenses vide certificate dated June 03, 2020 having UDIN 20521575AAAABH1601 received from M/s, K.C Khanna & Co., Chartered Accountants and the same will be recouped out of issue expenses.
2. Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular)	₹ [•] per application on wherein shares are allotted
Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them)	₹ [•] per application on wherein shares are allotted
Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank	₹ [•] per application on wherein shares are allotted
Sponsor Bank shall be payable processing fees on UPI application processed by them	₹ [•] per application on wherein shares are allotted

3. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
4. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
5. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Interim use of Net Proceeds

Our Company in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus which are proposed to be repaid from the Net Proceeds.

Appraisal Report

None of the objects for which the Issue Proceeds will be utilized have been financially appraised by any financial institutions / banks.

Monitoring Utilization of Funds

As this is a Fresh Issue for less than Rs 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this draft prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

Other Confirmation

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share and Issue Price is ₹ [●] per Equity Share. The Issue Price is [●] times the face value.

Investors should refer sections / chapter titled “Risk Factors”, “Business Overview”, “Financial Statements” and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 20, 93, 146 and 183 respectively of this Draft Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

1. Experienced Management Team
2. Widespread geographical reach
3. Quality Assurance and Standard
4. Comprehensive range of product offering
5. Credit control and prudent risk management practices
6. Brand Image
7. Technical Expertise and vast industry experience

For further details, refer heading “Our Competitive Strengths” under chapter titled “Business Overview” beginning on page 93 of this Draft Prospectus.

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS)

Year / Period ended	Basic and Diluted EPS	Weights
March 31, 2017	1.15	1
March 31, 2018	1.91	2
March 31, 2019	2.17	3
Weightage Average EPS	1.92	-
December 31, 2019	1.69 [§]	-

Note.

- Earnings per share calculations are in accordance with Indian GAAP and Accounting Standard as applicable
- Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year/period as per restated Financial Statement
- Weighted Average EPS = Aggregate of Year wise weighted EPS divided by the Aggregate weights i.e [(EPS *Weights) for each year / Total Weights]
- [§]EPS for period ended December 31, 2019 is not annualised

2. Price to Earnings (P/E) ratio in relation to Issue Price ₹ [●] per Equity Share of ₹ 10 each fully paid up

Particulars	P/E ratio
P/E ratio based on Basic and diluted EPS as at March 31, 2019	[●]
P/E ratio based on Weighted Average Basic and diluted EPS	[●]
*Industry	
Highest	40.65
Lowest	40.65
Average	40.65

**Industry comprise of Chemtech Industrial Valves Limited*

3. Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements (Standalone)

Year Ended	RONW (%)	Weight
March 31, 2017	10.65	1
March 31, 2018	13.75	2
March 31, 2019	14.95	3
Weighted Average	13.84	-
December 31, 2019	10.40*	-

Note: Return on Networth has been calculated as per the following formula:

- 1) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period end.*
- 2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

** Return on Networth calculated for December 31, 2019 is not annualised.*

4. Net Asset Value (NAV)

Particulars	₹ per share
Net Asset Value per Equity Share as of March 31, 2019	14.54
Net Asset Value per Equity Share as at December 31, 2019	16.23
Net Asset Value per Equity Share after IPO	[●]
Issue Price	[●]

- 1. Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year.*

Note: Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

5. Comparison with industry peers

Companies	CMP	EPS	PE Ratio	RONW (%)	NAV (Per Share)	Face Value	Total Income (₹ in Crores)
Atam Valves Limited	[●]	2.17	[●]	14.95	14.54	10	18.34
Peer Group							
Chemtech Industrial Valves Limited	8.13	0.20	40.65	2.94	6.91	10	16.67

Source: www.bseindia.com

Notes:

- a) *The figures for Atam Valves Limited are based on the restated financial statements for the period ended March 31, 2019.*
- b) *The figures for the peer group are for the year ended March 31, 2019 and are based on their respective Standalone financial statements filed with Stock Exchange. CMP of the peer group is as per the closing price as on May 6, 2020 as available on www.bseindia.com.*
- c) *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*
- d) *P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on May 6, 2020 sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.*
- e) *RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*

For further details, please refer section titled “Risk Factors” beginning on page 20 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 146 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the Face Value i.e. ₹ 10 per Equity Share.

STATEMENT OF TAX BENEFITS

To
The Board of Directors,
Atam Valves Limited,
1051, Industrial Area, Jalandhar, Punjab

Dear Sirs,

Sub: Statement of possible special tax benefits (“the Statement”) available to Atam Valves Limited (“the Company”) and its shareholders in accordance with the requirements in Schedule VI (Part A)-Clause (9) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”)

We hereby report that the enclosed Annexure prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act') including amendments made by Finance Act, 2020 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. Each investor is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever-changing tax laws in India.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.
- The revenue authorities/court will concur with the views expressed herein

The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views, consequence to such change . We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

This report including enclosed annexure is intended for your information and for inclusion in the Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

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

(Abhishek Goel)
Partner
M. No. 521575

Place: Ludhiana
Date: May 23, 2020
UDIN: 20521575AAAABE1119

ANNEXURE

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act 1961("the Act") presently in force in India.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

- The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Share in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
- The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION V – ABOUT THE COMPANY

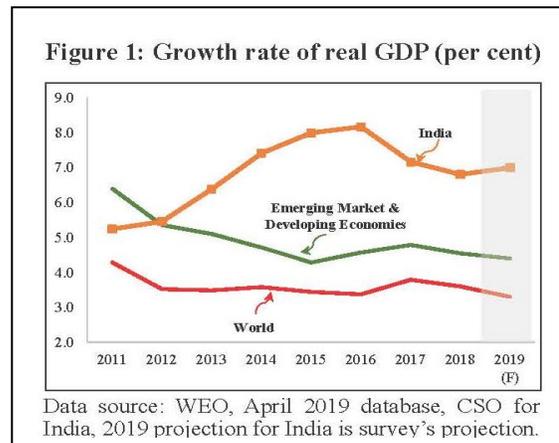
INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 20 and 146, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 20. Accordingly, investment decisions should not be based on such information.

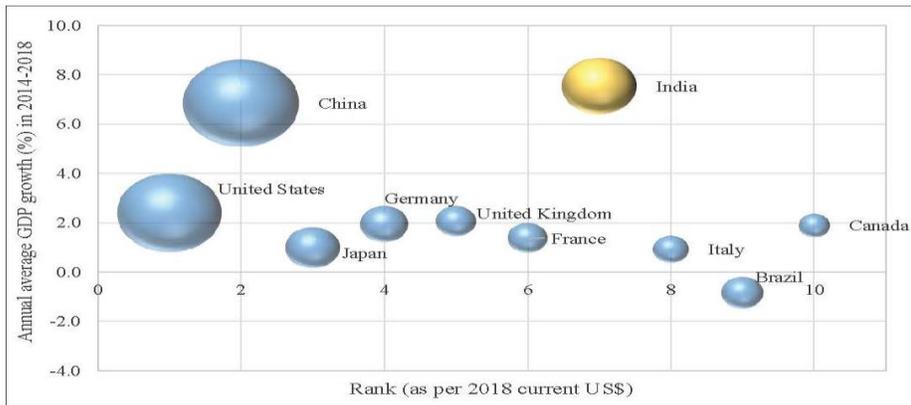
(A) OVERVIEW: GLOBAL ECONOMIC SCENARIO

A.1 India continues to remain the fastest growing major economy in the world in 2018- 19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. The slowdown in the world economy and Emerging Market and Developing Economies (EMDEs) in 2018 followed the escalation of US China trade tensions, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies. In 2019, when the world economy and EMDEs are projected to slow down by 0.3 and 0.1 percentage points respectively, growth of Indian economy is forecast to increase (Figure 1). Crucially, India forms part of 30 per cent of the global economy, whose growth is not projected to decline in 2019 World Economic Outlook (WEO), April 2019 of IMF).



A.2 India is the seventh largest economy in terms of Gross Domestic Product (GDP) in current US\$ and has emerged as the fastest growing major economy (Figure 2). The average growth rate of India was not only higher than China's during 2014-15 to 2017-18 but much higher than that of other top major economies (measured in terms of GDP at current US\$ terms) as well. With Purchasing Power Parity (PPP) adjustments, India's GDP at current international dollar, ranks third in the world (as shown by the size of circles in Figure 2).

Figure 2: Global comparison among top ten economies

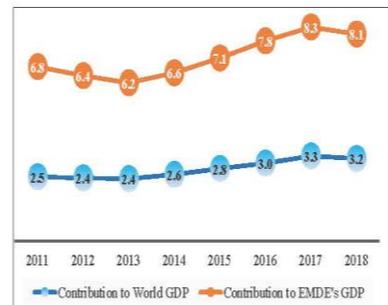


Data source: WEO, April 2019 database

Note: For France and Italy GDP of the year 2018 is the estimated figure of International Monetary Fund. Size of circle represents GDP (PPP) at current international dollar terms.

A.3 The contribution of the Indian economy to the GDP of EMDEs and world economy has increased consistently over the years (*Figure 3*). In a span of less than a decade, India's contribution to EMDEs GDP has increased by around 1.3 percentage points and to the world economy by around 0.7 percentage points. India's share in GDP of EMDEs stood at 8 per cent in 2018. As per the WEO, April 2019 of IMF, going forward, the growth of world economy will be bolstered mainly by growth in China and India and their increasing weights in world income. In EMDEs group, India and China are the major drivers of growth. The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. Hence, India's contribution has become much more valuable to the global economy.

Figure 3: India's share in GDP of EMDEs and World (per cent)

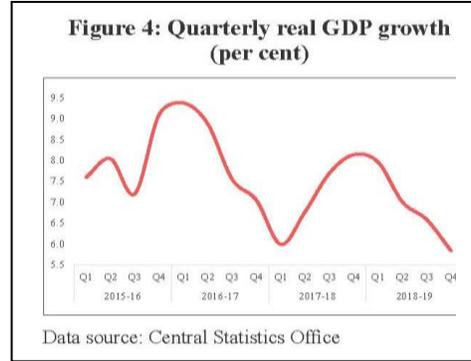


Data source: WEO, April 2019 database

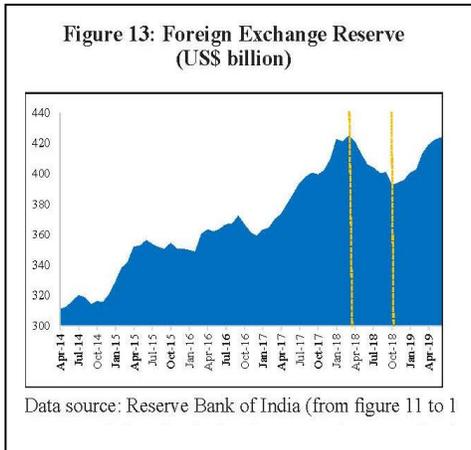
(B) OVERVIEW: INDIAN ECONOMY

B.1 India's growth of real GDP has been high with average growth of 7.5 per cent in the last 5 years (2014-15 onwards). The Indian economy grew at 6.8 per cent in 2018-19, thereby experiencing some moderation in growth when compared to the previous year. This moderation in growth momentum is mainly on account of lower growth in 'Agriculture & allied', 'Trade, hotel, transport, storage, communication and services related to broadcasting' and 'Public administration & defence' sectors. Acreage in 2018-19 for the rabi crop was marginally lower than last year, which affected agricultural performance. The contraction in food prices may have contributed to inducing farmers to produce less. On the demand side, lower growth of GDP in 2018-19 was accounted for, by a decline in growth of government final consumption, change in stocks and contraction in valuables.

B.2 When we examine the growth pattern within the various quarters of 2018-19, we note that the moderation in real GDP growth has been experienced in all quarters of 2018-19 (Figure 4) with the fourth quarter (Q4) registering a growth of 5.8 per cent. The base effect arising from a high growth of 8.1 per cent in the Q4 of 2017-18 also led to this lower growth in Q4 of 2018-19. In this quarter, election related uncertainty may have also contributed to growth moderation.



B.3 The foreign exchange reserves in nominal terms (including the valuation effects) decreased by US\$ 11.6 billion at end-March 2019 over end-March 2018. Within the year, foreign exchange reserves were declining until October 2018 due to RBI's intervention to modulate exchange rate volatility. India's foreign exchange reserves continue to be comfortably placed at US\$ 422.2 billion, as on 14th June 2019 (Figure 13).



B.4 The GVA of the private corporate sector, with around 70 per cent share of the manufacturing sector (estimated from available data of listed companies with BSE and NSE) grew by 8.4 per cent at constant prices in 2018-19. On the other hand, production in manufacturing sector as measured by IIP slowed down to 3.5 per cent in 2018-19 from 4.6 per cent in 2017-18 (Figure 27). Growth in IIP is used to estimate the GVA growth of 'quasi-corporate' and 'unorganized' segment of manufacturing sector. Hence, contribution of unorganised sector to growth of manufacturing sector declined in 2018-19. Another positive development in the manufacturing sector has been the gradual improvement in capacity utilisation since Q4 of 2016-17 (Figure 28) along with the pick-up in bank credit to large industry since June 2018.

Figure 27: Index of Industrial Production growth (per cent) and PMI index

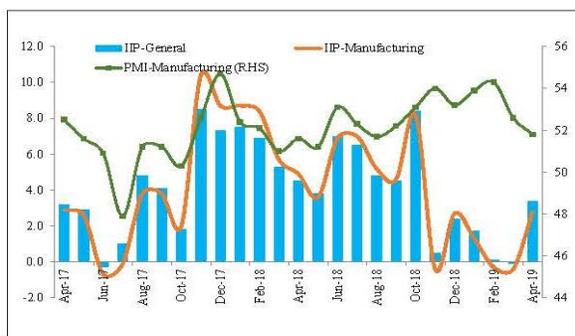
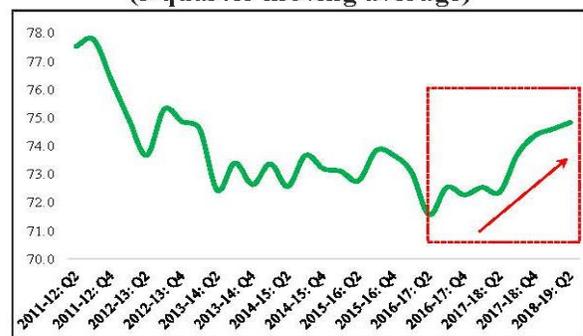


Figure 28: Capacity utilization for selected manufacturing companies (per cent) (3 quarter moving average)



B.5 The growth in manufacturing sector picked up in 2018-19, although the momentum slowed down towards the end of the financial year with a growth of 3.1 percent in fourth quarter of the year, as compared to 12.1 percent, 6.9 percent and 6.4 percent in first, second and third quarter respectively. The growth rate in Q4 of 2018-19 moderated considerably, on account of lower NBFC lending, which in part led to low sales in the auto sector. The moderation is also evident in IIP manufacturing growth that decelerated considerably in the Q4 of 2018-19, with contraction in automobile (manufacture of

motor vehicle and other transport equipment) sector and low growth in basic metals sector. PMI manufacturing, despite weakening in Q4 of 2018-19, remained above 50, reflecting the non-cessation of the accelerating phase in manufacturing, although at a lower rate (*Figure 27*).

(C) Outlook of the economy

The year 2019-20 has delivered a huge political mandate for the government, which augurs well for the prospects of high economic growth. Real GDP growth for the year 2019-20 is projected at 7 per cent, reflecting a recovery in the economy after a deceleration in the growth momentum throughout 2018-19. The growth in the economy is expected to pick up in 2019-20 as macroeconomic conditions continue to be stable while structural reforms initiated in the previous few years are continuing on course. However, both downside risks and upside prospects persist in 2019-20.

Investment rate, which was declining from 2011-12 seems to have bottomed out. It is expected to pick up further in the year 2019-20 on the back of higher credit growth and improved demand. The political stability in the country should push the animal spirits of the economy, while the higher capacity utilization and uptick in business expectations should increase investment activity in 2019-20. Accommodative monetary policy in the beginning of the year should help in decreasing real lending rates, more so, if the transmission mechanism improves. There are signs of continuing resolution of stressed assets in the banking sector as reflected in decline in NPA to gross advances ratio as on December 2018, which should push the capex cycle.

The performance of consumption will be crucial in deciding the growth path of economy. Rural wages growth which was declining seems to have bottomed out and has started to increase since mid-2018. Further growth in rural wages should help spur rural demand. Pick up in food prices should help in increasing rural incomes and spending capacity and hence rural consumption demand. PM-Kisan scheme was announced by the government to provide an income support of `6000/- per year to small and marginal farmer families having combined land holding/ownership of upto 2 hectares. The condition of minimum land holding has been subsequently removed to benefit all farmers. This cash transfer scheme will also increase the rural incomes.

The oil prices increased in 2018-19 by around 14 \$/bbl. However, oil prices are expected to decline in 2019-20 from the current level (based on the oil futures price for 2019-20). This should provide a positive push to consumption.

However, downside risks to consumption remain. The extent of recovery in farm sector and farm prices will decide the push to rural consumption, which is also dependent on the situation of monsoon. The meteorological department has predicted that the rainfall over the country as a whole is likely to be near normal this year. This should lead to improvement in agriculture sector growth. However, according to IMD, some regions are expected to receive less than normal rains. This could prove to be detrimental for crop production in certain affected areas. If the impact of stress in the NBFC sector spills over to this year as well, it may lead to lower credit offtake from NBFCs, which may dampen growth in consumption spending.

Prospects of export growth remain weak for 2019-20 if status quo is maintained. However, reorientation of export policies to target countries/markets based on our own relative comparative advantage and the importing country's exposure to Indian goods can foster export performance. Under status quo, the outlook for the global economy is bleak in 2019, with most of the countries projected to slow down. The major threat facing the world economy is the increase in trade tensions between U.S. and China, which could lead to large disruptions in global value chains, outcome of Brexit and downside risk to China's

growth. The lower global growth and the increased uncertainty about trade tensions may negatively affect export demand, including that of India's, which in turn will further lower GDP growth rates of several countries.

On balance, the prospects of the economy should improve with growth of the economy expected to be 7 per cent in 2019-20.

Sources: Indian Economy report

GLOBAL INDUSTRIAL VALVES MARKET

The global industrial valves market is expected to record a CAGR of 5.33% during the forecast period of 2020 and 2024.

The major factor driving the market studied is the growing demand from the power and chemical industries. Stagnant industrial growth in developed countries is expected to hinder the growth of the market studied.

Key Highlights

- The oil and gas industry dominated the market in 2017, and it is expected to experience growth during the forecast period, owing to the increasing oil and gas activities across the world.
- Increasing demand for automatic valves is likely to act as an opportunity in the future.
- Asia-Pacific dominated the market across the world, with the largest consumption from countries, such as China and India.

Major Market Trends

Increasing Demand from Power Industry

In the power industry, valves are used for various applications, such as boiler startups, feed pump recirculation, steam conditioning, and turbine bypass.

For instance, valves in the condensate system are used to control and regulate the additional flow required for a fluid recirculation condensate pump. Furthermore, valves are also used to control the deaerator level for the feedwater heater.

For the feed water system in the power industry, valves are used for boiler feed pump recirculation and the valve plays a key role in this scenario, as it should be operated in on-off and modulating service.

Additionally, in mainstream systems, the valves are used for superheaters, turbine bypass, superheater bypass, etc. A modulating valve is used for controlling pressure.

Additionally, the government's focus on increasing the capacity additions of power plants across the country is the factor that is boosting the demand for cooling water treatment chemicals. Such aforementioned factors are boosting the demand for valves in the power industry.

Asia-Pacific Region to Dominate the Market

The Asia-Pacific region dominated the global market share in 2017. With growing oil and gas industrial activities and the increasing need for water treatment in countries, such as China, India, and Japan, the usage of industrial valves is increasing in the region.

The consumption of industrial valves is high in oil and gas, and downstream production has increased in the country. This is further increasing the production capacities of petrochemicals, thus augmenting the consumption of industrial valves in the country.

Chemical plants are another prominent end-user industry in China. Many major companies in the market have their chemical plants in China. These companies increased their production capacities, in order to increase the consumption of industrial valves. The other major industry in the country is the water treatment facility, which is used in different industries.

The growing fuel demand is augmenting the demand to increase the refining capacity, due to increased sales of passenger cars, replacement of LPG as a cooking fuel, increasing urbanization, along with the demand for infrastructure and consumer goods.

The aforementioned factors, coupled with government support, are contributing to the increasing demand for industrial valves consumption in the region during the forecast period.

Sources: Mordor Intelligence.

ENGINEERING INDUSTRY IN INDIA

Introduction:

The Indian Engineering sector has witnessed a remarkable growth over last few years driven by increased investments in infrastructure & industrial production. The Engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. The Indian semiconductor industry offers high growth potential areas as the industries which source semiconductors as inputs are themselves witnessing high demand.

India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

Market Size:

Turnover of capital goods industry is estimated to have reached US\$ 70 billion in 2017.

India exports its engineering goods mostly to the US and Europe, which accounts for over 60 % of the total exports. Engineering exports for the period of FY19 were US\$ 81.02 billion as against US\$ 76.02 million in the same period previous year. Engineering exports grew 6.32 per cent year-on-year to US\$ 81.02 billion in FY19. Engineering exports reached US\$ 38.74 billion in FY20 (up to September 2019). Exports of

electrical machinery grew at a CAGR of 8.94 per cent during FY10-19. It stood at US\$ 11.10 billion in FY20 (April-September'19).

The electrical equipment industry observed a witnessed a record seven-year high growth of 12.8 % in 2017-18, on the back of increase in government spending on rural and household electrification schemes and programmes to improve power distribution. Construction equipment industry of India is expected to grow over 18 % in 2018-19.

Investments:

The engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing costs, technology and innovation. The above, coupled with favourable regulatory policies and growth in the manufacturing sector has enabled several foreign players to invest in India.

The Foreign Direct Investment (FDI) inflows into India's miscellaneous mechanical and engineering industries during April 2000 to June 2019 stood at around US\$ 3.59 billion, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

In the recent past there have been many major investments and developments in the Indian engineering and design sector:

- In June 2019, Joysons Safety Systems (JSS) announced merger of its two joint ventures in India into a tri-party joint venture called as Joyson Anand Abhishek Safety Systems Private Limited (JAASS).
- In December 2019, KEC International bags orders worth Rs 1,520 crore (US\$ 217.48 million) for various business verticals.
- As of December 2019, ELGi Compressors USA, Inc., a subsidiary of Elgi Equipments Limited, a global supplier of compressed air solutions, acquired Michigan Air Solutions.
- As of December 2019, L&T Technology Services bagged a multi-million-dollar engineering, procurement and construction management project in Europe.
- Schneider Electric and Temasek acquired Larsen & Toubro's (L&T) electrical and automation business in May 2018

Government Initiatives:

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100 % FDI. With the aim to boost the manufacturing sector, the government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

- Government has planned an investment of Rs 100 lakh crore (US\$ 1.43 trillion) in infrastructure sector over the next five years.
- The government announced Rs 150,000 (US\$ 2,250) income tax deduction on interest paid on loans for purchase of electric vehicles the Union Budget 2019-20.
- The Union Cabinet has approved incentives up to Rs 10,000 crore (US\$ 1.47 billion) for investors by amending the M-SIPS scheme, in order to further incentivise investments in electronics sector, create employment opportunities and reduce dependence on imports by 2020.

Road Ahead:

Turnover of capital goods industry is expected to increase to US\$ 115.17 billion by 2025F. India's engineering R&D market will increase from US\$ 28 billion in FY18 to US\$ 42 billion by FY22F. Sales of construction equipment are expected to reach 90,115 and 100,000 in 2018 and 2022, respectively, while the market size of construction equipment industry is expected to grow from US\$ 4.3 billion in FY18 to US\$ 5 billion by FY20. India needs ₹ 235 trillion (US \$ 3.36 trillion) of investments in infrastructure in the next decade. The export of engineering goods is expected to reach US\$ 200 billion by 2030.

Report

The Indian engineering sector is divided into two major segments - heavy engineering and light engineering. The turnover of capital goods industry in India is estimated at US\$ 70 billion in 2017 and is expected to grow to Rs 8,04,923.13 crore (US\$ 115.17 billion) by 2025. Likewise, electrical equipment production is expected to reach Rs 6,98,900 crore (US\$ 100 billion) by FY 2021-22 from Rs 39.06 crore (US\$ 5.58 million) in 2017-18. The electrical equipment industry grew 13.7 per cent year-on-year during April 2018-January 2019. Overall growth index for electrical equipment industry for 2018-19 stood at 11.2 per cent.

Comparative advantage vis-à-vis peers in terms of manufacturing costs, market knowledge, technology and creativity has been a driving force for engineering exports from India. In FY19, India's engineering export have crossed Rs 5,80,087 crore (US\$ 83 billion). Engineering exports grew 6.32 per cent year-on-year to Rs 5,66,248.78 crore (US\$ 81.02 billion) in FY19. In FY20 (April-August 2019), India's engineering export have crossed US\$ 32.39 billion.

As per Mr Piyush Goyal, Minister for Commerce and Industry & Railways, the government will make all efforts to ensure that the exports of engineering goods reach US\$ 200 billion by 2030.

As of 2017, India was the world's eighth largest consumer and 12th in production of machine tools globally. Production of machine tools in the country grew 25.7 per cent y-o-y to Rs 7,293 crore (US\$ 1.13 billion) in 2017-18, while exports reached Rs 355 crore (US\$ 55.08 million). Production is forecasted to increase to Rs 9,000 crore (US\$ 1.40 billion) in 2018-19. Construction equipment industry recorded sales of 98,204 and 78,109 units of construction equipment in 2018 and 2017, respectively. Construction equipment sales are expected to grow further to 110,815 units by 2022. Construction equipment market is projected to reach Rs 34,945 crore (US\$ 5 billion) by FY20 from around Rs 30,052.7 crore (US\$ 4.3 billion) in FY18.

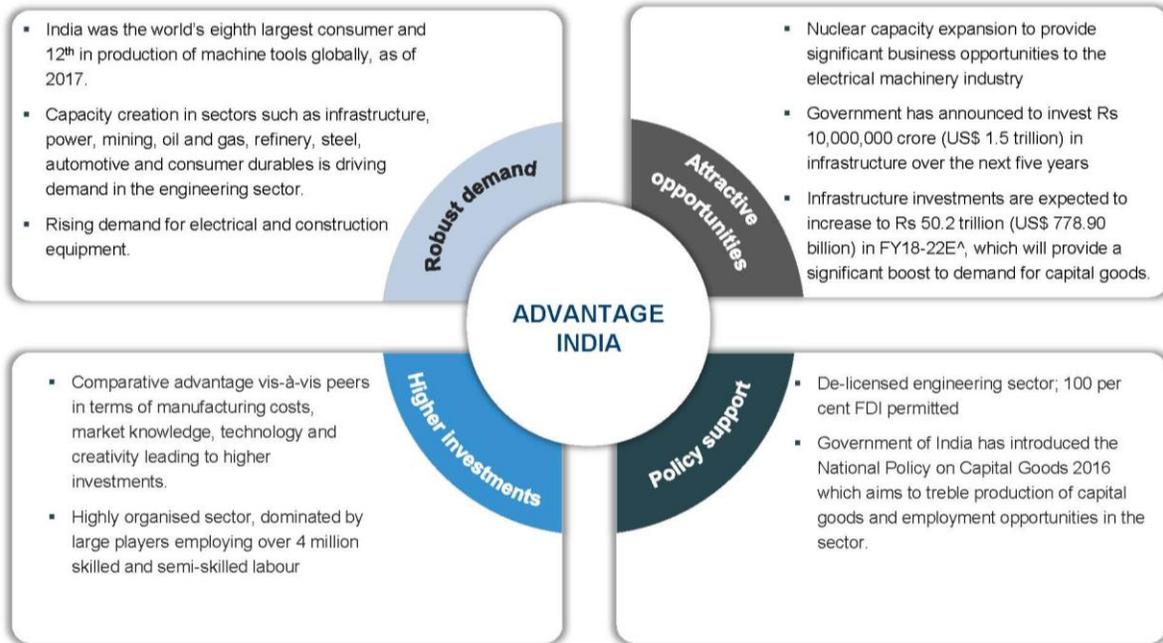
Government has also announced to invest Rs 10,000,000 crore (US\$ 1.5 trillion) in infrastructure over the next five years.

Companies engaged in the engineering sector are virtually on a roll. Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables has been driving demand in the engineering sector. Separately, the approval of significant number of special economic zones (SEZs) across the country and the development of the Delhi Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector.

Government has proposed granting of loans up to Rs 1 crore (US\$ 0.15 million) for MSMEs within 59 minutes through a committed online portal. Under the Interest Subvention Scheme for MSMEs, Rs 350 crore (US\$ 52.50 million) has been allocated for FY 2019-20.

With 100 per cent foreign direct investment (FDI) allowed through the automatic route, and initiatives like Make in India, major international players have entered the Indian engineering sector due to significant growth opportunities available. Miscellaneous mechanical and engineering industries have received FDI inflows worth US\$ 3.59 billion during April 2000-June 2019.

Advantage India:



Notes: FDI - Foreign Direct Investment, FY - Indian Financial Year (April – March), US\$ - US dollar, [^]CRISIL Infrastructure Yearbook 2017
Source: Government of India, Ministry of Heavy Industries, Department for Promotion of Industry and Internal Trade(DPIIT), India Electrical and Electronics Manufacturer Association

Infographics:



Engineering & Capital Goods

Market Size

Capital Goods Turnover (US\$ bn)

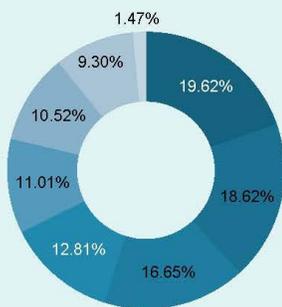


Electrical Equipment Production (US\$ bn)



Note: [^]As per media reports from November 2017, F - Forecast

Exports Performance Of Principle Commodities (FY20) (up to April 2019)



- Iron and Steel and Products made of Iron and Steel
- Automobiles
- Industrial Machinery
- Ships, Boats and Floating products and parts
- Other engineering products
- Electrical Machinery
- Non-Ferrous Metals and Products made of Non-Ferrous Metals
- Aircrafts and Spacecraft parts and products

Sector Composition

Key Trends

Engineering R&D (US\$ bn)



Note: FY18* - including product engineering services, F - Forecast

India's engineering exports (US\$ bn)



Make in India



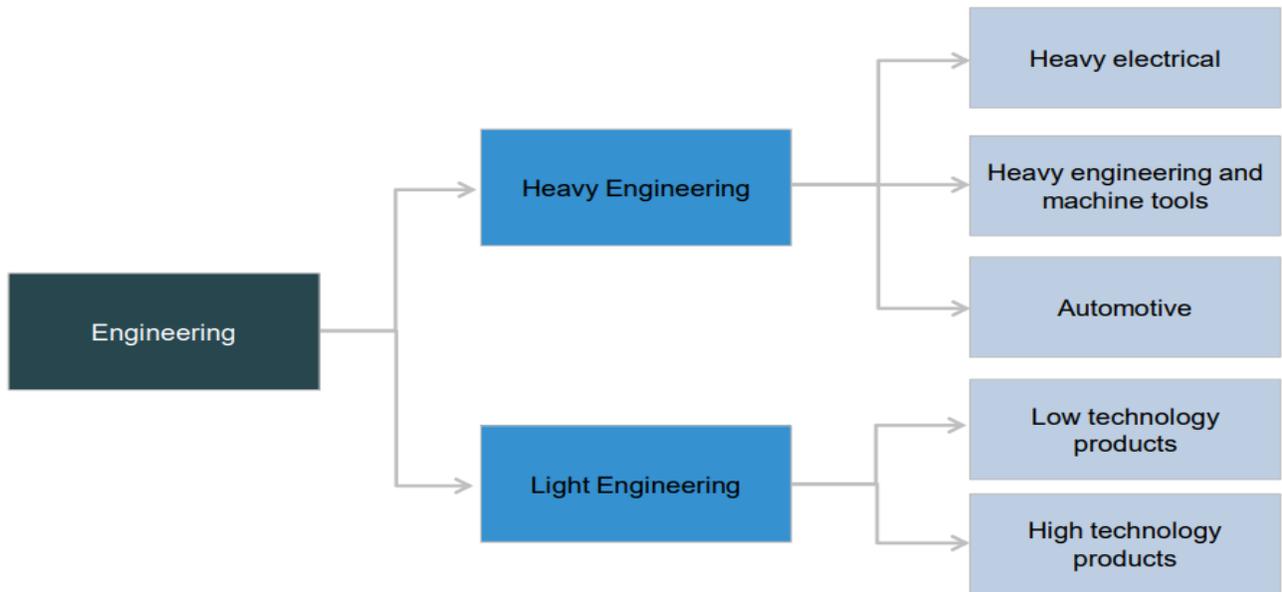
100 per cent FDI



Smart City Project

Government Initiatives

Market Overview:



Heavy Engineering Key Segments:

<p>Machine tools</p>	<ul style="list-style-type: none"> • This segment churns out basic machinery for all major industries and determines competitiveness in other sectors such as automobiles, heavy electrical and defence • Nearly 200 machine tool manufacturers are operational in the organised sector along with 400 small-scale units • Production of machine tools grew 25.7 per cent year-on-year to Rs 7,293 crore (US\$ 1.13 billion) in 2017-18, while exports reached Rs 355 crore (US\$ 55.08 million). Production is forecasted to increase to Rs 9,000 crore (US\$ 1.40 billion) in 2018-19.
<p>Textile machinery</p>	<ul style="list-style-type: none"> • It comprises over 1,446 units involved in churning out machinery and components; another 600 units manufacture complete machinery • Market size of textile machinery stood at US\$ 4.85 billion in 2018 and is expected to reach US\$ 5.2 billion by 2021. • The industry produced total machinery worth Rs 6,900 crore (US\$ 1,070.60 million) in 2017-18, including spares and accessories worth Rs 920 crore (US\$ 142.75 million) • In FY18, total exports of textile machinery stood at US\$ 839.78 million.
<p>Cement machinery</p>	<ul style="list-style-type: none"> • Cement plants based on raw mill grinding, pre-processing and cement grinding process technology (for capacities up to 10,000 TPD) are being manufactured in India • Currently, 100 per cent FDI is allowed under the automatic route • The industry is capable of catering to domestic demand, the growth in construction to drive cement demand in coming years owing to new government's policy.

Material handling equipment	<ul style="list-style-type: none"> • Material handling equipments have four categories: storage and handling equipments, engineered systems, industrial trucks and bulk material handling • With around 50 units in the organised sector, the material handling equipment industry is engaged in the setting up of coal/ore/ash handling plants and manufacturing associated equipment
Dies, moulds and tools industry	<ul style="list-style-type: none"> • It includes over 500 commercial tool manufacturers. • Indian machine tool production increased from Rs 5,803 crore (US\$ 804.3 million) in 2016-17 to Rs 7,300 crore (US\$ 1.01 billion) in 2017-18 while the consumption increased from Rs 11,600 crore (US\$ 11.61 billion) in 2016-17 to Rs 14,700 crore (US\$ 2.04 billion) in 2017-18. Consumption is expected to further increase to US\$ 2.68 billion by FY20. • Exports of dies, moulds and press tools stood at Rs 1,700 crore (US\$ 253.39 million) in FY17
Process plant equipment	<ul style="list-style-type: none"> • Over 200 manufacturers are engaged in the production of process plant machinery • Nearly 65 per cent of the total manufacturers are small and medium enterprises • Production and exports stood at US\$ 2.91 billion and US\$ 1.38 billion in FY17, respectively.
Earth moving, construction and mining equipment	<ul style="list-style-type: none"> • Currently, 20 large and global manufacturers and 200 small and medium manufacturers operate in the industry • The construction equipment industry's size is estimated to reach US\$ 5 billion by FY20 from around US\$ 4.3 billion in FY18.

Light Engineering Key Segments:

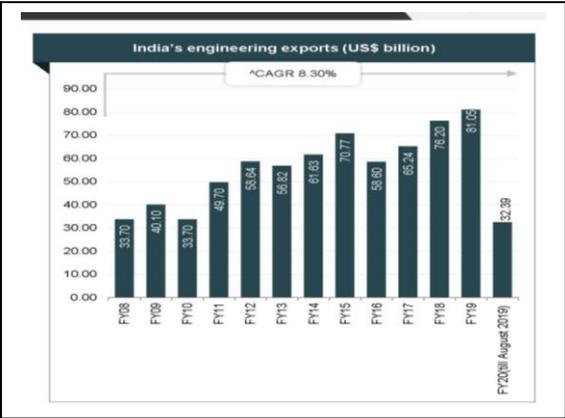
Casting and forging	<ul style="list-style-type: none"> • With 11 million tonnes of casting production in 2017, India overtook US to become the second largest casting producer globally. Production of castings in India stood at 12.05 million tonnes in 2017-18. • Turnover of the Indian forging industry grew nearly 12 per cent year-on-year to Rs 35,000 crore (US\$ 5.43 billion) in 2017-18. • Total production of the Indian forging industry increased to 2.524 million tonnes in 2017-18 from 2.398 million tonnes in 2016-17.
Industrial fasteners	<ul style="list-style-type: none"> • The fastener industry in India can be classified into high tensile and mild steel fasteners • Mild steel fasteners are primarily manufactured by the unorganised sector, while the high tensile steel segment is dominated by the organised sector

Heavy Electrical Key Segments:

Boilers	<ul style="list-style-type: none"> As per the latest data available, the Indian Boiler Industry has the capability to manufacture boilers with super critical parameters up to 1000 MW unit size. The Industry’s market size was US \$ 3.8 billion in FY 11 and reached US \$ 5.8 billion in FY 17 and expected to reach US \$ 11.7 billion in FY 22 Exports for boilers stood at US \$ 298 million for FY 18.
Switchgear and control gear	<ul style="list-style-type: none"> The market size of HV Switchgear (including panels) and LV Switchgear (including panels) stood at Rs 4,665 crore (US\$ 723.82 million) and Rs 15,800 crore (US\$ 2.45 billion) in FY18, respectively. Exports of High Voltage Switchgear (including panels) and Low Voltage Switchgear (including panels) reached Rs 1,661 crore (US\$ 201.87 million) and Rs 5,508 crore (US\$ 788.10 million) between April December 2018, respectively.

Exports:

- Engineering exports include transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners.
- During FY08–FY19, engineering exports from India registered growth at a CAGR of 8.30 %
- India’s engineering exports reached an all-time high in FY19, surpassing the US\$ 80 billion mark. Engineering exports grew 6.32 % year-on-year to US\$ 81.02 billion in FY19.
- In FY 20 (April – August 2019), India’s Engineering export have crossed US \$ 32.39 billion.
- Engineering exports reached US\$ 6.49 billion in FY20 (upto April 2019)



Notable Trends in the Industry:

Diversification	<ul style="list-style-type: none"> Several companies in the engineering sector have diversified, either geographically (mainly to Middle Eastern countries) or sector-wise BHEL plans to foray into Ukraine Simplex Infra has moved to the Middle East Larsen and Toubro (L&T) has diversified into power equipment manufacturing Thermax entered the power utility segment
Shift to value-added products	<ul style="list-style-type: none"> Rising competition is driving domestic players to focus on improving their capabilities, become more quality conscious and upgrade their technology base in line with global requirements More than 2,500 firms in the engineering sector have ISO 9000 accreditation Companies are increasingly focusing on R and D and product development

	<ul style="list-style-type: none"> • To enhance competitiveness in India’s capital goods industry, the Dept. of Heavy Industry has approved 4 Centres of Excellence in textile machinery, machine tools, welding technology and smart pumps.
<p>Entry of international companies</p>	<ul style="list-style-type: none"> • With 100 per cent FDI allowed through the automatic route, major international players such as Cummins, ABB and Alfa Laval have entered the Indian engineering sector due to growth opportunities • As of December 2018, SANY India, the Indian arm of Beijing-headquartered construction equipment maker SANY Group, is planning to invest Rs 1,000 crore (US\$ 142.49 million) to expand its construction machinery production capacity to 25,000 units

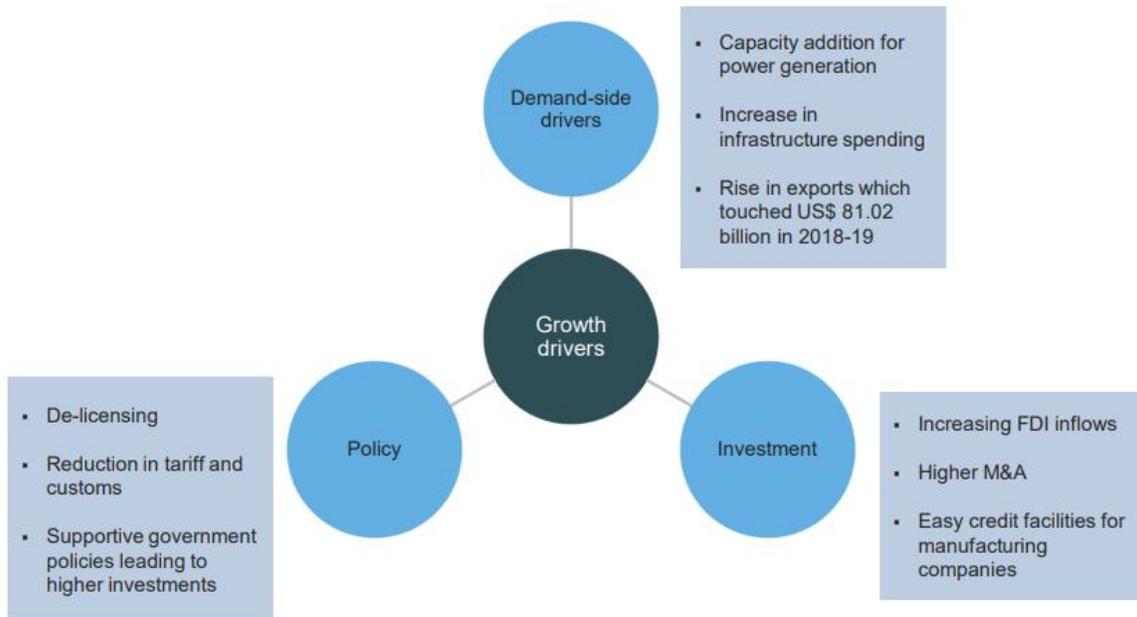
Strategies Adopted:

<p>Leveraging Indian operations</p>	<ul style="list-style-type: none"> • Bigger companies are currently focusing on process improvement and a smaller set of key strategies • ABB has set up global R&D centre in Bengaluru and is also aiming at making India as production hub for markets worldwide due to its labour cost advantage • Cummins has also opened R&D centre in Pune, for providing designing and technical abilities worldwide
<p>Operational efficiency</p>	<ul style="list-style-type: none"> • Companies are understanding the need of operations management following the crisis period • Good set of operational structure in place helps them target future business opportunities with better precision • There is emphasis on human resource management, automation and higher labour productivity
<p>Geographical expansion</p>	<ul style="list-style-type: none"> • Most Indian companies are increasing their global footprints • Cheap cost of labour in India is giving them an edge over companies in higher wage economies • Besides targeting the developed economies of Europe and US, Indian companies are currently diversifying in the developing markets of Africa, South America and the Middle East
<p>Skill Improvement</p>	<ul style="list-style-type: none"> • Many companies are collaborating with institutions for developing skilled manpower for the highly technical engineering sector. • In June 2017, Schneider Electric signed an MoU with Kalinga Institute of Technology (KIIT) and CV Raman College of Engineering in Odisha for training students to enhance their engineering skills.

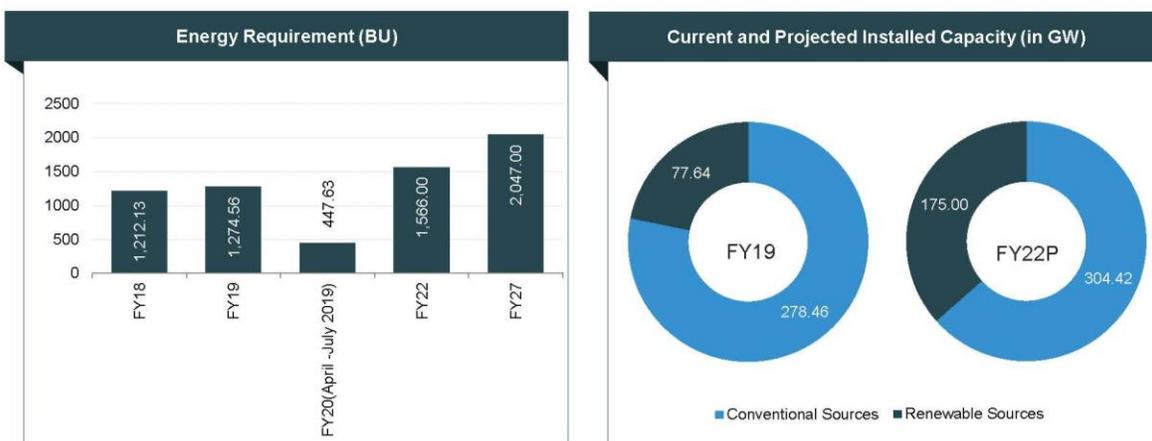
PSU Stake Sale

- In September 2018, the Government of India decided to divest 10 per cent stake in the IRCON International for around Rs 467 crore (US\$ 66.54 million).
- In April 2019, the Government of India fetched Rs 480 crore (US\$ 68.68 million) by selling 12.12 per cent of its stake in Rail Vikas Nigam Ltd (RVNL).

Growth Drivers:



Capacity Augmentation Boosts Demand:



- India’s energy requirement is expected to grow from 1274.56 BU in FY 19 to 1566 BU in FY21 and further to 2,047 BU in 2026-27

- The growing energy requirement will require enhancement of installed power capacity. As per the National Electricity Plan 2018, the total installed power capacity is projected to increase from 356.10 GW to 479.42 GW in FY22 P
- The Increase in installed power capacity is expected to boost demand for power generation and transmission equipment.

Strong Policy Support Crucial for the Sector:

De-licensing	<ul style="list-style-type: none"> • The engineering industry has been de-licensed and 100 per cent FDI has been permitted in the sector • Foreign technology agreements are allowed under the automatic route
Tariffs and custom duties	<ul style="list-style-type: none"> • The government has eliminated tariff protection on capital goods • It has reduced custom duties on a range of engineering equipment
Focus on power generation and infrastructure	<ul style="list-style-type: none"> • Governmental infrastructure projects such as Golden Quadrilateral and the North-South and East-West corridors fuelled growth in the engineering sector
Special Economic Zones (SEZs)	<ul style="list-style-type: none"> • The government approved a significant number of SEZs across the country for the engineering sector • Delhi Mumbai Industrial Corridor (DMIC) is being developed across 7 states; it is expected to bolster the sector
Make in India	<ul style="list-style-type: none"> • Under the Make in India initiative, the central government has approved the policy giving preference to domestically produced steel and iron products for government procurement in May 2017.
Tax Holiday for MSMEs	<ul style="list-style-type: none"> • The government would give 3 years Tax Holiday with a stipulation that this money should be used (the tax amount that works out for the unit) to invest in the plant, machinery or new land for the expansion of the current line of business
Loan Portals for MSME's	<ul style="list-style-type: none"> • Government has proposed granting of loans upto ₹ 1 crore (US \$ 0.15 million) for MSME's within 59 minutes through a committed online portal. Under the Interest Subvention Scheme for MSME's ₹ 350 Crore (US \$ 52.50 million) has been allocated for FY 2019 - 2020)
Cut in excise duty to aid the auto industry	<ul style="list-style-type: none"> • A cut in excise duty on chassis for ambulance is being reduced from 24 % to 12.5 per cent. Short-term crop loans to farmers at 7 % per annum and additional subvention of 3 % for prompt paying farmers so that they can take tractors.

Investment on building Internal and External Infrastructure in Smart Cities	<ul style="list-style-type: none"> • The government has planned to build 100 smart cities, by allocating US\$ 8.29 billion. The plan would need more PPP's for better and fast execution. • In February 2017, Government of Tamil Nadu allotted land to 14 companies, for setting up an Aerospace park in Sriperumbudur, along with establishing an Advanced Computing and Design Engineering Centre, with an outlay of US\$ 52.06 million
Higher allocation to the defence sector	<ul style="list-style-type: none"> • Allocation to the defence sector was raised to US\$ 40 billion. Make in India policy is being carefully pursued to achieve self-sufficiency in the defence equipment sector including air-craft.
Budgetary support	<ul style="list-style-type: none"> • In the Union Budget 2019-20, the government has announced to invest ₹ 10,000,000 crore (US \$ 1.5 trillion) in the infrastructure sector over the next five years.

Information Sources:

<i>PLEX Council</i>	<i>Ministry of Heavy Industries and Public Enterprise Annual Report 2012-13 and 2013-14</i>
<i>Plastindia Foundation</i>	<i>ITMACH India</i>
<i>Indian Electrical & Electronics Manufacturers' Association (IEEMA)</i>	<i>Textile Machinery Manufacturing Association Cabinet Committee on Infrastructure report</i>
<i>Department for Promotion of Industry and Internal Trade (DPIIT)</i>	<i>Indian Machine Tool Manufacturers' Association</i>
<i>KPMG Report on Engineering sector</i>	<i>Government of India</i>
<i>Ministry of Power Annual Report</i>	<i>Union Budget 2018-19</i>
<i>Engineering Export monitoring report</i>	<i>DHI Annual Report</i>
<i>Ministry of Commerce and Industry Estimates</i>	<i>National Electricity Plan 2018</i>
<i>National Highway Authority of India</i>	<i>CEA</i>
<i>Union Budget FY14</i>	<i>Cabinet Committee on Infrastructure Report</i>
<i>Reserve Bank of India</i>	<i>Ministry of Road Transport and Highways</i>
<i>Ministry of Heavy Industries</i>	<i>Techsci Research</i>
<i>Engineering Export Promotion Council</i>	

Indian Brand Equity Foundation (IBEF) Report, October 2019

BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled "Risk Factors", beginning on page no. 20 of this Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled "Risk Factors" and the chapters titled "Financial Statements" and "Management Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no 20, 146 and 183 of this Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our", "our Company" and "AVL" are to "Atam Valves Limited"

OVERVIEW

Our Company was originally incorporated as a Partnership Firm in 1982 which had Mr. Vimal Jain, as one of the Partners and commenced the business from mid-1982. Later, Vimal Jain founded and incorporated "Atam Valves Private Limited", a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 30, 1985 bearing Registration Number 6476 issued by Registrar of Companies, Punjab, HP & Chandigarh by taking over the entire business of Atam Valves, a Partnership Firm. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders dated November 09, 2017 and the name of our Company was changed to "Atam Valves Limited" to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Chandigarh dated November 24, 2017 bearing Corporate Identification Number U27109PB1985PLC006476. For further details, please refer the Chapter titled "History and Certain Corporate Matters" beginning on page 121 of this Draft Prospectus.

Our Promoter, Mr. Vimal Jain, collectively has around 4 (four) decades of experience in the Valves industry. Vimal Jain, before establishing AVL, formerly, had commenced the Valves business, way back in 1982 by setting up a Unit on rent, in the Jalandhar city of Punjab. Due to 1984 riots in Punjab, the industrial environment was not favourable for carrying on any commercial business which in turn forced Vimal Jain to move the operations of the Company to Delhi in the year 1986, one year after incorporating Atam Valves Private Limited in 1985. He operated for around 2 years in Wazipur Industrial Area, Delhi, i.e. from 1986-1988. Once the industrial environment was favourable and stable, Vimal Jain, in the year 1989, moved back to Jalandhar and commenced a manufacturing unit, E-11 Industrial Area, Jalandhar –144 004 ("E-11") on rent, in the year 1989.

With the knowledge of Valves Industry, a vision of expansion and business intellect of Vimal Jain, in the year 1993, he purchased the manufacturing unit E11 which was on rental basis for almost 4 years, thereby reflecting the dedication and growth of our Promoter. After operating for almost a decade from Unit E11, in 1999, Vimal Jain, with a vision of expanding the business as well geographical locations, had set-up another manufacturing unit 1050-1051, Industrial Area, Jalandhar –144 004 (1050-1051) and a registered office in the unit itself, both on the same land and in the vicinity area of the existing Unit E11. Thus, starting with a rental manufacturing unit in the year 1989, our facilities were spread over two possessed full-fledged manufacturing units and one Registered office in the Jalandhar city of Punjab. To consolidate our operations and to carry out the manufacturing operations smoothly and efficiently, Vimal Jain moved the entire operations to the state-of-the-art manufacturing unit in Jalandhar, which was acquired in the year 1993 for Unit E11 and 1999 for Unit 1050-1051 and registered office. Our manufacturing facility is equipped with standard as well as advanced machines suitable for carrying out the entire manufacturing operations slickly and proficiently.

Our Company, an ISO 9001:2015 and ISO 14001:2015 certified, is engaged in the business of manufacturing bronze, cast iron, cast steel, carbon steel, stainless-steel, forged steel as well as gun metal industrial valves of various types and size ranging from 8 mm up to 350 mm. We manufacture boiler mountings and supply various types of valves and fittings, steam traps and strainers and have a significant customer base in the industry.

Our Company is a manufacturer of reliable and quality valves. Both our manufacturing facilities in Jalandhar suit most of the manufacturing related requirements. Most of our valves are tailored to meet our customers' specific requirements. We work in close tandem with our clients to match our valves to their most complex applications. Our valves have proved suitable, right from providing the most secure Safety Valves for the utmost critical requirements to customized valves as per customer needs. Many of our design innovations have been the direct result of working closely with our customers to solve difficult applications at their end.

Our products are supplied in India as well as all over the world under our two brands, viz., *ATAM* and *FEBI*. Under brand *ATAM*, we deal in Valves and fittings, steam traps and strainers. Under brand *FEBI*, we deal in Ball-Valves

We export and exported in more than 13 regions, viz., United States, Kuwait, Kenya, South Africa, Malaysia, Dubai, Indonesia, Australia, Oman, Philippines, Ethiopia, Nepal and United Kingdom.

We have obtained ISO 14001:2015, Certification for Environment Management System (EMS) and ISO 9001:2015 for Quality Management System (QMS) issued by Equalitas Certifications Limited. EQUALITAS is accredited certification body for QMS and EMS from IAS (A Member of IAF), USA.

It is vital for us to retain direct contact with the contractors and end users and we have evolved a suitable system of sales and distribution for the same. This has enabled us to achieve sales growth with geographical/ contractual constraints. Our designing capability to innovate enables us to meet the changing customer needs.

DETAILS OF PLANT MACHINERY & TECHNOLOGY

Sr. No.	Name of the Machine	Sr. No.	Name of the Machine
1.	Lathe Machine	2.	Band Hackshaw
3.	Milling	4.	Hydro Testing Pump
5.	Surface Grinder	6.	Boiler
7.	Capstain Lathe	8.	CNC Machine
9.	Slotter	10.	Forging Press
11.	Shaper	12.	Hydraulic Press
13.	Sloting	14.	Pneumatic Compressor
15.	Drill	16.	Spot Weilding
17.	Lapping	18.	Shot Blasting
19.	Power Hack Shaw	20.	Pit Furnace
21.	Heat Treatment Furnace	22.	Blower
23.	Sand Mixture	24.	Gang Drill
25.	Grinding Wheel	26.	Hand Pump
27.	Seat Fitting	28.	Generator

DESCRIPTION OF SUBSISTING COLLABORATIONS ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

Our Company do not have any assistance in marketing by the collaborations.

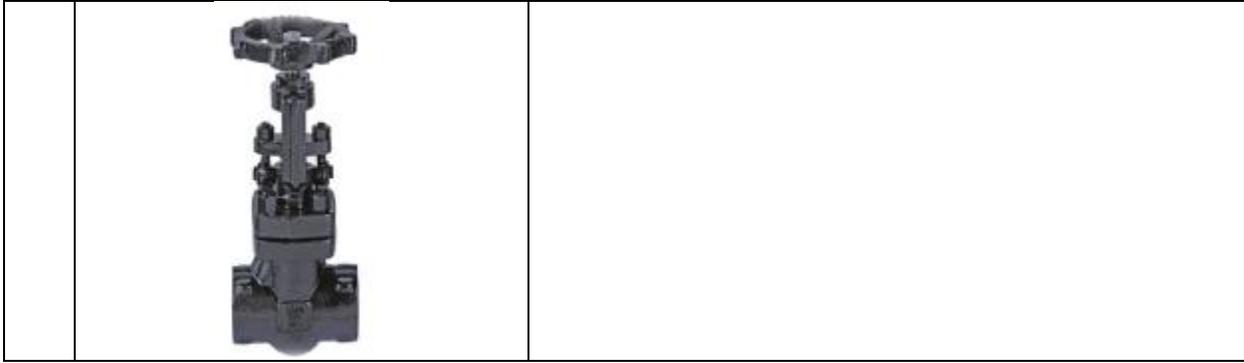
PRODUCTS

Our Company manufactures a comprehensive array of reliable and quality valves with a vast variety in the product line. They are as below:

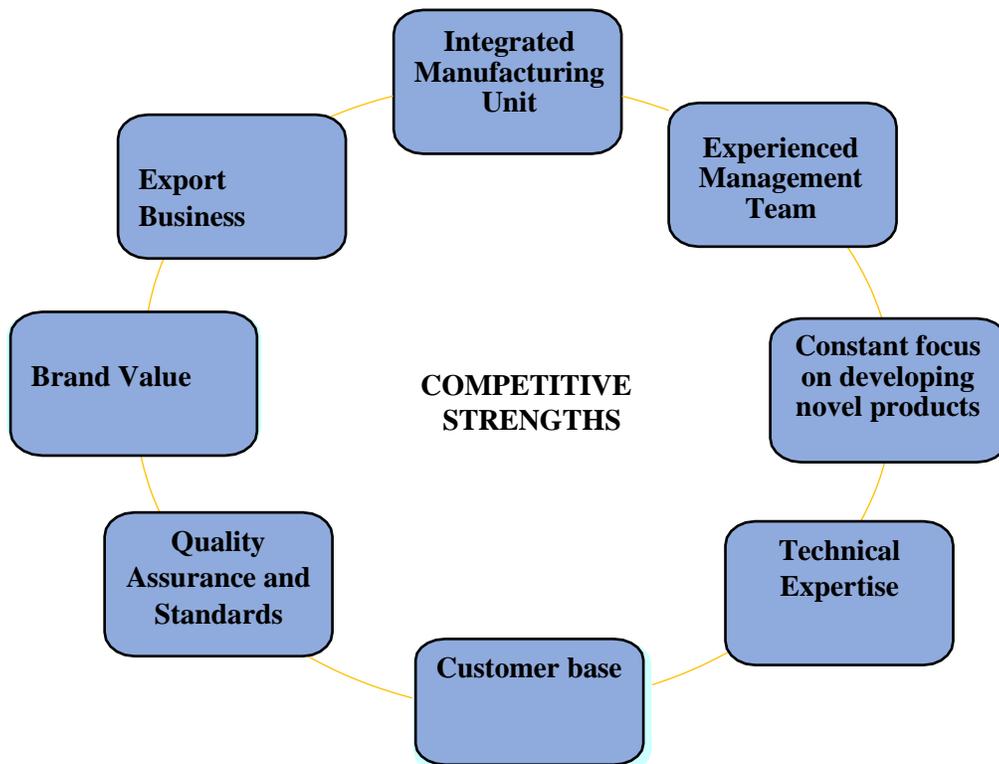
Sr No	Product / Item Code	Description						
1.	<p style="text-align: center;">AV/93</p> 	<table border="0"> <tr> <td style="border-right: 1px solid black; padding-right: 5px;">Product:</td> <td>ATAM GATE VALVE WITH OPEN-SHUT INDICATOR & PAD LOCKING ARRANGEMENT</td> </tr> <tr> <td style="border-right: 1px solid black; padding-right: 5px;">Product Description:</td> <td>Screwed in Bonnet, Inside Screw, Non-Rising Stem, Hand Wheel Operated</td> </tr> <tr> <td style="border-right: 1px solid black; padding-right: 5px;">Note:</td> <td><i>These Valves are Suitable for Transformers</i></td> </tr> </table>	Product:	ATAM GATE VALVE WITH OPEN-SHUT INDICATOR & PAD LOCKING ARRANGEMENT	Product Description:	Screwed in Bonnet, Inside Screw, Non-Rising Stem, Hand Wheel Operated	Note:	<i>These Valves are Suitable for Transformers</i>
Product:	ATAM GATE VALVE WITH OPEN-SHUT INDICATOR & PAD LOCKING ARRANGEMENT							
Product Description:	Screwed in Bonnet, Inside Screw, Non-Rising Stem, Hand Wheel Operated							
Note:	<i>These Valves are Suitable for Transformers</i>							
2.	<p style="text-align: center;">AV/102</p> 	<table border="0"> <tr> <td style="border-right: 1px solid black; padding-right: 5px;">Product:</td> <td>ATAM GATE VALVE</td> </tr> <tr> <td style="border-right: 1px solid black; padding-right: 5px;">Product Description:</td> <td>Screwed in Bonnet, Inside Screw, Non rising Stem</td> </tr> </table>	Product:	ATAM GATE VALVE	Product Description:	Screwed in Bonnet, Inside Screw, Non rising Stem		
Product:	ATAM GATE VALVE							
Product Description:	Screwed in Bonnet, Inside Screw, Non rising Stem							
3.	<p style="text-align: center;">AV/214</p> 	<table border="0"> <tr> <td style="border-right: 1px solid black; padding-right: 5px;">Product:</td> <td>ATAM SLEEVE PACKED WATER LEVEL GAUGE</td> </tr> <tr> <td style="border-right: 1px solid black; padding-right: 5px;">Product Description:</td> <td>With Automatic Shut Off Device in the Water Arm (LH or RH)</td> </tr> </table>	Product:	ATAM SLEEVE PACKED WATER LEVEL GAUGE	Product Description:	With Automatic Shut Off Device in the Water Arm (LH or RH)		
Product:	ATAM SLEEVE PACKED WATER LEVEL GAUGE							
Product Description:	With Automatic Shut Off Device in the Water Arm (LH or RH)							

<p>4.</p>	 <p>AV/251</p>	<table border="1"> <tr> <td>Product:</td> <td>ATAM CAST IRON GLOBE STEAM STOP VALVE</td> </tr> <tr> <td>Product Description:</td> <td>Bolted Bonnet, Outside Screw & Yoke Type, Rising Stem with Backseat Arrangement</td> </tr> </table>	Product:	ATAM CAST IRON GLOBE STEAM STOP VALVE	Product Description:	Bolted Bonnet, Outside Screw & Yoke Type, Rising Stem with Backseat Arrangement
Product:	ATAM CAST IRON GLOBE STEAM STOP VALVE					
Product Description:	Bolted Bonnet, Outside Screw & Yoke Type, Rising Stem with Backseat Arrangement					
<p>5.</p>	 <p>AV/270</p>	<table border="1"> <tr> <td>Product:</td> <td>ATAM STAINLESS STEEL THERMO DYNAMIC</td> </tr> <tr> <td>Product Description:</td> <td>Thermodynamic Type with in-built Strainer</td> </tr> </table>	Product:	ATAM STAINLESS STEEL THERMO DYNAMIC	Product Description:	Thermodynamic Type with in-built Strainer
Product:	ATAM STAINLESS STEEL THERMO DYNAMIC					
Product Description:	Thermodynamic Type with in-built Strainer					
<p>6.</p>	 <p>AV/278</p>	<table border="1"> <tr> <td>Product:</td> <td>ATAM PARALLEL SLIDE BLOW OFF VALVE</td> </tr> <tr> <td>Product Description:</td> <td>Rack and Pinion Operated with Key</td> </tr> </table>	Product:	ATAM PARALLEL SLIDE BLOW OFF VALVE	Product Description:	Rack and Pinion Operated with Key
Product:	ATAM PARALLEL SLIDE BLOW OFF VALVE					
Product Description:	Rack and Pinion Operated with Key					

7.	<p style="text-align: center;">AV/285</p> 	<table border="1"> <tr> <td>Product:</td> <td>ATAM CAST CARBON STEEL FULL-LIFT SAFETY VALVE</td> </tr> <tr> <td>Product Description:</td> <td>Spring Loaded, Full Lift</td> </tr> </table>	Product:	ATAM CAST CARBON STEEL FULL-LIFT SAFETY VALVE	Product Description:	Spring Loaded, Full Lift
Product:	ATAM CAST CARBON STEEL FULL-LIFT SAFETY VALVE					
Product Description:	Spring Loaded, Full Lift					
8.	<p style="text-align: center;">AV/288</p> 	<table border="1"> <tr> <td>Product:</td> <td>ATAM GATE VALVE</td> </tr> <tr> <td>Product Description:</td> <td>Bolted Bonnet, O/S & Yoke Type, Rising Stem</td> </tr> </table>	Product:	ATAM GATE VALVE	Product Description:	Bolted Bonnet, O/S & Yoke Type, Rising Stem
Product:	ATAM GATE VALVE					
Product Description:	Bolted Bonnet, O/S & Yoke Type, Rising Stem					
9.	<p style="text-align: center;">AV/290</p> 	<table border="1"> <tr> <td>Product:</td> <td>ATAM SWING CHECK VALVE</td> </tr> <tr> <td>Product Description:</td> <td>Bolted Cover</td> </tr> </table>	Product:	ATAM SWING CHECK VALVE	Product Description:	Bolted Cover
Product:	ATAM SWING CHECK VALVE					
Product Description:	Bolted Cover					
10.	<p style="text-align: center;">AV/303</p>	<table border="1"> <tr> <td>Product:</td> <td>ATAM GLOBE VALVE</td> </tr> <tr> <td>Product Description:</td> <td>Reduced Bore, Bolted Bonnet, O/S & Yoke Type, Rising Stem</td> </tr> </table>	Product:	ATAM GLOBE VALVE	Product Description:	Reduced Bore, Bolted Bonnet, O/S & Yoke Type, Rising Stem
Product:	ATAM GLOBE VALVE					
Product Description:	Reduced Bore, Bolted Bonnet, O/S & Yoke Type, Rising Stem					



OUR COMPETITIVE STRENGTHS



1. Integrated Manufacturing Facility

Our manufacturing facility is fully integrated and self-reliant. The raw materials and consumables are readily available. Further, all other utilities like fuel, power and human resources have posed no hurdle till date. All the raw-materials as well as equipments required for manufacturing the products are in place therein.

2. Experienced Management team

Our Company is managed by a team of professionals led by Chairman and Wholetime Director, Vimal Jain, who has approximately 40 years of experience in the Valves business. We believe our growth strategy in combination with management’s demonstrated ability to consistently meet the customers’

high expectations for quality and reliability, serves as a foundation for future revenue growth, efficiency in operation and stable operating profit. The Promoters of our Company has significant experience in the Valves Industry and have been instrumental in the growth of our Company's performance. For further details on education, experience and other details of our Management and Key Managerial Personnel, kindly refer to the Chapter titled "Our Management" beginning on page 124 of this Draft Prospectus.

3. Constant focus on developing novel and innovative products

For any company, innovation, novelty, procedural as well as technical progress are key factors for its success in the long term. Our Company constantly encourages its people to innovate and develop new products for catering to demands of our customers. We constantly trace our clients in order to assess their requirements for increasing their process efficiency. This has helped our Company to become a customer-oriented manufacturing concern.

4. Technical expertise and vast industry experience

Our Promoters are experienced in the business of Valves. Further, we have employed professionals having technical and commercial backgrounds. Our Company feels that the strength of any successful organization lies in both, the experience and guidance of its team leaders and the efficiency and technical capability of the staff. We consider various parameters to choose right candidate for right job.

5. Customer-Base

We have long-standing relationships with our customers for whom we have executed repeat orders over an extended period of time, which we believe have been established and are strengthened by our infrastructure and our ability to meet Clients' requirements for customized products. In order to strengthen our relationship with our customers, we have agents and distributor at most of our major client / consultant locations for handling day to day activities at their respective location. The agents and distributor are responsible to generate business from their respective geographical region, liaising with existing customers, solving their queries and providing after sales service to the client. All the activities are taken place in close co-ordination with the client. Necessary technical help is provided to our representatives for conducting business on our behalf.

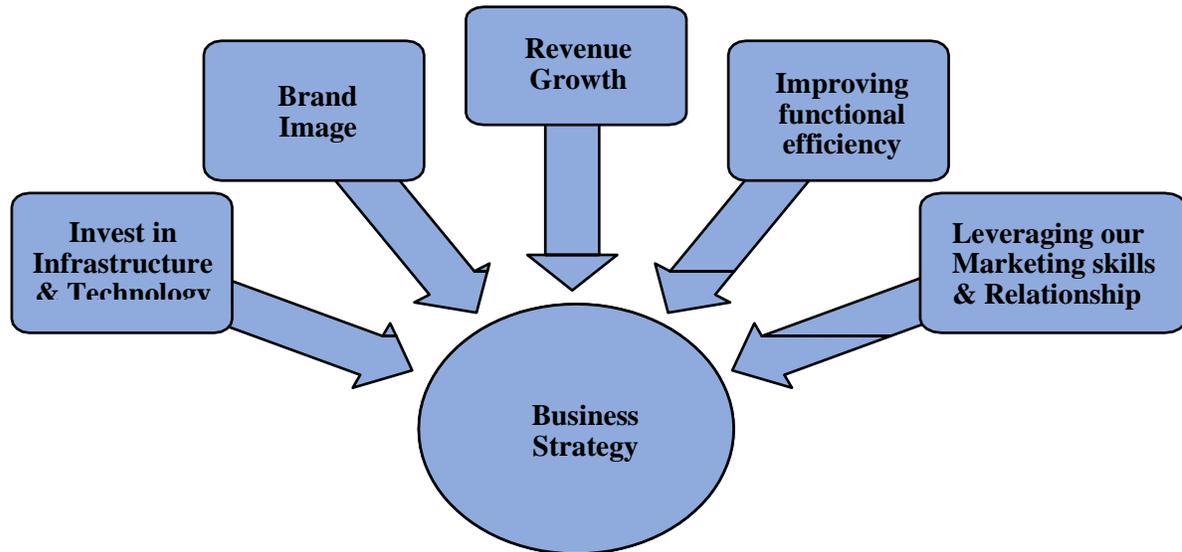
6. Quality Assurance and Standards

Our company believes in imbibing stringent quality standards in all our processes and products. Our company has been accredited with ISO 14001:2015 for Certification for Environment Management System (EMS) and ISO 9001:2015 for Quality Management System (QMS) issued by Equalitas Certifications Limited. EQUALITAS is accredited certification body for QMS and EMS from IAS (A Member of IAF), USA. Our company is dedicated towards quality of our products, processes and inputs. We adhere to quality standards as prescribed by our customers, which enable us to maintain our brand image in the market.

7. Brand Value

Our products are supplied across India as well as all over the world under our two brands, viz., *ATAM* and *FEBI*. Under brand *ATAM*, we deal in Valves and fittings, steam traps and strainers. Under brand *FEBI*, we deal in Ball-Valves.

OUR STRATEGIES



1. **Brand image**

Our Company intend to build our brand primarily through continued investment in product innovation supported by various initiatives, marketing activities and the establishment of long – term relationships with our clients. Our Company is conscious about our brand image and intend to continue our brand building exercise by providing products as per the client’s requirements.

2. **Invest in Infrastructure and Technology**

Our Company believes in making investments for continuously developing our products to cater to the diverse specifications of our clients. Our Company in the past have invested in upgrading our manufacturing facilities for infrastructure and modern technology. Our Company shall always try to upgrade and modernize infrastructure and technology in future.

3. **Leveraging our Marketing skills and Relationship**

Leveraging our marketing skills and relationship is a continuous process in Our organization. Our Company aims and strives to always undertake marketing initiatives as well as to increase our brand visibility.

4. **Revenue Growth**

Every Company’s primary goal is to grow both by revenue as well as by goodwill or brand. We continuously had and will aim for revenue growth and thereby further expand our business, geographically as well as in terms of revenue.

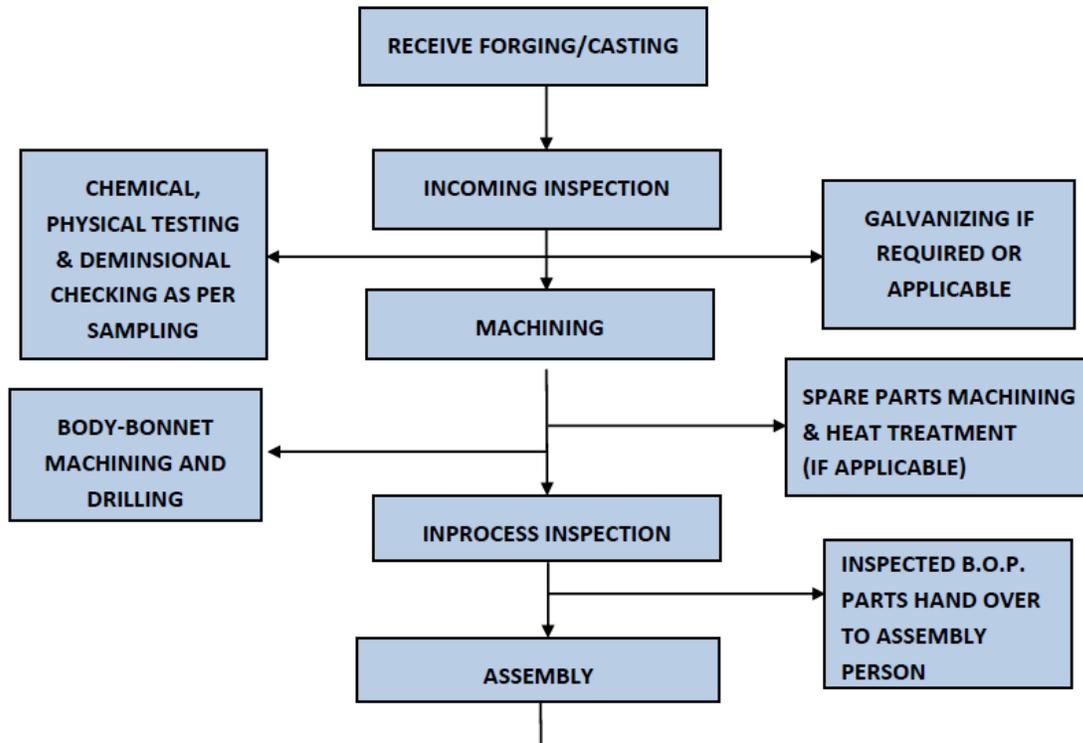
5. **Enhancing existing products base and product quality**

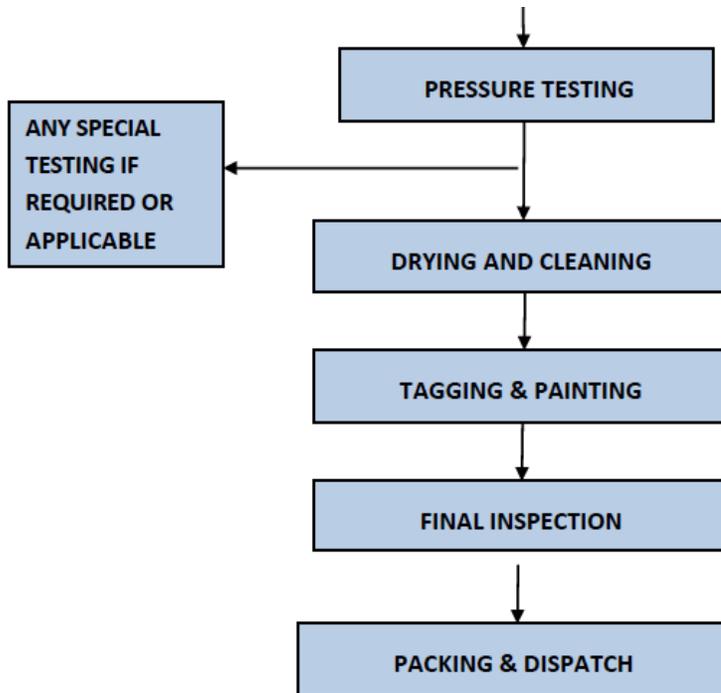
Our Company believe products with global standards are of much importance for customer retention

and repeat-order flow. Our Company intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perception and demand. Our Company train our employees to consistently design and deliver client focused solutions.

MANUFACTURING PROCESSES

MANUFACTURING PROCESS FLOW CHART





OUR MANUFACTURING PROCESS:

CASTING: In this process, we prepare the pattern, core, core box, gating and melt the raw material after that the molten material is poured into a mould, which contains a hollow cavity of the desired shape, and then allowed to solidify. The solidified part is also known as a casting, which is ejected or broken out of the mould to complete the process. Our Ferrous and Non-Ferrous casting done by shell moulding process, sand casting, investment casting, die casting.

INCOMING INSPECTION: Receive intimation from store in-charge for inspection of purchased goods. Perform inspection as per Quality Assurance plan (QAP) and fill the incoming inspection report. If material is in proper state then release it for intake in stores. If material is defective then mark and segregate it as per inspection & test status plan make the non-conforming product report and send it to Material Manager for initiating necessary action.

CHEMICAL, PHYSICAL TESTING: In this the laboratory has a universal testing machine, hardness testing machine for mechanical test and electro analyser, Positive material Identification, spectro analysis machine for all ferrous and non-ferrous material test.

GALVANIZING: In this process, we apply a protective zinc coating layer to steel or iron, to prevent rusting. The most common method is hot-dip galvanizing, in which parts are submerged in a bath of molten zinc.

MACHINING: In this process, we machine a raw material cut into a desired final shape by using different processes like turning, drilling and milling. Shaping, planning, boring, broaching and sawing etc. In this our workshop is equipped with machines like SPMs, Lathe machine, CNC, VMV, HMC, Drill Machine, Centre less grinders, burnishing, slotting, etc.

HEAT TREATMENT: In this process we receive forging, casting & cuttings from concerned production personnel. Load the material in heat treatment furnace. After loading set the temperature and time as per requirement (NORMALIZING, TEMPERING, ANNEALING AND SOLUTION ANNEALING).

INPROCESS INSPECTION: Perform inspection at in-process product machining stage as per product plan and check all critical dimensions as per drawing. If material is in proper state then release it for further process, otherwise, mark and segregate to rejection or rework area.

ASSEMBLY: At this stage fitter grind or file all the sharp edges of Body, Bonnet and all the components. Do lapping of seats, body ring or where applicable. After complete fitting of valve fitter check the opening and closing of handle or lever to ensure that stem rotation is smooth operation.

PRESSURE TESTING: We test all the valves as per customer requirement (Hydraulic, pneumatic, steam, Oil, Gases). At this stage tester check the leakage of valve seat, back seat and shell as per Pressure range chart and test duration. Our Acceptance Criteria is not visually detectable leakage through pressure.

SPECIAL TESTING: In this we do N.D.T. like Ultrasonic, Radiography, DP testing, MPI & PMI for ferrous and non-Ferrous metals.

DRYING AND CLEANING: In this process we completely clean the valve by thinner and brasso. Dry the valve from inside and if any foreign materials are found then clean it with cloth or air pressure.

TAGGING & PAINTING: Paint the valves as per the requirement of the customer. Thereafter punch the Product code Serial number of Valve and "ATAM" plate.

FINAL INSPECTION: Perform inspection at final stage before dispatch as per applicable QAP and/or PO as applicable. Fill the inspection reports as appropriate. If materials are found flawless then it is released for next stage. If materials are found defective then it is marked and segregated as per inspection and test status plan and make the non-conforming product report as appropriate for initiating necessary action.

PACKING & DISPATCH: The products are protected by blanking wood/plastic cover. Thereafter, store the valves in poly packs. Pasting the sticker with full item description on wooden boxes or cartoons which are necessary as per Purchase order

HUMAN RESOURCES

Human resource is an asset to any industry, sourcing and managing is very important task for the management. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the Valve Industry and Retail marketing. We view this process as a necessary tool to maximize the performance of our employees.

The details of which is given below as on April 30, 2020

Sr. No.	Particulars	Employees
1.	Accounts	2
2.	Administrative	3
3.	Marketing	3
4.	HR	2
5.	Purchase	3
6.	Packaging and Production	171
	Total	184

We have not experienced any major strikes, work stoppages, labour disputes or actions by or with our employees and we have good and cordial relationship with our employees.

INFRASTRUCTURE FACILITY

The main utilities required for our manufacturing activities are:

RAW MATERIALS

The major components/raw materials required in the manufacturing process are:

- Castings
- Forgings
- Steel Plates
- Steel Rods
- Welding rod and Stud nuts.

All the above-mentioned parts/raw materials are procured from domestic market and are available in abundant supply. The Store Manager at our Unit is entrusted with the assessment of raw materials requirements and based on the requirement, our Company calls for the quotations from several suppliers of raw materials. Suppliers are selected through the process of negotiation and after an initial assessment of their geographical location and the lead- time required in supply of the material. Our Quality Control Department takes up routine checks at the Vendors facility to ensure that the material being procured meets our stringent standards of quality.

UTILITIES

Power: The requirement of power for our operations is met through Punjab State Power Corporation Limited. For back-up purpose, we have Two (2) diesel generators installed in our Unit itself to avoid any kind of disruption in manufacturing process.

Fuel: The requirement of fuel for operating the machinery/equipment is met by supplies from local market

Water: Water required for the manufacturing and allied process is procured through the existing water supply network in that area and at the plant premises.

Effluent Treatment: Our Company does not generate any industrial effluents which is hazardous to the environment.

QUALITY MEASURES

We have stringent quality control process for procuring the raw material as well as sale of products to our suppliers.

We have received industry and client recognition by way of specific accreditations and certifications which bear a testimonial to our capability to deliver and supply our products to a wide range of customers. We have obtained ISO 14001:2015, Certification for Environment Management System and ISO 9001:2015 for Quality Management System issued by Equalitas Certifications Limited. EQUALITAS is accredited certification body for QMS and FSMS from IAS (A Member of IAF), USA. Further, several of our product lines and products have been tested and approved by leading companies for supply to them.

INTELLECTUAL PROPERTY RIGHTS

As on date of the Draft Prospectus our company has applied for the following trademarks:

Sr. No.	Authority Granting Approval	Application No. Certificate No.	Class	Proprietor Name	Description of the Logo / Label / Device (Applied for)	Validity	Applicable Laws
1.	Trademark Registry	<u>446961</u> 168774	11	Atam Valves Ltd	Word Mark (ATAM)	December 17, 2026	Trademark Act, 1999
2.	Trademark Registry	<u>468824</u> 188834	7	Atam Valves Ltd	Word Mark (ATAM)	March 06, 2028	Trademark Act, 1999
3.	Trademark Registry	<u>480868</u> 189728	7	Atam Valves Ltd	Device (FEBI) 	November 11, 2028	Trademark Act, 1999
4.	Trademark Registry	<u>480869</u> 192990	12	Atam Valves Ltd	Device (FEBI) 	November 11, 2028	Trademark Act, 1999
5.	Trademark Registry	<u>1263890</u> 449098	35	Atam Valves Ltd	Word Mark (ATAM)	January 29, 2024	Trademark Act, 1999
6.	Trademark Registry	<u>2482198</u> 1199330	6	Atam Valves Ltd	Device (ATAM) 	February 20, 2023	Trademark Act, 1999
7.	Trademark Registry	<u>2482199</u> 1199333	7	Atam Valves Ltd	Device (ATAM) 	February 20, 2023	Trademark Act, 1999
8.	Trademark Registry	<u>2482200</u> 1199336	11	Atam Valves Ltd	 Device (ATAM)	February 20, 2023	Trademark Act, 1999

Sr. No.	Authority Granting Approval	Application No. Certificate No.	Class	Proprietor Name	Description of the Logo / Label / Device (Applied for)	Validity	Applicable Laws
9.	Trademark Registry	2482201 1501575	35	Atam Valves Ltd	Device (ATAM) 	February 20, 2023	Trademark Act, 1999

CAPACITY AND CAPACITY UTILISATION

Capacity in Units

Particulars	FY 2016-17	FY 2017 - 18	FY 2018 – 19
Total Installed Capacity	1,61,491	2,56,948	1,87,288
Utilized Capacity	90,435	1,43,891	1,04,881
% of Utilization	56%	56%	56%

PROPERTY

Details of Immovable Property:

The details of the Owned properties and Leased properties are given below:

Leasehold Properties:

Particulars	Details
Name of Lessor	AMIT JAIN
Name of Lessee	ATAM VALVES LIMITED
Description of Property	E-11 , INDUSTRIAL AREA JALANDHAR CITY
Date of agreement	July 31,2019
Lease Rent	₹ 1,80,000.00 P.A.
Period	10 Years

Particulars	Details
Name of Lessor	PAMILA JAIN
Name of Lessee	ATAM VALVES LIMITED
Description of Property	1050-51, OUT SIDE INDUSTRIAL AREA, JALANDHAR CITY
Date of agreement	July 31,2019
Lease Rent	₹ 3,00,000.00 P.A.
Period	10 Years

INSURANCE

Particulars	Details
Name of the Insurance Company	ICICI Lombard General Insurance Company Limited
Name of Insured	Atam Valves Limited
Policy No	1001/190456906/00/000

Type of Policy	Standard Fire and Special Perils Insurance
Validity Period	January 04, 2020 to January 03, 2021
Premium	₹ 1,25,139
Sum Insured	₹ 11,95,00,000
Risk Location	<ol style="list-style-type: none"> 1. 1050-51 , Out Side Industrial Area , Jalandhar City – 144 001, Punjab 2. E-11 , Industrial Area Jalandhar City - 144 001, Punjab 3. A11 And A12 Tulsi Estate Near Changodar, Over Bridge Opp Bhagodaya Hotel Beside Ankus Mill, Changodar, Ahmedabad, Gujarat - 382213

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of Engineering industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 201 of this Draft Prospectus.

The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designated not intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise” , where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “ Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

Legal Metrology Act, 2009 (the “L.M. Act”)

The L.M. Act governs the standards / units / denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods / class of goods shall be as per the weight / measurement / numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price,

issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides Legal Metrology (Packaged Commodities) Rules, 2011, which may be followed for due compliance. These Rules regulate pre-packaged commodities in India and inter – alia mandate certain labelling requirements prior to sale of such commodities.

The following are the regulations which are applicable to us: ***The Legal Metrology (Packed Commodities) Rules, 2011***

The Indian Boilers Act, 1923 (“Boilers Act”)

The Boilers Act states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

The following are the regulations which are applicable to us: ***Indian Boilers Regulations, 1950***

Shops and Establishments Act of relevant state

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Punjab Shops and Establishments Act, 1958 ("The Punjab Shops Act")

The Punjab Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn function under the supervision of Labour Commissioner.

ANTI-TRUST LAWS

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The

commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

EMPLOYMENT AND LABOUR LAWS

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

The Employees Compensation Act, 1923

The Employees Compensation Act, 1923 ("EC Act") (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\ serious bodily injury.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employees' State Insurance Act, 1948 (the "ESI Act")

The Employees' State Insurance Act, 1948 (the "ESI Act") an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

The following are the rules which are applicable to us: ***Payment of Gratuity Punjab Rules, 1973***

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA Act") was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

The following are the rules which are applicable to us: ***The Punjab Minimum Wages Rules, 1950***

The Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto six months or a fine up to Rs. 1,000 or both.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

The following are the rules which are applicable to us: ***Punjab Maternity Benefit Rules, 1967***

Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal

Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also, a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor has to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

Factories Act, 1948

The Factories Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

Industrial (Development and Regulation) Act, 1951

The development and regulation of certain industries are governed under the Industrial (Development and Regulation) Act, 1951. For the purpose of advising on matters relating to development and regulation, the Central Government may establish a council known as central advisory council. This council shall have not more than 31 members including the chairman who shall be appointed by the Central Government. Every industrial undertaking shall be registered within such period as the central government may notify in this regard. The Central Government has direct power to assume management or control of an industrial undertaking owned or for companies in liquidation.

The suits pertaining to this Act shall be tried by no court inferior to that of the presidency magistrate or magistrate of first class. The Central Government has sole power to grant exemption in certain cases. The First schedule to the Act mentions the list of industries to which the act applies.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been

classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act requires employers in industrial establishments to formally define conditions of employment under them. It applies to every industrial establishment wherein 100 which is reduced to 50 by the Central Government in respect of the establishments for which it is the Appropriate Government or more workmen are employed. The Act calls for the submission of such conditions of work to the relevant authorities for their approval.

The Sales Promotion Employees (Conditions of Service) Act, 1976 ("Sales Promotion Act")

The Sales Promotion Act regulates the conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees. The Sales Promotion Act provides monetary penalties for breach of its provisions.

The Punjab Welfare Fund Act, 1956

The Punjab Welfare Fund Act, 1956 provides for the constitution of a Fund for the financing of activities to promote welfare of labour in the State of Punjab and for conducting such activities and for certain other purposes. Any establishment which is a factory; a motor omnibus service; or any establishment, including a society registered under the Societies Registration Act, 1860, and charitable or other trust which carries on any business or trade or any work connected therewith or ancillary thereto and has been employing on any working day during the preceding twelve months more than twenty persons.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961 ("IT Act")

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

Value Added Tax

Value Added Tax ("VAT") is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced

VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Note: The VAT Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

The following are the acts and rules which are applicable to us: ***Punjab Value Added Tax Act, 2005***
Punjab Value Added Tax Rules, 2005

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Note: The Service Tax now has been replaced by the Goods and Service Tax (GST) Act, 2017

Central Sales Tax Act, 1956

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) when a sale or purchase takes place outside a State (c) when a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Note: The CST Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taking out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 ("Central Excise Act") consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Note: The Central Excise Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

Punjab Professional Tax Act, 1995

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to

such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986

The purpose of the Environment Protection Act ("Environment Protection Act") is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

E-Waste (Management) Rules, 2016

The Ministry of Environment, Forest and Climate Change notified the E-Waste Management Rules, 2016 ("Rules") on 23 March 2016 in supersession of the e-waste (Management & Handling) Rules, 2011. These rules shall apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, refurbishers, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment (EEE) as listed in the Schedules of the Rules, including their components, consumables and spare parts which make the product operational. Under the Rules, Extended Producer Responsibility (EPR) is the responsibility of every producer of electrical and electronic equipment (EEE) for channelisation of e-waste to an authorised dismantler / recycler to ensure environmentally sound management of such waste.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The Environmental Impact Assessment Notification dated September 14, 2006 read with various notifications issued from time to time under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry of Environment, Forest and Climate Change which impacts the environment in any manner

Noise Pollution (Regulation & Control) Rules, 2000

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for

noncompliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

Water (Prevention and Control of Pollution) Act, 1974

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

Water (Prevention and Control of Pollution) Cess Act, 1971

The Water (Prevention and Control of Pollution) Cess Act, 1971 provides for the levy and collection of cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

Air (Prevention and Control of Pollution) Act, 1981

With a view to ensuring that the standards for emission of air pollutants are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, the Indian Stamp Act, 1899, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility

criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. The trading activity is specifically listed in the Permitted Sectors of FDI Policy i.e. 5.2.15.1, hence 100 % foreign direct investment through automatic route is permitted subject to applicable laws/regulations, security and other conditionalities.

The Foreign Exchange Management Act, 1999 (“the FEMA”), and Rules and Regulations framed thereunder

The Foreign Exchange in India is primarily governed by the provisions of FEMA which relates to regulations primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. As laid by the FEMA Regulations no prior consent and approvals are required from the Reserve Bank of India for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and respect of investment in excess of specified sectoral limits under the automatic route, consent may be required from FIPB and/or the RBI. The RBI in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside of India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and the Foreign Exchange Management (Export of Good and Service) Regulations, 2000 for regulations on exports of goods and services.

Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992 provide for regulation and development of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. The Import-Export code number and license to import or export includes a custom clearance permit and any other permission issued or granted under this Act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint the Director General for Foreign Trade (DGTF) for the purpose of import-export policy formulation. If any person makes any contravention to law or commits any economic offence or import/exports in a manner prejudicial to trade of India or to the interest of other person engaged in import or export then there shall be no Import Export granted by the Director- General to such person and if in case granted then shall remain suspended or cancelled. Provision of search and seizure of Code of Criminal Code, 1973 shall apply to every search and seizure under this Act. The EXIM Policy is a set of guidelines and instructions set by the DGTF in matters related to the export and import of goods in India. This policy is regulated under the said Act. The DGTG is the main governing body in matters related to the EXIM Policy.

HISTORY AND CORPORATE STRUCTURE

History and Background

Our Company was originally incorporated as a Partnership Firm in 1982 which had Mr. Vimal Parkash Jain, as one of the Partners and commenced the business from mid-1982. Later, Vimal Parkash Jain founded and incorporated “*Atam Valves Private Limited*”, a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 30, 1985 bearing Registration Number 6476 issued by Registrar of Companies, Punjab, HP & Chandigarh by taking over the entire business of Atam Valves, a Partnership Firm. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by the shareholders dated November 09, 2017 and the name of our Company was changed to “*Atam Valves Limited*” to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Chandigarh dated November 24, 2017 bearing Corporate Identification Number U27109PB1985PLC006476.

Business and Management

For a description of our activities, services, technology, market segments, the growth of our Company and regional geographical segment in which our Company, please refer chapters titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 93, 76 & 183 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled “*Our Management*” on page 124 of this Draft Prospectus.

Changes in registered office of the Company

Our Company’s registered office is presently situated at, 1051 Industrial Area, Jalandhar, Punjab – 144 004. There has been change in the Registered office of our Company since incorporation which was registered with O10, Industrial Area, Jalandhar, Punjab – 144 004:

Sr. No.	Date of Resolution / Change	Particulars of Change
1	April 01, 1993	Shifting of Registered office from O10, Industrial Area, Jalandhar, Punjab – 144 004 to E-11, Industrial Area, Jalandhar, Punjab – 144 004
2	*	Shifting of Registered office from E-11, Industrial Area, Jalandhar, Punjab – 144 004 to 1051, Industrial Area, Jalandhar, Punjab – 144 004

Note- the above registered office was shifted for Administrative purpose

***Our Company has shifted Registered Office from E-11, Industrial Area, Jalandhar, Punjab – 144 004 to 1051, Industrial Area, Jalandhar, Punjab – 144 004 the relevant forms and Board resolution are not traceable as per the physical search report from Vishal Soni and Associates bearing UDIN No .F008876B000217733 dated May 08, 2020**

Main Objects of our Company

The Main Objects clause of the Company as per the MoA is as under:

To manufacture and / or produce and / or otherwise engage generally in the manufacture or production of or dealing in all types of Valves & Cocks, boiler mountings, pipe fittings, sanitary fitting and the sale, dealing or fabrication of steel and iron or non-ferrous metal and by products.

Amendments to the MoA

Sr. No.	Date of Resolution / Change	Particulars of Change
1.	September 30, 1995	The Authorised share capital of our Company increased from ₹ 3,00,000 divided into 3,000 Equity Shares of ₹ 100 each to ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each

Sr. No.	Date of Resolution / Change	Particulars of Change
2.	April 1, 2004	The Authorised share capital of our Company increased from ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each to ₹ 20,00,000 divided into 20,000 Equity Shares of ₹ 100 each
3.	November 3, 2004	The Authorised share capital of our Company increased from ₹ 20,00,000 divided into 20,000 Equity Shares of ₹ 100 each to ₹ 25,00,000 divided into 25,000 Equity Shares of ₹ 100 each
4.	March 31, 2005	The Authorised share capital of our Company increased from ₹ 25,00,000 divided into 25,000 Equity Shares of ₹ 100 each to ₹ 40,00,000 divided into 40,000 Equity Shares of ₹ 100 each
5.	December 20, 2007	The Authorised share capital of our Company increased from ₹ 40,00,000 divided into 40,000 Equity Shares of ₹ 100 each to ₹ 80,00,000 divided into 80,000 Equity Shares of ₹ 100 each
6.	July 25, 2017	The Authorised share capital of our Company increased from ₹ 80,00,000 divided into 80,000 Equity Shares of ₹ 100 each to ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each
7.	November 09, 2017	The Name of the Company has change from “Atam Valves Private Limited” to “Atam Valves Limited”
8.	December 28, 2017	Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Shares of ₹ 10 each. Pursuant to the subdivision the following shall be the Authorised share capital of the Company “The Authorised share capital of our Company shall be ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each”

Major Events, Milestones, Key Awards, Achievements and Accolades of our Company

Year	Description
2006	National Award for Quality Products in small scale sector 2006
2009	National Award for Outstanding Entrepreneurship 2009
2017	Conversion from “Private Limited” to “Public Limited” Company in the name and style of “Atam Valves Limited

Strategic Partners

Our Company does not have any strategic partners as on the date of Draft Prospectus.

Financial Partners

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partner.

Time and cost overrun in setting up of projects

There have been no instances of time and cost overruns in setting up of our projects in the past.

Capacity/ Facility creation, location of Plants

For details pertaining to capacity / facility creation, location of plants refer section “*Business Overview*” on page 93 of this Draft Prospectus

Details of launch of key products or services, entry in new geographies or exit from existing markets

For details pertaining to launch of key products or services, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” on page 93 of this Draft Prospectus.

Defaults or rescheduling/restructuring of borrowings of our Company with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks or conversion of loans into equity in relation to our Company.

Acquisition or divestments of business/undertakings, mergers and amalgamations

Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years.

Revaluation of assets

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in last ten years.

Holding Company / Subsidiaries / Joint Ventures

Our Company does not have any holding company / Subsidiaries/ Joint Ventures as on the date of this Draft Prospectus.

Shareholders and other material agreements

There are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

OUR MANAGEMENT

The following table sets forth the details of our Board as on the date of this Draft Prospectus:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other directorships
<p>Vimal Parkash Jain</p> <p>Designation: Chairman & Whole Time Director</p> <p>DIN: 01063027</p> <p>Date of Birth: March 18, 1948</p> <p>Age: 71 Years</p> <p>Occupation: Industrialist</p> <p>Address: 95, Shaheed Udham Singh Nagar, Jalandhar – 144001, Punjab, India</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: September 30, 1995</p> <p>Change in Designation: December 28, 2017</p> <p>Period of Directorship: Appointed for a period of five years w.e.f. December 28, 2017 and liable to retire by rotation</p>	<p><i>Private Limited Company</i></p> <ul style="list-style-type: none"> • Atam and Febi Valves Private Limited • Febi Valves Private Limited
<p>Amit Jain</p> <p>Designation: Managing Director</p> <p>DIN: 01063087</p> <p>Date of Birth: October 06, 1977</p> <p>Age : 42 Years</p> <p>Occupation: Industrialist</p> <p>Address: 95, Shaheed Udham Singh Nagar, Jalandhar - 144001, Punjab, India</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: October 06, 1998</p> <p>Change in Designation: September 07, 2019</p> <p>Period of Directorship: Appointed for a period of five years w.e.f. September 07, 2019 and liable to retire by rotation</p>	<p><i>Private Limited Company</i></p> <ul style="list-style-type: none"> • Atam and Febi Valves Private Limited • Febi Valves Private Limited

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other directorships
<p>Pamila Jain Designation: Whole Time Director DIN: 01063136 Date of Birth: April 10, 1978 Age: 42 Years Occupation: Business Address: 95, Shaheed Udham Singh Nagar, Jalandhar – 144001, Punjab, India Nationality: Canadian Original Date of Appointment: April 01, 2004 Change in Designation: September 07, 2019 Period of Directorship: Appointed for a period of five years w.e.f. September 07, 2019 and liable to retire by rotation</p>	Nil
<p>Rajni Sharma Designation: Independent Director DIN: 08510736 Date of Birth: August 15, 1974 Age: 45 Years Occupation: Business Address: B B 34A, Lane Number-1, Near Cheema Chowk, Shiv Vihar, Jalandhar - 144001, Punjab, India Nationality: Indian Original Date of Appointment: July 04, 2019 Period of Directorship: Appointed for a period of Five Years with effect from July 04,2019, Not Liable to retire by rotation.</p>	Nil
<p>Surinder Kumar Salwan Designation: Independent Director DIN: 08510741 Date of Birth: March 15, 1949 Age: 71 Years Occupation: Business</p>	Nil

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other directorships
<p>Address: H No. 418, ST No. 5, Guru Nanak Pura, West Jalandhar – 144 009, Punjab, India.</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: July 04, 2019</p> <p>Period of Directorship: Appointed for a period of Five Years with effect from July 04,2019, Not Liable to retire by rotation.</p>	
<p>Ravi Bhushan Jain</p> <p>Designation: Independent Director</p> <p>DIN: 08510737</p> <p>Date of Birth: January 08, 1957</p> <p>Age: 63 Years</p> <p>Occupation: Business</p> <p>Address: H No.99, Rose Park, Gulab Devi Road, Grain Market, Jalandhar – 144 008, Punjab, India.</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: July 04, 2019</p> <p>Period of Directorship: Appointed for a period of Five Years with effect from July 04,2019, Not Liable to retire by rotation.</p>	Nil

Brief Biographies of our Directors

Vimal Parkash Jain, is a Chairman and Wholetime Director of our Company. He holds degree in Bachelor of Science in Engineering (Mechanical) from the Punjab Engineering College, Chandigarh. He is the founder of our Company and has experience of around 4 (four) decades in Valves Industry. His role in our Company is to manage production strategies.

Amit Jain, is a Managing Director of our Company. He holds degree in Bachelor of Commerce from Guru Nanak Dev University, Amritsar. He has approximately more than Twenty (20) years of experience in Valves Industry. His roles in our Company is to manage marketing and sales strategies.

Pamila Jain, is a Wholetime Director and Chief Financial Officer of our Company. She holds degree in diploma Computer Programming degree. She has approximately 15 (Fifteen) Years of Experience in Valves Industry. Her roles in our Company is to look after the finance of the Company.

Rajni Sharma is an Independent Director of our Company. She holds M.Sc in Maths from Guru Nanak Dev University (G.N.D.U). She has a significant experience in teaching. Currently, she is a principal of Manav Sehyog School (Affiliated to C.B.S.E.).

Surinder Kumar Salwan is an Independent Director of our Company. He holds BSC Engineering (Metallurgical) from Punjab Engineering College, Chandigarh. He was associated with several automobiles Companies at various positions.

Ravi Bhushan Jain, is an Independent Director of our Company. He holds Bachelors' in Commerce Degree from Guru Nanak Dev University, Amritsar. He has almost 38 years of experience in Banking Industry. He retired as Chief Manager in Oriental Bank of Commerce, a leading nationalized Bank.

Terms of Appointment & Remuneration to Executive Directors

Vimal Parkash Jain

Vimal Parkash Jain was appointed as a First Director of our Company pursuant to Articles of Association, later, by virtue of a resolution passed by the Board of Directors in its meeting held on November 30, 2017 and by the members in Extra-Ordinary General Meeting held on December 28, 2017 he was re-designated as Chairman and Wholetime Director for a period of Five (5) years, liable to retire by rotation for a remuneration of ₹ 3.00 Lakh per month.

Amit Jain

Amit Jain was appointed as Director of our Company, later, by virtue of resolution passed by our Board of Directors on September 02, 2019 and by the Members in the Annual General Meeting held on September 07, 2019 he was re-appointed as a Managing Director of our Company for a period of 5 (five) years, liable to retire by rotation for a remuneration of ₹ 3.00 Lakh per month.

Pamila Jain

Pamila Jain is associated with the Company as a Director since 2004. Later, she was also appointed as Chief Financial Officer of our Company by virtue of resolution passed by the Board of Directors in their meeting held on November 30, 2017 and by the members in Extra-Ordinary General Meeting held on December 28, 2017. Further, by virtue of resolution passed by our Board of Directors in their meeting held on September 02, 2019 and by the Members in the Annual General Meeting held on September 07, 2019 she has been appointed as Whole time Director of the Company for a period of five (5) years for a remuneration of ₹ 2.5 lakh per month.

Compensation paid to Executive Directors during preceding FY 2018-19

Name of the Directors	Amount (₹ in lakhs)
Vimal Parkash Jain	36.00
Amit Jain	36.00
Pamila Jain	30.00

Payment or benefit to Non -Executive Directors and Independent Directors of our Company

Pursuant to resolution letter issued to the Independent Director dated July 04, 2019, each non-executive director / Independent director shall be paid ₹ 2500 for attending each meetings of our Board and its committees and reimbursement of any travel and out-of-pocket expenses incurred, from time to time.

Ravi Bhushan Jain, Rajni Sharma and Surinder Kumar Salwan has been appointed as an Independent Director (Non- Executive Director) of our Company in the Financial Year 2019-20 on July 04, 2019. Hence, no remuneration / Sitting fees has been paid in Financial year 2018-19

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

Relationship between our Directors and Directors and KMP

Except as mentioned below, as on the date of this Draft Prospectus, none of our directors and directors and KMPs are related to each other as per section 2(77) of the Companies Act, 2013.

Director	Other Director	Relation with other Director
Vimal Parkash Jain	Amit Jain	Son of Vimal Parkash Jain
Vimal Parkash Jain	Pamila Jain	Son's Wife of Vimal Parkash Jain
Amit Jain	Pamila Jain	Spouse
Amit Jain	Vimal Parkash Jain	Father of Amit Jain

Bonus or profit-sharing plan for the Directors

None of the Directors are party to any bonus or profit-sharing plan of our Company.

Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Prospectus is set forth below:

Name of director	Number of equity shares
Vimal Parkash Jain	8,97,030
Amit Jain	14,30,950
Pamila Jain	6,60,000
Total	29,87,980

Confirmations

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such company.

None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such company.

None of our Directors have been or was identified as a wilful defaulter as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company do not have any service contract with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the Board at its meeting held on November 20, 2015 in accordance with Section 179 of the Companies Act and rules made there under, the Board approved that the Company may borrow from time to time, loan from Directors / Banks / Financial Institutions, any sum or sums of monies, which together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 100 Crores (Rupees One Hundred Crore Only).

Interest of directors

All our Non-Executive Directors including Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as

well as to the extent of reimbursement of expenses payable to them under the Articles. Our executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled “*Our Management - Shareholding of Directors in our Company*” on page 128 of this Draft Prospectus.

Other than our promoter directors, no other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as stated in the chapter “*Business Overview*” on page 93 of this Draft Prospectus and in the chapter *Restated Financial Statement* on page 146 none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in “*Financial Statements*” on page 146 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Changes in the board of directors in the last three (3) years

There has been no change in the Board of Directors, except as stated below during the last three (3) years:

Sr. No	Name	Date of Event/ change	Reason
1.	Vimal Parkash Jain	December 28, 2017	Change in designation from Director to Wholetime Director & Chairman
2.	Manoj Jain	December 28, 2017	Appointed as an Independent Director
3.	Ashok Verma	December 12, 2018	Appointed as an Independent Director
4.	Manoj Jain	July 04, 2019	Re-designated as Non-Executive Director
5.	Rajni Sharma	July 04, 2019	Appointed as an Independent Director
6.	Surinder Kumar Salwan	July 04, 2019	Appointed as an Independent Director
7.	Ravi Bhushan Jain	July 04, 2019	Appointed as an Independent Director
8.	Ashok Verma	July 04, 2019	Ceased to be Independent Director
9.	Manoj Jain	September 07, 2019	Ceased to be Director
10.	Amit Jain	September 07, 2019	Re-appointed as a Managing Director
11.	Pamila Jain	September 07, 2019	Designated as a Whole time Director

Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions

Committees of the Board of directors

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

(i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 of the Companies Act vide resolution passed in the meeting of our Board dated December 26, 2019. The constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Ravi Bhushan Jain	Chairman	Independent Director
Vimal Parkash Jain	Member	Wholetime Director
Surinder Kumar Salwan	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Terms of Reference of Audit Committee

The terms of reference of the Audit Committee are given below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report

submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

Meeting and Quorum of the Committee:

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be presence of any two members of the committee, but there shall be presence of minimum two Independent members at each meeting

(ii) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration committee as per section 178 of the Companies Act vide resolution passed in the meeting of Board dated December 26, 2019. The constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Rajni Sharma	Chairperson	Independent Director
Ravi Bhushan Jain	Member	Independent Director
Surinder Kumar Salwan	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee are in conformity with the requirements of section 178 of the Companies Act.

The terms of reference of the Nomination and Remuneration Committee, inter alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
2. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
3. Devising a policy on Board diversity; and
4. Recommend to the Board the appointment or re-appointment of Directors. For the purpose of identification of prospective Directors, the Committee may be supported by Group Executive Office. Recommend to the Board, the appointment of KMP and Senior Management. The Committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer (CFO) ;
5. Shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

Meetings and Quorum: The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum of the meeting shall be presence of any two members.

(iii) Stakeholders Relationship Committee

Our Company has Stakeholders Relationship Committee as per the Section 178 of the Companies Act vide resolution passed in the meeting of Board dated December 26, 2019. The constitution of the Stakeholders Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Surinder Kumar Salwan	Chairman	Independent Director
Amit Jain	Member	Managing Director
Vimal Parkash Jain	Member	Wholetime Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

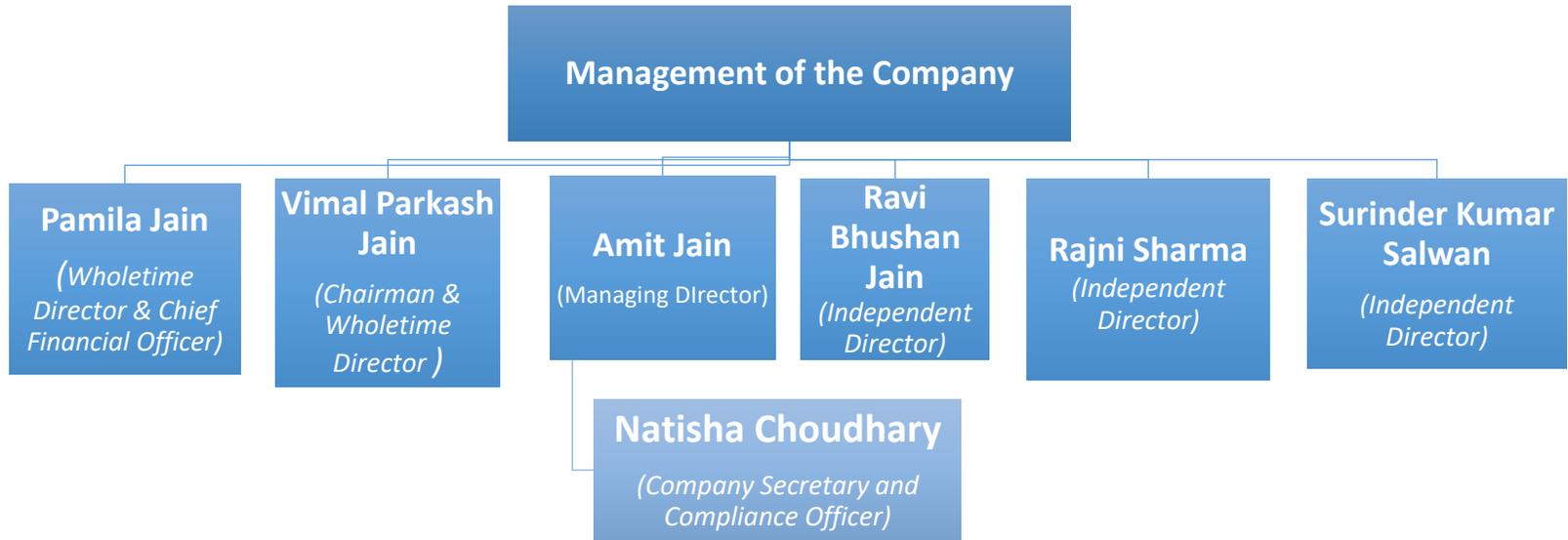
The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and functions of the Stakeholders Relationship Committee are in conformity with the requirements of section 178 of the Companies Act.

The terms of reference of the Stakeholders Relationship Committee, inter alia includes the following:

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- ii. Redressal of security holders's/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- iii. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- v. Allotment and listing of shares;
- vi. Reference to statutory and regulatory authorities regarding investor grievances; and
- vii. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- viii. Any other power specifically assigned by the Board of Directors of the Company

Meetings and Quorum: The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be the presence of any two of the members out of which one shall be a Non-Executive Director.

Management Organization Structure



Our Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Brief Profile of Key Managerial Personnel:

Vimal Parkash Jain, Chairman and Wholetime Director

Please refer chapter titled *“Our Management - Brief Biographies of our Directors”* on page 126 of this Draft Prospectus

Amit Jain, Managing Director

Please refer chapter titled *“Our Management - Brief Biographies of our Directors”* on page 126 of this Draft Prospectus

Pamila Jain, Whole time Director and Chief Financial Officer

Please refer chapter titled *“Our Management - Brief Biographies of our Directors”* on page 126 of this Draft Prospectus

Natisha Choudhary, Company Secretary & Compliance Officer

Our Board of Directors has appointed Natisha Choudhary as Company Secretary in their meeting held on July 04, 2019 and also designated as Compliance Officer in their meeting held on September 02, 2019. She holds the degree of Company Secretary from Institute of Company Secretaries of India, Bachelors of Law (Hons) from GNDU and Bachelor of Commerce.

Nature of any family relation between any of the key managerial personnel

Except stated above in the chapter titled *“Our Management - Relationship between our Directors and KMPs”* on page 127 of the Draft Prospectus. None of other Directors or Key Managerial Personnel's and Promoters are related to each other.

Arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Directors or Key managerial personnel were selected as a Key Managerial Personnel or member of the senior management.

Compensation paid to Key Managerial Personnel during last financial year i.e. 2018-19

Vimal Parkash Jain , Amit Jain and Pamila Jain are the Executive Directors and Key Managerial Personnel of our Company, for details of the compensation paid to our Key Managerial Personnel during preceding Financial Year 2018-19 refer *“Our Management – Compensation paid to Executive Directors during FY 2018-19”* on page 127 and *“Restated Financial Statement”* on page 146 of this Draft Prospectus.

Natisha Choudhary has been appointed as Company Secretary and Compliance Officer w.e.f July 04, 2019. Hence, she has not received remuneration during preceding Financial Year 2018-19.

Payment or benefits to officers of our Company

Except as disclosed in this Draft Prospectus, other than statutory payments and remuneration, in the last two (2) years our Company has not paid any non-salary amount or benefit to any of its officers.

Bonus or profit-sharing plan for Key Managerial Personnel

None of the Key Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

Shareholding of the Key Managerial Personnel

Except as disclosed below, none of the Key Managerial Personnel holds Equity Shares of our Company as on the date of this Draft Prospectus.

Sr. No.	Name of the Key Managerial Personnel (KMP)	No of Equity Shares
1.	Vimal Parkash Jain	8,97,030
2.	Amit Jain	14,30,950
3.	Pamila Jain	6,60,000
	Total	29,87,980

Changes in Key Managerial Personnel

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years:

Name of KMP	Designation	Date of change/ Appointment	Reason
Vimal Parkash Jain	Wholetime Director	December 28, 2017	Change in designation from Director to Chairman & Wholetime Director
Pamila Jain	Chief Financial Officer	December 28, 2017	Appointed as Chief Financial Officer
Natisha Choudhary	Company Secretary	December 12, 2018	Appointed as Company Secretary and Compliance Officer
Natisha Choudhary	Company Secretary	February 28, 2019	Ceased to be Company Secretary
Natisha Choudhary	Company Secretary	July 04, 2019	Appointed as Company Secretary
Amit Jain	Managing Director	September 07, 2019	Re-appointed as Managing Director
Pamila Jain	Wholetime Director	September 07, 2019	Appointed as a Wholetime Director

Employees' Stock Option Plan

As on date of this Draft Prospectus, our Company have not issued any employee stock option scheme.

Service Contracts with KMPs

Our Company do not have any service contract with the KMP pursuant to which they are entitled to any benefits upon termination of employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Vimal Parkash Jain and Amit Jain

As on the date of this Draft Prospectus, our Promoters holds in aggregate 23,27,980 Equity Shares of face value ₹10 each, representing 77.60% of the issued, subscribed and paid-up Equity Share capital of our Company.

Details of Individual Promoters of our Company

	<p>Vimal Parkash Jain, aged about 71 years. He is the Chairman & Wholetime Director of the Company.</p> <p>Date of Birth: March 18, 1948</p> <p>Permanent Account Number: AALPJ8747N</p> <p>Aadhar No.: 591272088088</p> <p>Driving License No.: PB-0820080173144</p> <p>For further details, please refer to section titled “<i>Management</i>” on page 124 of this Draft Prospectus.</p>
	<p>Amit Jain, aged 42 years is the Managing director of our Company</p> <p>Date of Birth: October 06, 1977</p> <p>Permanent Account Number: AAMPJ2023Q</p> <p>Aadhar No.: 587787767722</p> <p>Driving License No.: PB-0819980032766</p> <p>For further details, please refer to section titled “<i>Management</i>” on page 124 of this Draft Prospectus.</p>

Our Company confirms that the Permanent Account Number (PAN), Bank Account Number(s) and Passport Number(s) of our Promoters shall be submitted to BSE SME at the time of filing Draft Prospectus.

Other Ventures of our Promoters

Other than as disclosed in this section *“Our Management, Our Promoters and Promoter Group, “Our Group Companies”* on page 124, 137, and 141, our promoters are not involved in any other ventures

Nature and extent of the interest, if any, of directors:

For further details please refer Chapter *“Our Management”* on page 124

Nature and extent of the interest, if any, group companies:

For further details please refer Chapter *“Our Group Companies”* on page 141

Interest in promotion of our Company

Our Company is promoted by Vimal Parkash Jain and Amit Jain, who holds 8,97,030 Equity Shares and 14,30,950 Equity Shares of the Company, respectively, as of the date of this Draft Prospectus.

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings and directorships in our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For further details, please refer chapters titled *“Capital Structure”* and *“Management”* on pages 51 and 124, respectively of this Draft Prospectus.

Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company and also to the extent of unsecured loans. For further details, please refer chapter titled *“Restated Financial Statement”* on page 146 of this Draft Prospectus.

Our Promoters are also interested in our Company to the extent of being executive Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities. For further details in this regard, please refer chapter titled *“Our Management”* on page 146 of this Draft Prospectus.

No sum has been paid or agreed to be paid to our Promoters and our Promoters are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest in the properties of our Company

Except as stated in the chapter *“Business Overview”* on page 93 of this Draft Prospectus and in the chapter titled *“Restated Financial Statement”* on page 146 none of our promoters have any interest in the property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Draft Prospectus.

Other Interest

Except as mentioned in chapters titled *“Business Overview” “History & Corporate Structure”* and *“Restated Financial statement”* on page no 93, 121 and 146 respectively. Our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further, our Promoters i.e. Vimal Parkash Jain and Amit Jain are on the board of the Company and members of certain Promoter Group companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group Companies.

Payment of benefits to our Promoters and Promoter Group during the last two years

Except in the ordinary course of business and as stated in section *“Financial Statements”* on page 146 of this Draft Prospectus, there has been no payments or benefits to our Promoters during the last two (2) years preceding the date of filing of this Draft Prospectus, nor is there any intention to pay or give any benefit to our Promoters and Promoter Group as on the date of this Draft Prospectus.

Change in the Management and control of Our Company

Our Promoters are the original promoters of the Company and there has not been any change in the management or control of our company within Five (5) years immediately preceding the date of this prospectus.

Experience of our Promoters in the business of Our Company

For details in relation to experience of our Promoter in the business of our Company, see Chapter "Business Overview" and "Our Management" on page no. 93 and 124 respectively of this Draft Prospectus.

Litigation involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "Outstanding Litigation and Material Developments" on page 194 of this Draft Prospectus.

Material Guarantees by our Promoters

Except as stated in the chapter titled "Financial Indebtedness" and section titled "Financial Statements" on page 190 and 146 of this Draft Prospectus, respectively, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

Details of Companies / Firms from which our Promoters have disassociated

Our Promoters, Vimal Parkash Jain and Amit Jain have not disassociated themselves from any firms or companies in the last three (3) years preceding this Draft Prospectus.

OUR PROMOTER GROUP

In addition to our Promoters, the following individuals, companies form part of our Promoter Group in terms of SEBI ICDR Regulation 2(1) (pp) of the SEBI ICDR Regulations:

The natural persons who are part of the Promoter Group (due to their relationships with our Promoters), other than our Promoters, are as follows:

Promoter	Vimal Parkash Jain	Amit Jain
Father	Late Muni Lal Jain	Vimal Parkash Jain
Mother	Late Laj Wanti Jain	Late Shimla Jain
Spouse	Late Simla Jain	Pamila Jain
Brother	Late Sumti Parkash Jain	--
Sister	1. Chanchal Jain 2. Saroj Jain. 3. Santosh Jain	Anu Jain
Son	Amit Jain	1. Bhavik Jain 2. Tanish Jain
Daughter	Anu Jain	--
Spouse's Father	Late N.K. Jain	Parshotam Lal
Spouse's Mother	Late Lajyawati Jain	Madhu Jain
Spouse's Brother	Anil Jain	Aneesh Jain
Spouse's Sister	--	Nidhi Jain

(b) Companies/Entities forming part of the Promoter Group:

As per Regulation 2(1)(pp)(iii and iv) of the SEBI ICDR Regulations, the following Companies / Trusts /Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group

Sr. No.	Name of the Entity/Company
1.	Vimal Parkash Jain HUF
2.	Amit Jain HUF
3.	Atam and Febi Valves Private Limited
4.	Febi Valves Private Limited
5.	JVG Enterprise
6.	AMCO Industries
7.	Ambika Builder
8.	Shreyans Fabrics

Shareholding of the Promoter Group in our Company

For details of the shareholding of our Promoters and Promoter Group as on the date of this Draft Prospectus, please refer chapter titled “*Capital Structure*” on page 51 of this Draft Prospectus.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, for the purpose of identification of “Group Companies”, our Company has considered:

- *companies (other than our Promoter) with which there were related party transactions, during the period for which financial information is disclosed in this Draft Prospectus, as covered under Accounting Standard 18; and*
- *other companies that are considered material by our Board.*

For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI ICDR Regulations, 2018 it is clarified that our promoters and subsidiaries will not be considered as Group Companies

Based on the above definition following are the Group Companies of the Company:

1. Atam and Febi Private Limited
2. Febi Valves Private Limited

A. Details of Group Companies:

1. Atam and Febi Private Limited

Atam and Febi Private Limited was incorporated under the provisions of the Companies Act, 1956 on March 19, 1999 bearing Corporate Identification Number (CIN) U29120PB1999PTC022367 having registered office at 1051, Outside Industrial Area, Jalandhar, Punjab-144 004, India to carry on the business of:

1. To carry on the business of dealers in and manufactures of valves, cocks, Boiler Mountings, all kinds of pipe fitting, pipes and pumps for liquid and steam.
2. To carry on the business of dealers in and manufactures of all type of raw materials required for the manufacture of the above products and their bye-products.
3. To carry on the business of importers, exporters, merchants, carriers, forwarding agents and dealer in all kinds of engineering goods and other merchandise.
4. To carry on the business as manufacturers, importers, exporters, wholesalers, dealers and retailers or dealers of stockists, agents and distributors of engine valves of every description for the use of all kinds of engines and engineering items.
5. To carry on the business of designing, manufacturing, developing, improving, hiring valves of all kinds, machine tools, engine parts, good and auto parts and repairing, buying, selling and dealing in valves for any type of heat engine and internal combustion operated by any type of fuel and/ or gases including team.
6. To carry on the business of designing, developing, improving, hiring, repairing, buying, selling and dealing in any part or item used in heat engine internal combusing engines, automobiles operated by any type of fuel or gases.
7. To carry on the business of forging, casting, manufacturing of all steel alloys, re-roller mills for manufacture of bolts, nuts, auto parts and special steel products.
8. To carry on the business of purchase, sale, import, export of all kind of gun metals, iron and steel special and alloy steel, forging quality steel, mild steel, high tensile steel, stainless steel of any other type of steel.

Financial Information:

Below are details as per the Audited Standalone Financial Statements for the last three audited Financial years.

(₹ in lakhs)

Particulars	2018-19	2017-18	2016-17
Equity Capital	2.00	2.00	2.00
Reserves (Excluding revaluation reserve)	5.84	5.99	6.13
Sales	Nil	Nil	Nil
Profit after tax	(0.14)	(0.14)	(0.17)
Earning Per Share	(7.14)	(7.06)	(8.75)
Diluted Earnings Per Share	(7.14)	(7.06)	(8.75)
Net Asset Value (NAV) per share	392.18	399.33	406.38

II. Febi Valves Private Limited

Febi Valves Private Limited was incorporated under the provisions of the Companies Act, 1956 on December 28, 1993 bearing Corporate Identification Number (CIN) U31103PB1993PTC014058 having registered office at 95 Sus Nagar, Jalandhar, Punjab – 144 001, India to carry on the business:

- as manufacturer, dealers, importers, exporters, traders, buyers and sellers of valves, cocks, centrifugal, pumps, tubewalls fittings, monoblocks, boiler mountings and pipe fittings for water steams and air made of iron and steel ferrous and non-ferrous metal and all types of water pumps and electrical motors.
- Designing, manufacturing, developing, improving, hiring, valves of all kinds, machine tools, engine parts, auto parts, repairing, buying, selling, and dealing in valves for any types of heat engine and internal combustion engines operate by any type of fuel and or gases including steam
- Dealers in ferrous and non-ferrous metal scraps castings and engineering good of all types
- Dealers in and manufacturers of all kind of raw materials required for manufacture of the above and their allied goods.

Financial Information:

Below are details as per the Audited Standalone Financial Statements for the last three audited Financial years.

(₹ in Lakhs)

Particulars	2018-19	2017-18	2016-17
Equity Capital	1.02	1.02	1.02
Reserves (Excluding revaluation reserve)	(1.17)	(1.03)	(0.84)
Sales	Nil	Nil	Nil
Profit after tax	(0.14)	(0.19)	(0.23)
Earning Per Share	(13.65)	(19.40)	(22.89)
Diluted Earnings Per Share	(13.65)	(19.40)	(22.89)
Net Asset Value (NAV) per share	(15.02)	(1.38)	18.03

III. Pending Litigation

There are no pending litigation against or by the group Companies i.e. Atam and Febi Valves Private Limited and Febi Valves Private Limited.

IV. **Information regarding significant adverse factors related to the group companies and in particular regarding :**

- **Whether the Company has become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up/insolvency proceedings**

None of the Group Companies has become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up/insolvency proceedings;

- **whether the company has made a loss in the immediately preceding year and if so, the profit or loss figures for the immediately preceding three years**

The Following Companies are Group Companies that have made a loss in immediately preceding three years:

(₹ in Lakhs)

Name of Group Company	Profit or (Loss)		
	2018-19	2017-18	2016-17
Atam and Febi Valves Private Limited	(0.14)	(0.14)	(0.17)
Febi Valves Private Limited	(0.14)	(0.19)	(0.23)

None of the group companies had remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of filing draft offer document.

V. **Nature and Extent of Interest of Group Companies**

a. In Promotion of our Company

Except as stated in the chapter "Restated Financial Statements" on page 146, none of our group companies any interest in the promotion of our Company.

b. In the properties acquired or proposed to be acquired by our Company in the past three years prior to filing this Draft Prospectus

Except as stated in the chapter "Restated Financial Statements" on page 146, none of our group companies are interested in the properties acquired or proposed to be acquired by our Company in the past three years prior to filing this Draft Prospectus.

c. In transactions for acquisition of land, construction of building and supply of machinery

Except as stated in the chapter "Restated Financial Statements" on page 146, none of our group companies are interested in any transaction for the acquisition of land, construction of building and supply of machinery.

VI. **Common Pursuits between our Group Companies and our Company**

Our Group Companies are engaged in the similar line of business activity as of our Company. For details, please refer section titled "Financial Statements" beginning on page 146 of this Draft Prospectus.

VII. **Related business transactions within the Group Companies and significance on the financial performance of our Company**

For more details on Related Business Transaction within the Group Companies and significance on the financial performance of our Company, please refer chapter titled “*Restated Financial Statement*” on page 146 of this Draft Prospectus.

VIII. *Business Interests amongst our Company and Group Company /Associate Company:*

Other than the transactions discussed in section titled “*Financial Statements*” on page 146 of this Draft Prospectus, there are no other related business transactions between the Company and Group Company.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled "*Financial Indebtedness*" on page 190 of this Draft prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act,2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

SECTION VI – FINANCIAL STATEMENTS

RESTATED FINANCIAL STATEMENT

EXAMINATION REPORT FOR THE RESTATED FINANCIAL INFORMATION

The Board of Directors
Atam Valves Limited
1051, Outside Industrial Area,
Jalandhar

Dear Sirs,

1. We have examined the attached Restated Financial Information of **ATAM VALVES LIMITED** (the “Company”) which comprise of Restated Statement of Assets and Liabilities as at 31 December 2019, 31st March 2019 , 31st March, 2018 and March 2017 (**Annexure I**), the related Restated Statement of Profit and Loss (**Annexure II**) and Restated Statement of Cash Flow (**Annexure III**) for the nine months period ended 31 December 2019, year ended 31st March 2019 , 31st March, 2018 and March 2017, read together with the annexures and notes thereto as appearing in paragraph 7 below for the purpose of inclusion in the offer document prepared by the Company. This Restated financial information have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) on SME Platform of BSE Limited.
2. This restated financial information has been prepared in accordance with the requirements of:
 - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”) and
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”)
3. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Securities and Exchange Board of India, SME Platform of BSE Limited and Registrar of Companies, Chandigarh in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure I to the Restated Financial Information. The Board of Directors of the Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for

identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Financial Information taking into consideration:
 - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 1 February 2020 in connection with the proposed IPO of equity shares of the Company;
 - (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - (d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. The Restated financial information have been compiled by the management of the company from:
 - (i) audited special purpose condensed interim financial statements of the company as at and for the nine month period ended 31 December, 2019, prepared in accordance with Accounting Standard 25 (AS 25) for "Interim Financial Reporting", under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, which have been audited by us.
 - (ii) audited special purpose financial statements of the Company as at and for the financial year ended 31 March, 2019, prepared by the Company in accordance with the Accounting Standards under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (Indian GAAP) and other accounting principles generally accepted in India, which have been audited by us.
 - (iii) audited financial statements of the Company as at and for the financial year ended 31 March, 2018 and 2017, prepared by the Company in accordance with the Accounting Standards under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (Indian GAAP) and other accounting principles generally accepted in India, which have been audited by the previous auditors, J.C. Arora & Associates, Chartered Accountants.

6. We have audited the special purpose financial statements of the Company for the year ended March 31, 2019 prepared by the Company in accordance with the Accounting Standards (Indian GAAP) for the limited purpose of complying with the requirement of getting its financial statements audited by

an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO.

7. We have also examined the following financial information of the Company prepared by the management and approved by the Board of Directors of the company annexed to this report for the nine months period ended 31 December 2019, years ended 31 March 2019, 2018 and 2017 proposed to be included in the offer document.
 - (i) Basis of preparation and Significant Accounting Policies as enclosed in Annexure IV;
 - (ii) Notes to Restated Financial Information as enclosed in Annexure V;
 - (iii) Restated Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VI;
 - (iv) Restated Statement of Other Income, as enclosed in Annexure VII
 - (v) Restated Statement of Accounting Ratios, as enclosed in Annexure VIII;
 - (vi) Restated statement of Capitalisation, as enclosed in Annexure IX;
 - (vii) Restated statement of Tax Shelter, as enclosed in Annexure X

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the audit report of the Previous Auditors, we report that the Restated Financial Information has been prepared after considering the following in accordance with the ICDR Regulations and the Guidance Note:
 - (i) there is no change in the policies followed by the company;
 - (ii) adjustments for the material amounts in the respective financial years to which they relate;
 - (iii) there were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial periods/ years as covered in the Restated Financial information;
 - (iv) adjustments for reclassification of the items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Financial Statements of the Company as at and for the year ended 31 March 2019 and other regrouping/reclassifications as considered appropriate.
 - (v) the resultant tax impact on above adjustments adjusted in deferred taxes in the respective periods to which they relate.

- (vi) do not contain any extra-ordinary item that need to be disclosed separately in the Restated Financial Information.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose financial statements and audited financial statements mentioned in paragraph 5 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, SME Platform of BSE Limited and Registrar of Companies, Chandigarh in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For K.C. Khanna & Co.

Chartered Accountants

Firm Reg No. 000481N

(Abhishek Goel)

Place: Ludhiana

Partner

Date: May 14, 2020

M. No. 521575

UDIN: 20521575AAAAAU9594

ANNEXURE –I - RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	Note No.	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	1	300.00	300.00	300.00	80.00
(b) Reserves and Surplus	2	186.78	136.16	70.95	179.93
(2) Share Application Money Pending Allotment		-	-	-	-
(3) Non-Current Liabilities					
(a) Long-Term Borrowings	3	545.80	826.41	943.81	914.99
(b) Other Long-Term Liabilities	4	4.00	4.00	4.00	4.00
(c) Deferred Tax Liability (Net)	5	-	-	-	-
(d) Long Term Provisions	6	21.28	16.36	14.47	11.29
(4) Current Liabilities					
(a) Short-Term Borrowings	7	255.89	176.10	272.99	211.68
(b) Trade Payables	8	115.12	79.90	87.75	97.23
(c) Other Current Liabilities	9	148.29	156.27	137.36	151.36
(d) Short-Term Provisions	10	19.96	31.00	24.57	23.49
Total		1,597.12	1,726.20	1,855.90	1,673.97
II.ASSETS					
(1) Non-Current Assets					
(a) Property, plant and Equipments	11	276.29	249.11	260.30	171.93
(b) Intangible Assets	11	0.14	0.26	0.43	1.17
(c) Capital Work in Progress		-	-	-	-
(d) Non-Current Investments		-	-	-	-
(e) Deferred Tax Assets (Net)	5	23.09	26.04	24.32	29.55
(f) Other non-current assets		-	-	-	-
(g) Long Term Loans & Advances		-	-	-	-
(2) Current Assets					
(a) Current Investments		-	-	-	-
(b) Inventories	12	804.55	716.70	922.79	922.76
(c) Trade receivables	13	421.56	625.06	501.27	388.91
(d) Cash and bank balances	14	16.45	16.61	13.80	18.45
(e) Short-Term Loans And Advances	15	53.40	80.82	118.23	124.81
(f) Other Current Assets	16	1.64	11.60	14.76	16.39
Total		1,597.12	1,726.20	1,855.90	1,673.97

As per our report of even date attached
For K.C. Khanna & Co.

For and on behalf of Board of Directors

Chartered Accountants
Firm Reg No. 000481N

(Abhishek Goel)

Partner

M.No. 521575

Place: Ludhiana

Dated: May 14, 2020

Director

Amit Jain

Place: Jalandhar

Dated: May 14, 2020

Director

Vimal Jain

**Company
Secretary**

Natisha
Choudhary

ANNEXURE II - RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Sr.No.	Particulars	Note No.	For the Period ended			
			December 31, 2019	March 31, 2019	March 31, 2018	March 31, 2017
A	<u>Revenue:</u>	-				
	Revenue from operations (gross)	17	1,278.98	1,833.83	1,778.14	1,718.24
	Less : Excise duty		-	-	47.90	158.07
	Revenue from operations (net)		1,278.98	1,833.83	1,730.24	1,560.17
	Other Income	18	1.32	7.51	1.99	1.23
	Total Revenue		1,280.30	1,841.34	1,732.23	1,561.40
B	<u>Expenses:</u>	-				
	Cost of Materials Consumed	19	676.99	682.31	798.40	658.49
	Purchases of Stock-in-trade	20	-	-	-	19.41
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(83.60)	216.86	11.14	80.80
	Employee benefit expenses	22	297.82	384.53	344.16	244.33
	Financial Cost	23	64.14	104.62	117.69	130.64
	Depreciation and amortization expenses	24	41.64	66.92	55.66	60.54
	Others Expenses	25	213.50	298.03	328.85	331.74
	Total Expenses		1,210.49	1,753.27	1,655.90	1,525.95
C	Profit before tax (A-B)		69.81	88.07	76.33	35.45
D	Tax expense :					
	-Current tax		16.23	24.59	20.08	20.47
	-Deferred tax expense		2.95	(1.73)	5.23	(12.72)
	-Income tax relating to earlier year		-	-	-	0.01
	Profit/(Loss) for the period after Tax (C-D)		50.63	65.21	51.02	27.69

As per our report of even date attached

For K.C. Khanna & Co.
Chartered Accountants
Firm Reg No. 000481N
 (Abhishek Goel)
Partner
M.No. 521575
Place: Ludhiana
Dated: May 14, 2020

For and on behalf of Board of Directors

Director

Amit Jain
 Place: Jalandhar

Dated: May 14, 2020

Director

Vimal Jain

Company Secretary

Natisha Choudhary

ANNEXURE -III - RESTATED STATEMENT OF CASH FLOW

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Cash Flow From Operating Activities:				
Net Profit before tax as per Statement of Profit And Loss	69.82	88.07	76.32	35.45
Adjustments for:				
Depreciation and amortisation expense	41.64	66.92	55.66	60.54
Profit on Sale of Property Plant and Equipment	-	(0.26)	(0.75)	0.00
Finance Cost	63.27	102.65	115.04	128.28
Operating Profit Before Working Capital Changes	174.73	257.38	246.27	224.27
Adjusted for (Increase)/ Decrease in:				
(a) Trade Payables	35.22	(7.85)	(9.47)	51.33
(b) Other Current Liabilities	(20.33)	7.90	(19.74)	13.32
(c) Long-Term Provisions	4.93	1.88	3.18	11.29
(d) Short-Term Provisions	(2.58)	1.82	1.54	2.95
(e) Inventories	(87.85)	206.08	(0.02)	102.47
(f) Trade receivables	203.51	(123.79)	(112.37)	146.47
(g) Short-Term Loans And Advances	17.98	42.41	5.73	(1.56)
(h) Other Current Assets	9.29	2.48	0.94	(19.56)
Cash Generated From Operations	160.15	130.93	(130.22)	306.72
Net Income Tax paid/ refunded	(15.27)	(24.97)	(19.68)	(20.33)
Net Cash Flow from/(used in) Operating Activities: (A)	319.62	363.33	96.37	510.66
Cash Flow From Investing Activities:				
(Purchases) of Property Plant and Equipment	(68.70)	(55.92)	(151.68)	(10.24)
Sales of Property Plant and Equipment	-	0.62	9.15	0.04
Net Cash Flow from/(used in) Investing Activities: (B)	(68.70)	(55.30)	(142.53)	(10.20)
Cash Flow from Financing Activities:				
Proceeds From issue of Share Capital	-	-	60.00	-
Repayment of Long-Term Borrowings	(443.53)	(313.92)	(285.57)	(336.74)
Proceeds from Long Term Borrowings	175.28	207.54	320.13	66.00
Increase/(Decrease) in Short Term Borrowings	79.79	(96.89)	61.31	(102.17)
Interest on Borrowings	(63.27)	(102.65)	(115.04)	(128.28)
Net Cash Flow from/(used in) Financing Activities (C)	(251.74)	(305.92)	40.83	(501.19)

Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(0.82)	2.12	(5.33)	(0.74)
Cash & Cash Equivalents As At Beginning of the Year	4.02	1.90	7.24	7.98
Cash & Cash Equivalents As At End of the Year	3.20	4.02	1.91	7.24

As per our report of even date attached

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

(Abhishek Goel)

Partner
M.No. 521575

Place: Ludhiana
Dated: May 14, 2020

For and on behalf of Board of Directors

Director	Director	Company Secretary
Amit Jain	Vimal Jain	Natisha Choudhary

Place: Jalandhar
Dated: May 14, 2020

ANNEXURE-IV

Basis of Preparation and Significant Accounting Policies

(A) Corporate Information:

M/s. Atam Valves Limited hereinafter referred to as “the Company” was incorporated on 30th Sept, 1985 under the Companies Act, 1956 and is having registered office at 1051, Industrial Area, Jalandhar, Punjab. The Company is engaged in the business of manufacturing of valves.

(B) Basis of Preparation:

The Restated Statement of Assets and Liabilities of the Company as at 31 December 2019, 31 March 2019, 31 March 2018 and 31 March 2017, the Restated Statement of Profit and Loss, and the Restated Statement of Cash flows for the nine months period ended 31st Dec, 2019 and years ended 31 March 2019, 31 March 2018 and 31 March 2017 (together referred as ‘Restated Financial Information’) has been prepared in accordance with Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as amended from time to time. The Company has consistently applied the following accounting policies to all periods presented in the Restated financial statements.

The Restated Financial Information has been compiled by the Company from the:

- (a) audited special purpose interim financial statements of the Company as at and for the nine months period ended 31 December 2019,
- (b) audited special purpose financial statements of the Company as at and for year ended 31 March 2019,
- (c) audited financial statements of the Company as at and for the financial year ended 31 March 2018 and 31 March 2017,

prepared in accordance with Accounting Standards (Indian GAAP) as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India which have been approved by the Board of Directors.

The Restated Financial Information has been prepared by the management for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (the “IPO”) of equity shares, to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, Punjab and the concerned Stock Exchange. This restated financial information has been prepared in accordance with the requirements of:

- (iv) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”) and
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and

- (vi) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”)

This Restated Financial Information has been compiled after considering the following:

- (i) after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
- (ii) after incorporating adjustments for the material amounts in the respective financial years to which they relate;
- (iii) after incorporating adjustments for the qualifications, if any, in the auditor’s report in the respective financial years to which they relate.;
- (iv) after adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Financial Statements of the Company as at and for the year ended 31 March 2019 and other regrouping/reclassifications as considered appropriate
- (v) after adjustment of resultant tax impact of above adjustments in deferred taxes in the respective periods to which they relate.

Significant Accounting Policies:

(a) Use of Estimates:

The preparation of restated financial information in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of restated financial information and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

(b) Revenue Recognition:

Sale of goods

Revenue from sale of goods are recognized:

when all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(c) Property, Plant and equipment:

Property, plant and equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;

b) Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management;

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

d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or net realizable value;

e) Depreciation is provided on written down value basis based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

(d) Inventories:

Inventory are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The cost is determined as under in separate conditions:

- Raw material and stores and Spares on FIFO Basis.
- Work in Progress on Material cost and appropriate share of overheads in bringing the inventory in present location and condition
- Finished Goods on Material cost and overheads in bringing the inventory in present location and condition

(e) Employee Benefits:

(a) Short Term Employee Benefits :

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

(b) Post-Employment Benefits:

(i) Defined Contribution Plans:

Provident Fund :

The Employer's contribution to Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 read with the Employees Pension Scheme, 1995 and is charged to the Statement of Profit and Loss.

(ii) Defined Benefit Plans

Gratuity :

The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date using projected unit credit method.

Actuarial gain or loss is recognized immediately in the statement of profit and loss.

(f) Accounting For Taxes on Income:

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961.

Deferred Tax is recognized on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

(g) Borrowing Cost:

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Segment Reporting:

The Company is engaged in manufacturing of valves. Considering the nature of business and financial reporting of the Company, the Company operates in one segment only. Hence segment reporting is not applicable.

(i) Earnings per share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

(j) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year/period, or reported in previous financial statements, are recognized as income or as expenses in the year/period in which they arise.

(k) Operating Leases

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals paid for such leases are recognised as an expense on systematic basis over the term of lease.

(l) Impairment of Assets

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

(m) Cash flow statement :

The cash flow statement has been prepared using indirect method in accordance with the Accounting Standard (AS) – 3 on “Cash flow statements”.

(n) Provisions and Contingent Liabilities:

- (i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
 - a) the company has a present obligation as a result of a past event;
 - b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - c) the amount of the obligation can be reliably estimated
- (ii) Contingent liability is disclosed in case there is :
 - a) (i) possible obligation that arises from past events and 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 enterprise; or
 - (ii) a reliable estimate of the amount of the obligation cannot be made.
 - b) a present obligation arising from past events but is not recognised
 - (i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) a reliable estimate of the amount of the obligation cannot be made.

ANNEXURE-V - NOTES TO RESTATED FINANCIAL INFORMATION

NOTE 1: EQUITY SHARE CAPITAL

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
AUTHORISED:				
80,000 Equity Shares of Rs. 100 each	-	-	-	80.00
50,00,000 Equity Shares of Rs. 10 Each #	500.00	500.00	500.00	-
	500.00	500.00	500.00	80.00
ISSUED, SUBSCRIBED AND PAID UP				
80,000 Equity Shares of ₹ 100 each	-	-	-	80.00
30,00,000 Equity Shares of ₹ 10 Each #	300.00	300.00	300.00	-
	300.00	300.00	300.00	80.00

The company has sub-divided its equity shares from face value of Rs. 100/- per share to Rs. 10/- per share during financial year ended 31st March, 2018.

Reconciliation of number of shares outstanding at the end of the year:	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Equity Shares at the beginning of the period	30,00,000	30,00,000	80,000	80,000
Add: Shares issued during the period	-	-	60,000	-
Add: Bonus shares issued during the period	-	-	1,60,000	-
Add: Adjustment on account of split of 3,00,000 equity shares from Rs.100/- per share to Rs.10/- per share.	-	-	27,00,000	-
Equity Shares at the end of the period	30,00,000	30,00,000	30,00,000	80,000

Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding or ultimate holding company of the company.

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Particulars	As at 31 December 2019		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding
Vimal Parkash Jain	8,97,030	29.90%	8,97,030	29.90%	8,97,030	29.90%	29,900	37.38%
Amit Jain	14,30,950	47.70%	14,30,950	47.70%	14,30,950	47.70%	27,699	34.62%
Pamila Jain	6,60,000	22.00%	6,60,000	22.00%	6,60,000	22.00%	22,000	27.50%
Total	29,87,980	99.60%	29,87,980	99.60%	29,87,980	99.60%	79,599	99.50%

Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five years immediately preceding the reporting date.

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(a) Equity Shares allotted as fully paid up by way of bonus shares	1,60,000	1,60,000	1,60,000	-
(b) Equity Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
(c) Equity Shares bought back by the Company	-	-	-	-

NOTE 2: RESERVES AND SURPLUS

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
General Reserve				
Opening Balance	19.00	8.00	28.44	23.44
Add: Addition during the year	-	11.00	8.00	5.00
Less: Utilised during the year on account of issue of Bonus shares #	-	-	28.44	-
	19.00	19.00	8.00	28.44
Capital Subsidy Reserve				
Opening Balance	3.99	3.99	3.99	3.99
Addition During the Year	-	-	-	-
	3.99	3.99	3.99	3.99
Surplus i.e. balance in Statement of Profit and Loss				

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Opening Balance	113.1	58.96	147.50	124.81
Add: Transferred from statement of profit and loss during the year	50.63	65.21	51.02	27.69
Less: Utilised during the year on account of issue of Bonus shares #	-	-	131.56	-
Less: Transfer to General Reserve	-	11.00	8.00	5.00
	163.79	113.17	58.96	147.50
TOTAL	186.78	136.16	70.95	179.93

The company has issued bonus shares amounting to Rs. 160.00 lakhs comprising 1,60,000 equity shares of Rs. 100/- each in the ratio of 2:1 during the financial year ended 31st March 2018.

NOTE 3: LONG TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i) From Banks				
(a) Secured	144.98	124.21	121.86	25.75
(b) Unsecured	95.40	114.98	139.17	155.19
	240.38	239.19	261.03	180.94
Less: Current Maturities	81.79	69.44	58.42	52.67
	158.59	169.75	202.61	128.27
(ii) From Others				
(a) Loan from directors	387.21	656.66	741.20	786.72
TOTAL	545.80	826.41	943.81	914.99

Terms of repayment for loans from banks

Particulars	Sanctioned Loan Amount	No. of Instalments	Instalment Amount	Frequency	Interest Rate	Outstanding Amount as on 31.12.2019	Outstanding Amount as on 31.03.2019	(Amount in Lakhs)	
								Outstanding Amount as on 31.03.2018	Outstanding Amount as on 31.03.2017
Secured loans									
HDFC Bank Auto Loan A/C 30609350	67.88	36	2.17	Monthly	10.00%	-	-	-	18.76
HDFC Bank Auto Loan A/C 53413739	67.72	37	2.07	Monthly	8.00%	25.72	42.26	62.83	-
HDFC Bank Term Loan A/C 81086634	13.00	58	0.29	Monthly	Base rate+2%	-	0.82	4.06	6.99
HDFC Bank Term Loan A/C 82748331	89.65	61	2.01	Monthly	8.75%	58.85	72.59	54.96	-
HDFC Bank Term Loan A/C 83708560	100.00	60	1.39	Monthly	MCLR+0.40%	60.41	8.54	-	-
Unsecured loans									
HDFC Bank Loan Against Property A/C 81163875/ 82970108	213.00	60	2.95	Monthly	MCLR+0.65%	95.40	114.98	139.17	155.19
Total						240.38	239.19	261.03	180.94

Details of primary and collateral security for term loans

- i. Loans from banks for purchase of vehicles are secured against hypothecation of vehicle so purchased.
- ii. Term loans from banks are secured by way of primary security of plant and machinery owned by the company and collateral security of property situated at 10050, 1051 and 1052, Industrial Area, GT Road, Bypass, Jalandhar owned by the directors of the company and also guaranteed by all directors of the company.
- iii. Unsecured loan from banks is against collateral security of property situated at 95, Saheed Udam Singh Nagar, Jalandhar owned by the directors of the company and also guaranteed by all directors of the company.

NOTE 4: OTHER LONG-TERM LIABILITIES

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good				
Security Deposits	4.00	4.00	4.00	4.00
TOTAL	4.00	4.00	4.00	4.00

NOTE 5: DEFERRED TAX ASSET/(LIABILITY)

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liability				
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	-	-	-	-
Deferred Tax Asset				
Impact of difference between tax depreciation and depreciation charged for the financial reporting period	17.37	20.15	19.44	25.15
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	5.72	5.89	4.88	4.40
TOTAL	23.09	26.04	24.32	29.55

NOTE 6: LONG TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Provision for Employee benefits				
-Provision for Gratuity	21.28	16.36	14.47	11.29

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
TOTAL	21.28	16.36	14.47	11.29

NOTE 7: SHORT TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Secured Loans:				
(a) Loans repayable on Demand				
-From Banks	255.89	176.10	272.99	211.68
TOTAL	255.89	176.10	272.99	211.68

Terms of repayment and security for loans repayable on demand

Loans repayable on demand from banks carries interest @ 9.10% as on 31st December, 2019

Loans repayable on demand from banks are secured by way of primary security of hypothecation of stock of raw material, stock in process and finished goods and charge on book debts and collateral security of property situated at 1050, 1051 and 1052, Industrial Area, GT Road, Bypass, Jalandhar owned by the directors of the company and further guaranteed by all directors of the company.

NOTE 8: TRADE PAYABLES

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Trade Payables: -				
a) Total outstanding dues of micro enterprises and small enterprises	8.43	13.93	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	106.69	65.97	87.75	97.23
TOTAL	115.12	79.90	87.75	97.23

NOTE 9: OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Current of long-term debt	81.79	69.44	58.42	52.67
Statutory Liabilities Payables	20.08	38.57	28.00	58.78
Due to employees	28.19	32.48	29.74	21.00
Due to director against salary and expenses	12.98	9.31	8.87	7.82

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Customer at credit	3.72	1.29	6.66	5.98
Cheques issued but not yet presented	-	0.07	0.08	0.42
Payable for Expenses	1.44	4.36	4.36	4.20
Other payables	0.09	0.75	1.23	0.49
TOTAL	148.29	156.27	137.36	151.36

NOTE 10: SHORT TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(a) Provision for Employee benefits				
-Provision for Gratuity	3.73	6.31	4.49	2.95
(b) Provision for Income tax	16.23	24.69	20.08	20.54
TOTAL	19.96	31.00	24.57	23.49

NOTE 11: PROPERTY, PLANT AND EQUIPMENTS

(₹ In Lakhs)

Particulars	Tangible Assets						Intangible Assets
	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Books & Periodicals	Total	Website
Gross Carrying amount as at 1st April, 2016	426.98	12.15	37.31	202.74	1.48	680.65	6.15
Additions	9.89	0.33	0.03	-	-	10.24	-
Disposals/Deletions	(0.26)	-	-	-	-	(0.26)	-
Gross Carrying amount as at 31st March, 2017 (A)	436.61	12.47	37.34	202.74	1.48	690.64	6.15
Additions	75.26	0.46	1.18	74.78	-	151.68	-
Disposals/Deletions	-	-	-	(45.29)	-	(45.29)	-
Gross Carrying amount as at 31st March, 2018 (B)	511.87	12.93	38.52	232.24	1.48	797.03	6.15
Additions	45.63	2.43	2.29	5.57	-	55.92	-
Disposals/Deletions	-	-	-	(5.05)	-	(5.05)	-
Gross Carrying amount as at 31st March, 2019 (C)	557.50	15.36	40.81	232.75	1.48	847.90	6.15
Additions	66.53	1.23	0.94	-	-	68.70	-
Disposals/Deletions	-	-	-	-	-	-	-
Gross Carrying amount as at 31st Dec, 2019 (D)	624.03	16.59	41.75	232.75	1.48	916.60	6.15
	-	-	-	-	-	-	-
Accumulated Depreciation as at 1st April, 2016	285.68	8.46	34.90	129.91	1.43	460.38	2.97
Depreciation for the year	32.12	1.13	0.99	24.31	0.00	58.54	2.00
Disposals/Deletions	(0.22)	-	-	-	-	(0.22)	-
Accumulated Depreciation as at 31st March, 2017 (E)	317.58	9.59	35.89	154.22	1.43	518.70	4.97
Depreciation for the year	32.12	0.88	0.60	21.28	0.04	54.92	0.74
Disposals/Deletions	-	-	-	(36.89)	-	(36.89)	-
Accumulated Depreciation as at 31st March, 2018 (F)	349.70	10.47	36.48	138.61	1.48	536.73	5.71
Depreciation for the year	34.83	0.94	0.82	30.16	-	66.75	0.17
Disposals/Deletions	-	-	-	(4.69)	-	(4.69)	-
Accumulated Depreciation as at 31st March, 2019 (G)	384.53	11.41	37.30	164.08	1.48	598.79	5.88

Particulars	Tangible Assets						Intangible Assets
	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Books & Periodicals	Total	Website
Depreciation for the year	23.45	0.98	0.97	16.12	-	41.52	0.12
Disposals/Deletions	-	-	-	-	-	-	-
Accumulated Depreciation as at 31st Dec, 2019 (H)	407.98	12.38	38.28	180.19	1.48	640.31	6.00
	-	-	-	-	-	-	-
Net Carrying amount as at 31st March, 2017 (A)-(E)	119.03	2.89	1.45	48.52	0.04	171.93	1.17
Net Carrying amount as at 31st March, 2018 (B)-(F)	162.17	2.46	2.04	93.63	-	260.30	0.43
Net Carrying amount as at 31st March, 2019 (C)-(G)	172.97	3.96	3.51	68.67	-	249.11	0.26
Net Carrying amount as at 31st Dec, 2019 (D)-(H)	216.05	4.21	3.47	52.56	-	276.29	0.14

NOTE 12: INVENTORIES*(₹ In Lakhs)*

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Inventories				
Raw materials	156.22	155.20	145.20	95.15
Work in progress	465.81	380.05	611.42	480.30
Finished goods	143.59	137.50	119.02	296.42
Stock in trade	10.61	18.86	22.83	30.31
Stock in Transit (Raw material)	5.31	-	0.02	-
Stores and spares	23.01	25.09	24.30	20.58
TOTAL	804.55	716.70	922.79	922.76

NOTE 13: TRADE RECEIVABLES*(₹ In Lakhs)*

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good:				
Outstanding for a period exceeding six months from the date they were due for payment	380.46	575.40	442.95	222.61
Others	41.10	49.66	58.32	166.30
TOTAL	421.56	625.06	501.27	388.91

NOTE 14: CASH AND BANK BALANCES*(₹ In Lakhs)*

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i) Cash and Cash Equivalents				
Cash on hand	2.44	2.53	1.29	4.95
Balance with Banks				
-In current accounts	0.76	1.49	0.61	2.30
(ii) Other bank balances				
- Earmarked balances in fixed deposits against bank guarantee	13.25	12.59	11.90	11.20
Total	16.45	16.61	13.80	18.45

NOTE 15: SHORT TERM LOAN AND ADVANCES*(₹ In Lakhs)*

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good:				
Security Deposits	4.74	4.57	0.96	0.96
Loans & Advances to suppliers	15.61	14.69	2.99	6.19

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Loans & Advances to employees	0.27	4.43	4.66	2.13
Balance with Government Authorities	14.39	29.32	86.81	91.86
Advance Tax (including TDS)	18.00	25.08	22.81	20.39
Income tax refund receivable	0.39	2.73	-	3.28
TOTAL	53.40	80.82	118.23	124.81

NOTE 16: OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Cheques deposited but not cleared	-	-	-	0.54
Export Incentives receivable	0.52	5.55	4.39	2.56
Prepaid Expenses	1.12	6.05	7.81	3.96
Other recoverable	-	-	2.56	9.33
TOTAL	1.64	11.60	14.76	16.39

NOTE 17: REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
SALE OF PRODUCTS (A)				
Manufactured Goods	1,259.86	1,818.18	1,760.97	1,704.05
Traded Goods	15.61	7.51	12.43	12.05
Less: Excise Duty	-	-	47.90	158.07
NET	1,275.47	1,825.69	1,725.50	1,558.02
OTHER OPERATING INCOME (B)				
Duty Drawback & Other Export Incentives	0.68	7.00	1.86	2.14
Freight Receipts	2.83	1.14	2.88	-
Provision For Taxes On Stock	-	-	-	-
Total (A+B)	1,278.98	1,833.83	1,730.24	1,560.17

NOTE 18: OTHER INCOME

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income	0.98	1.03	1.21	1.09
Net gain on Foreign Currency Transaction	0.17	6.08	0.03	-
Profit on sale of property plant and Equipments	-	0.27	0.75	0.01

Miscellaneous Income	0.17	0.13	-	0.13
Total	1.32	7.51	1.99	1.23

NOTE 19: COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening Stock	155.20	145.20	95.15	108.75
Add: Purchases	678.01	692.31	848.45	644.89
Less: Closing Stock	156.22	155.20	145.20	95.15
Cost of Materials Consumed	676.99	682.31	798.40	658.49

NOTE 20: PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Purchases of stock in trade	-	-	-	19.41
Total	-	-	-	19.41

NOTE 21: CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Inventories at the end of the period				
Work-in-progress	465.81	380.05	611.42	480.30
Finished Goods	143.59	137.50	119.02	296.42
Stock-in-trade	10.61	18.86	22.83	30.31
Stock-in-transit	-	-	-	-
	620.01	536.41	753.27	807.03
Inventories at the beginning of the period				
Work-in-progress	380.05	611.42	480.30	689.15
Finished Goods	137.50	119.02	296.42	165.41
Stock-in-trade	18.86	22.83	30.31	18.20
Stock-in-transit	-	-	-	15.07
	536.41	753.27	807.04	887.83
Excise duty on stock	-	-	42.63)	-
Net Decrease/(Increase)	(83.60)	216.86	11.14	80.80

NOTE 22: EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries and wages	273.05	348.62	312.50	224.95
Contribution to provident and other funds	21.19	30.92	27.50	16.46
Staff welfare expense	3.58	4.99	4.16	2.92
Total	297.82	384.53	344.16	244.33

NOTE 23: FINANCE COST

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest expense				
-on borrowings from banks	32.10	47.14	42.29	50.84
-on borrowings from others	31.17	55.51	72.75	77.44
Other borrowing costs	0.87	1.97	2.66	2.36
Total	64.14	104.62	117.69	130.64

NOTE 24: DEPRECIATION & AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Depreciation of Tangible assets	41.52	66.75	54.92	58.54
Depreciation of Intangible assets	0.12	0.17	0.74	2.00
Total	41.64	66.92	55.66	60.54

NOTE 25: OTHER EXPENSES

(₹ in lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Consumption of Stores & Spare Parts	32.55	36.28	51.37	51.69
Consumption of Packing Material	21.91	31.97	29.99	28.23
Job Work charges	7.29	11.15	12.85	17.29
Power and fuel charges	33.82	46.43	52.38	49.92
Rent	4.78	5.06	5.74	5.47
Repairs and maintenance				
-Building	0.05	0.02	3.81	0.04
-Machinery	8.17	11.24	11.06	9.24

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
-Other	12.63	26.28	19.76	18.10
Insurance	4.23	7.03	6.71	5.61
Fee & Subscription	11.50	16.52	13.77	10.74
Freight and forwarding	2.65	8.25	5.68	4.81
Sales Promotion	10.27	9.29	4.93	5.83
Legal & Professional	11.65	7.80	9.52	5.39
Commission on Sale	29.19	49.86	69.03	70.68
Payment to Auditor				
-Audit fee	0.45	0.60	0.60	0.60
Miscellaneous Expenses	22.35	30.24	31.66	48.10
Total	213.50	298.03	328.85	331.74

NOTE 26: Contingent liabilities and Commitments (to the extent not provided for)

(No cash outflow is expected)

(₹ In lakhs)

Particulars	As at 31 st Dec 2019	As at 31 st March 2019	As at 31 st March 2018	As at 31 st March 2017
(i) Contingent liabilities	Nil	Nil	Nil	Nil
(ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided	Nil	Nil	Nil	Nil

NOTE 27: Details of Related Party transactions

Disclosure of related parties, relationship and Nature of transactions between the parties

Name	Relationship	Nature of Transaction	Period ended 31.12.2019		Year ended 31.03.2019		Year ended 31.03.2018		Year ended 31.03.2017	
			Amount of Transaction	Amount Payable at the end of period	Amount of Transaction	Amount Payable at the end of period	Amount of Transaction	Amount Payable at the end of period	Amount of Transaction	Amount Payable at the end of period
Sh. Amit jain	Managing Director	Remuneration	27.00	3.42	36.00	2.61	32.00	2.61	30.00	1.88
		Rent	1.17		0.36		0.36		0.36	
		Interest	23.61	-	45.15	-	61.40	-	60.58	-
		Loan received	120	282.75	180.00	538.00	125.00	629.87	35.00	653.61
		Loan repaid	397		312.50		204.00		197.00	
Smt. Pamila Jain	Director	Remuneration	22.50	6.77	30.00	4.09	26.00	4.16	24.00	1.54
		Rent	2.18		2.40		2.40		2.40	
		Interest	1.15	-	2.94	-	4.50	-	6.24	-
		Loan received	-	6.26	8.00	23.72	11.00	34.07	16.00	59.03
		Loan repaid	18.50		21.00		40.00		47.50	
Sh. Vimal Parkash Jain	Director	Remuneration	27.00	2.28	36.00	2.28	32.00	2.31	30.00	1.89
		Interest	6.41	-	7.43	-	6.85	-	10.62	-
		Loan received	-	98.21	11.00	94.94	17.00	77.26	15.00	74.09
		Loan repaid	2.50		-		20.00		95.00	
Sh. Manoj Jain #	Director	Remuneration	4.59	0.51	5.40	0.36	1.26	0.36	-	-
Amco Industries	Concern in which Managing Director excercises control	Purchase of goods	112.06	-	138.91	4.64	47.92	14.39	86.92	-
# Sh. Manoj Jain was director of the company for the period 28.12.2017 to 07.09.2019 and the transactions during the said period have been reported above.										
The following are the companies where directors are able to exercise control but no transactions have been taken place during the period.										
(i) Atam and Febi Valves Private Limited										
(ii) Febi Valves Private Limited										

NOTE 28: Earnings per share

Particulars	As at 31st Dec 2019	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Profit attributed to the equity shareholders (Amount in Lakhs)	50.63	65.21	51.02	27.69
Weighted Average Number of equity shares #	3,000,000	3,000,000	2,667,945	2,400,000
Basic Earning per share (Rs)	1.69	2.17	1.91	1.15
Diluted earning Per Share (Rs.)	1.69	2.17	1.91	1.15
Face value per equity share (Rs.)	10	10	10	10

#The company has issued bonus shares during financial year ended 31st March, 2018 and also sub-divided its equity shares from face value of Rs. 100/- per share to Rs. 10/- per share during financial year ended 31st March, 2018. Accordingly, the number of equity shares outstanding during financial year ended 31st March, 2018 and 31st March, 2017 have been adjusted after taking in to effect of both events from the beginning of each year.

NOTE 29:

In accordance with the Accounting Standard 28 “on Impairment of Assets” the company has assessed on the balance sheet date whether there are any indications (as listed in paragraph 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

NOTE 30:

The Company has recognized deferred tax assets to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTE 31: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st Dec 2019	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	8.43	13.93	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-	-

Note: Dues of Micro, Small and Medium enterprises have been determined on the basis of information collected by the management and same has been relied upon by the auditors.

NOTE 32: EMPLOYEE BENEFITS

i. The summarized position of Post-employment benefits recognized in the Statement of Profit and Loss and Balance Sheet in accordance with Accounting Standard (AS) 15 is as under: -

a) Changes in the present value of the defined benefit obligation:

<i>(₹ In Lakhs)</i>			
Particulars	31-Dec-2019	31-Mar-2019	31-Mar-2018
Present Value of obligation as at beginning of the year/ Period	22.66	18.96	14.25
Interest Cost	1.23	1.47	1.10
Current Service Cost	5.92	7.13	6.53
Benefits Paid	(3.62)	-	(1.95)
Actuarial Loss/(gain) on obligations	(1.18)	(4.90)	(0.97)
Present Value of obligation as at close of the year/ Period	25.01	22.66	18.96

b) Change in fair value of plan assets:

<i>(₹ In Lakhs)</i>			
Particulars	31-Dec-2019	31-Mar-2019	31-Mar-2018
Fair Value of Plan Assets as beginning of the year/Period	-	-	-
Expected return on plan assets	-	-	-
Contribution	-	-	-
Benefits Paid	-	-	-
Actuarial (Loss) / Gain on obligations	-	-	-
Fair Value of Plan Assets as at close of the year/ Period	-	-	-

c) Amount recognized in Balance Sheet:

<i>(₹ In Lakhs)</i>			
Particulars	31-Dec-2019	31-Mar-2019	31-Mar-2018
Estimated present value of obligations as at the end of the year/ Period #	25.01	22.66	18.96
Fair value of Plan Assets as at the end of the year/ Period	-	-	-
Net liability/(asset) recognized in Balance Sheet	25.01	22.66	18.96
Unfunded Net (Liability) / Assets recognized in the Balance Sheet	(25.01)	(22.66)	(18.96)

includes short term Gratuity liability of Rs. 3.73 lakhs as on 31 Dec 2019 (Rs. 6.31 lakhs 31 March 2019, Rs. 4.49 lakhs 31 March 2018, Rs. 2.95 lakhs 31 March 2017).

d) Expenses recognized in the statement of profit and loss:

<i>(₹ In Lakhs)</i>			
Particulars	31-Dec-2019	31-Mar-2019	31-Mar-2018
Interest cost	1.23	1.47	1.10
Current service cost	5.92	7.13	6.53
Past Service Cost	-	-	-

Particulars	31-Dec-2019	31-Mar-2019	31-Mar-2018
Expected return on plan asset	-	-	-
Net actuarial (gain)/loss recognized in the period	(1.18)	(4.90)	(0.97)
Expenses to be recognized in P&L	5.97	3.70	6.66

e) Principal Actuarial assumption at the Balance Sheet date:

(₹ In Lakhs)

Particulars	31-Dec-2019	31-Mar-2019	31-Mar-2018
Discount rate	7.25 % per annum	7.75 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum
Expected rate of return	-	-	-
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.	5.00% p.a.

f) The estimates of future salary increases considered in actuarial valuation take account of inflation, Seniority, promotion & other relevant factors such as supply & demand in employment market.

Note: The information regarding Post-employment benefits disclosed above for the year ended 31 March 2017 is not available as first report of actuarial valuation has been obtained as on 31 March 2017.

ii. Contribution to Provident Fund

(₹ In Lakhs)

Particulars	31-Dec-2019	31-Mar-2019	31-Mar-2018	31-Mar-2017
Contribution to Provident Fund	15.47	21.23	18.90	11.70

NOTE 33: The company is a single segment company engaged in the business of manufacturing of valves. Therefore, the disclosure requirements of Accounting Standards (AS) – 17 “Segment Reporting” are not applicable.

NOTE 34: THE INFORMATION REQUIRED BY THE PARAGRAPH 5 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF STATEMENT OF PROFIT AND LOSS AS PER SCHEDULE III OF THE COMPANIES ACT 2013 IS AS UNDER:

(₹ In Lakhs)

(a)	FOB value of exports	31-Dec-2019	31-Mar-2019	31-Mar-2018	31-Mar-2017
		43.81	73.73	104.91	115.86

(₹ In Lakhs)

(b)	Imported and Indigenous Consumption	31-Dec-2019	31-Mar-2019	31-Mar-2018	31-Mar-2017
	Raw Material				
	-Imported	-	-	-	-
	-Indigenous	676.99	682.31	798.40	658.49
	%				
	-Imported	-	-	-	-
	-Indigenous	100.00	100.00	100.00	100.00
ii	(ii) Store and spares (including packing material)				
	Raw Material				
	-Imported	-	-	-	-
	-Indigenous	54.46	68.25	81.36	79.92
	%				
	-Imported	-	-	-	-
	-Indigenous	100.00	100.00	100.00	100.00

ANNEXURE-VI

RESTATED STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

(i) **Reconciliation of Restated Profit:**

The reconciliation of Profit after tax as per audited financial statements and the Profit after tax as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit / loss of the company.

(₹ In Lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net Profit after Tax as per Audited/ Re-audited financial statements	50.94	46.97	62.70	33.94
(i) Adjustments on account of change in accounting policies:	-	-	-	-
(ii) Other material adjustments:				
Employee benefit expenses (refer note 1(a) below)	-	18.96	(4.71)	(14.25)
Finance cost (refer note 1 (b) below)	0.10	(0.10)	-	(0.06)
Income tax adjustments related to earlier years (refer note 1 (c) below)	(0.41)	0.74	(0.33)	0.06
Deferred tax adjustment (refer note 1 (d) below)	-	(1.36)	(6.64)	8.00
(iii) Audit Qualifications:	-	-	-	-
Restated Net Profit after Tax	50.63	65.21	51.02	27.69

(i) **Reconciliation of Restated Shareholders Funds:**

The reconciliation of Shareholder's funds as per audited financial statements and Shareholder's funds as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on Shareholder's funds of the company.

(₹ In Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Shareholder's funds as per Audited/ Re-audited financial statements	486.78	435.84	388.88	262.90
(i) Adjustments on account of change in accounting policies:				
(ii) Other material adjustments:				
Employee benefit expenses (refer note 1(a) below)	-	0.00	(18.96)	(14.25)
Finance cost (refer note 1 (b) below)	(0.06)	(0.16)	(0.06)	(0.06)
Income tax adjustments related to earlier years (refer note 1 (c) below)	0.06	0.47	(0.27)	0.06
Deferred tax adjustment (refer note 1 (d) below)	-	-	1.36	8.00
Income tax refund receivable related to earlier years (refer note 1 (e) below)	-	-	-	3.28
(iii) Audit Qualifications:	-	-	-	-

Restated Shareholder's funds	486.78	436.16	370.95	259.93
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1. Notes related to Other material adjustments

- a. The company had not provided provision for gratuity in the audited financial statements based on actuarial valuation as per AS-15 'Employee Benefits' during the financial year ended 31st March 2018 and 2017. The payment for gratuity made during the year was recognized as expense. The provision has been provided in the re-audited financial statements for the financial year ended ended 31 March 2019. However, the company has obtained actuarial valuation report for each year while preparation of restated financial information and has accounted for the expense of gratuity during each year on the basis of such report.
- b. The interest on income tax was not shown under ' Finance cost' but was shown under 'Income tax for earlier years' which is not in accordance with Guidance note on Schedule III issued by ICAI. The same has been shown correctly in the restated financial information and has also been recognized in the respective year to which it belongs.
- c. The income tax for earlier year has been adjusted in the restated financial information in the respective year to which it belongs.
- d. The deferred tax liability has been adjusted in the respective year on account of adjustments in the restated financial information and the error in computation of deferred tax asset/liability of the particular year has also been rectified in restated financial information.
- e. The income tax refund receivable related to earlier years was wrongly debited to "Reserve and surplus" during the financial year ended 31st March 2017 which has been rectified in restated financial information.

2. Material regrouping having no impact on Profit/ Shareholder's funds

- (i) The investment allowance reserve of Rs. 0.51 Lakhs as on 1st April 2016 has been grouped with Surplus i.e. balance in Statement of Profit and Loss as there is no investment in books of account as on 1st April 2016 against which such reserve would have been created in earlier years.
- (ii) The sales are required to be shown Gross of excise duty and then excise duty is to be reduced from Sales by showing it separately as per Guidance note issued by ICAI. The amount of excise duty so reduced was incorrect in the audited financial statements for the financial year 2016-17 and 2017-18. The same has been rectified in restated financial information. It has no impact on profit of respective year.
- (iii) The provision of excise duty and CST on the closing stock was provided in the audited financial statements of financial year 2016-17 whereas only excise duty needs to be provided on closing stock as per Guidance note issued by ICAI. The same has been rectified in restated financial information. Further, the figure of opening stock in the subsequent year has also been rectified accordingly. It has no impact on profit of respective years.
- (iv) The provision of Goods and service tax on the closing stock was provided in the audited financial statements of financial year 2017-18 which is not as per AS-2 'Valuation of Inventories'. The same has been rectified in restated financial information. Further, the figure of opening stock in the subsequent year has also been rectified accordingly. It has no impact on profit of respective years.
- (v) The provision of excise duty on the closing stock was shown under 'Short term provisions' in the audited financial statements for the financial year 2016-17. The same has been regrouped under 'Statutory Liabilities Payables' under the head 'Other current liabilities'.
- (vi) The intangible assets has been separately shown in restated financial information which was included in tangible assets in audited financial statements.

ANNEXURE -VII
RESTATED STATEMENT OF OTHER INCOME
(₹ In Lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Other income	1.32	7.51	1.99	1.23
Net Profit Before Tax as Restated	69.81	88.07	76.33	35.45
Percentage	1.89%	8.52%	2.61%	3.46%

Source of Income
(₹ In Lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income	0.98	1.03	1.21	1.09
Net gain on Foreign Currency Transaction	0.17	6.08	0.03	-
Profit on sale of property plant and Equipments	-	0.27	0.75	0.01
Miscellaneous Income	0.17	0.13	-	0.13
Total Other Income	1.32	7.51	1.99	1.23

ANNEXURE -VIII
RESTATED STATEMENT OF ACCOUNTING RATIOS
(₹ In Lakhs)

	Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A	Restated profit after tax for the year / period	50.63	65.21	51.02	27.69
B	EBITDA	174.72	257.64	247.03	224.27
C	Current Assets	1,297.60	1,450.79	1,570.84	1,471.31
D	Current Liabilities	539.26	443.27	522.66	483.76
E	Adjusted Number of Equity Shares outstanding at the end of the Year / Period #	30,00,000	30,00,000	30,00,000	24,00,000
F	Adjusted Weighted Average Number of Equity Shares outstanding at the end of the Year / Period #	30,00,000	30,00,000	26,67,945	24,00,000
G	Net Worth	486.78	436.16	370.95	259.93
	Accounting ratios				
(i)	Basic & Diluted Earnings per Share based on adjusted Weighted Average Number of Shares (A/F)	1.69	2.17	1.91	1.15
(ii)	Return on Net Worth (%) (A/G)	10.40%	14.95%	13.75%	10.65%

	Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
(iii)	Net Asset Value Per Share (Rs) based on actual number of shares (G/E)	16.23	14.54	12.36	10.83
(iv)	Net Asset Value Per Share (Rs) based on Weighted Average Number of Shares (G/F)	16.23	14.54	13.90	10.83
(v)	Current Ratio (C/D)	2.41	3.27	3.01	3.04

The company has issued bonus shares during financial year ended 31st March, 2018 and also sub-divided its equity shares from face value of Rs. 100/- per share to Rs. 10/- per share during financial year ended 31st March, 2018. Accordingly, the number of equity shares outstanding during financial year ended 31st March, 2018 and 31st March, 2017 have been adjusted after taking in to effect of both events from the beginning of each year.

Notes –

1. Ratios have been calculated as below:

Basic and Diluted Earnings Per Share (EPS) (Rs.): $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$

Return on Net Worth (%): $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$

Net Asset Value per equity share (Rs.): $\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$

ANNEXURE -IX

RESTATED STATEMENT OF CAPITALISATION AS AT 31ST DECEMBER, 2019

(₹ In Lakhs)

Particulars	Pre -Issue	Post Issue #
Borrowings		
Short term debt (A)	255.89	[●]
Long Term Debt (B)	627.59	[●]
Total debts (C)	883.48	[●]
Shareholders' funds		
Equity share capital	300.00	
Reserve and surplus - as restated	186.78	
Total shareholders' funds	486.78	-
Long term debt / shareholders funds	1.29	
Total debt / shareholders funds	1.81	

The post issue position cannot be presented as the detail of issue is not available at this stage.

Note: Long Term Debt include 'current maturities of long-term debt' shown under "Other current liabilities'.

ANNEXURE -X

RESTATED STATEMENT OF TAX SHELTER

(₹ In Lakhs)

Particulars	For the Period ended December 31, 2019	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Restated Profit before tax (A)	69.81	88.07	76.33	35.45
Adjustments:				
Permanent Differences(B)	2.85	5.42	7.18	15.67
Timing Differences (C)	(1.72)	2.31	(5.15)	15.37
Deduction under chapter VI (D)	-	1.23	0.39	0.23
Taxable Income under normal provisions (E=A+B+C-D)	70.94	94.57	77.98	66.26
Tax Rate under normal provisions (%) (F)	22.88%	26.00%	25.75%	30.90%
Income Tax as per Normal Provisions (G=E*F)	16.23	24.59	20.08	20.47
Restated Profit for the Purpose of MAT (H)	69.81	88.07	76.33	35.45
Tax Rate under MAT provisions (%) (I)	0.00%	21.34%	19.06%	19.06%
Income Tax as per MAT Provisions (J)	-	18.79	14.55	6.75
Tax payable as per normal provisions or MAT provisions	Normal provisions	Normal provisions	Normal provisions	Normal provisions

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended December 2019 and for the financial year ended March 31, 2019, 2018 and 2017. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" on page 146 of this Draft Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "*Risk Factors*" on page 20 of this Draft Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "*Forward-Looking Statements*" on page 12 of this Draft Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Atam Valves Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "*Restated Financial Statement*" for Financial Years 2017, 2018 and 2019 & period ended on December 31, 2019 included in this Draft Prospectus beginning on page. 146 of this Draft Prospectus.

BUSINESS OVERVIEW

Our Company was originally incorporated as a Partnership Firm in 1982 which had Mr. Vimal Jain, as one of the Partners and commenced the business from mid-1982. Later, Vimal Jain founded and incorporated "*Atam Valves Private Limited*", a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 30, 1985 bearing Registration Number 6476 issued by Registrar of Companies, Punjab, HP & Chandigarh by taking over the entire business of Atam Valves, a Partnership Firm. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders dated November 09, 2017 and the name of our Company was changed to "*Atam Valves Limited*" to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Chandigarh dated November 24, 2017 bearing Corporate Identification Number U27109PB1985PLC006476.

Our Company is engaged in the production and supply of various reliable and quality valves which differ in their style of usage, shapes and size such as Atam gate valve, Atam Sleeve packed water level gauge, Atam parallel slide blow off valve, Atam cast carbon steel, full-lift safety valve and Atam Globe valve. We majorly supply the valves to the industries such as Boiler manufacturer, Oil Refineries, Pharmaceuticals, Rubber tyre Industries along with other rubber industries etc across the globe.

For further details please refer chapter "*Business Overview*" on page no. 93 of this Draft Prospectus.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE FINANCIAL YEAR FY 2018-19:

After the date of last financial year i.e. March 31, 2019, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability.

FACTORS THAT MAY AFFECT THE RESULTS OF OPERATIONS:

Our Company's future results of operations could be affected potentially by the following factors:

1. Loss of rich experience management team.

2. Inability to compete in the market.
3. Inability to implement the strategy
4. Inability to comply with the customer requirements.
5. Failure to comply with the applicable regulations prescribed by the authorities of the jurisdiction in which we operate.
6. Changes in Fiscal, economic or Political conditions in India.

DISCUSSION ON THE RESULTS OF KEY OPERATIONS

Revenue of operations

Our primary revenue is from sale of manufactured valves, traded goods, Duty Drawback & Other Export Incentives and freight receipts.

Other Income

Other income comprises of Interest income, gain on foreign currency transaction, profit on sale of property, plant and equipment and Miscellaneous income etc.

(₹ in Lakhs)

Particulars	For the period ended December 31, 2019	For the year ended March 31,		
		2019	2018	2017
Revenue from operations (Gross)	1,278.98	1,833.83	1,778.14	1,718.24
Less: Excise duty	-	-	(47.90)	(158.07)
Revenue from operations (Net)	1,278.98	1,833.83	1,730.24	1,560.17
% of total revenue	99.90%	99.59%	99.89%	99.92%
Other Income	1.32	7.51	1.99	1.23
% of total revenue (II)	0.10%	0.41%	0.11%	0.08%
Total Revenue (I + II)	1,280.30	1,841.33	1,732.23	1,561.40

EXPENDITURE

Our total expenditure primarily consists of Cost of material consumed, cost with respect to change in inventories of stock-in-trade and finished goods, employee benefit expenses, finance cost, commission expenses, consumption on store and spare parts, selling and distribution expenses, etc.

Cost of Materials Consumed

It comprises of the opening stock and purchases net off by the closing stock of raw material consumed for the production of goods.

Employment Benefit Expenses

It includes salaries and wages, staff welfare expenses, director's remuneration, bonus, gratuity and contribution to provident and other funds.

Other Expenses

It includes consumption of stores and spare parts, consumption of packing material, power and fuel, repairs and maintenance, sales promotion, commission on sales, audit fees and miscellaneous expenses.

Finance Costs

Our finance costs mainly include interest expenses on borrowing from banks, borrowing from others and other borrowing cost.

Depreciation and Amortisation

Depreciation includes depreciation on furniture & fixtures, plant and equipments, vehicles, books and periodicals etc.

RESULTS OF OUR OPERATIONS

(₹ in Lakhs)

Particulars	For the period ended December 31, 2019	For the year ended March 31		
		2019	2018	2017
Revenue from operations	1,278.98	1,833.83	1,730.24	1,560.17
% of total revenue	99.90%	99.59%	99.89%	99.92%
Other Income	1.32	7.51	1.99	1.23
% of total revenue	0.10%	0.41%	0.11%	0.08%
Total Revenue	1,280.30	1,841.34	1,732.23	1,561.39
Expenses:				
Cost of Materials Consumed	676.99	682.31	798.40	658.49
% of total revenue	52.88%	37.06%	46.09%	42.17%
Purchase of stock in trade	0.00	0.00	0.00	19.41
% of total revenue	0.00	0.00	0.00	1.24
Changes in inventories of finished goods, work-in-progress and stock in trade	(83.60)	216.86	11.14	80.80
% of total revenue	(6.53)	11.78	0.64	5.17
Employee benefits expense	297.82	384.53	344.16	244.33
% of total income	23.26%	20.88%	19.87%	15.65%
Finance costs	64.14	104.62	117.69	130.64
% of total income	5.01%	5.68%	6.79%	8.37%
Depreciation and amortization expense	41.64	66.92	55.66	60.54
% of total income	3.25%	3.63%	3.21%	3.88%
Other expenses	213.50	298.03	328.85	331.74
% of total income	16.68%	16.19%	18.98%	21.25%
Total Expenses	1,210.49	1,753.27	1,655.90	1,525.95
% of total income	94.55	95.22	95.59	97.73
Profit / (Loss) before tax	69.81	88.07	76.33	35.45
% of total income	5.45%	4.78%	4.41%	2.27%
Tax expense:				
(1) Current tax	16.23	24.59	20.08	20.47
(2) Deferred tax	2.95	(1.73)	5.23	(12.72)
(3) Income tax relating to earlier year	0.00	0.00	0.00	0.01
Profit/ (Loss) for the period	50.63	65.21	51.02	27.69
% of total income	3.95%	3.54%	2.95%	1.77%

REVIEW OF OPERATION FOR THE PERIOD April 1, 2019 TO December 31, 2019

Total Revenue

Our total revenue from manufactured goods, traded goods, duty drawback & other export incentives, freight receipts and interest income for the period from April 1, 2019 to December 31, 2019, is ₹ 1,280.30 Lakhs.

Revenue from Operations

The revenue from operation is mainly from manufactured goods, traded goods, duty drawback & other export incentives, freight receipts for the period from April 1, 2019 to December 31, 2019 is ₹ 1,278.98 Lakhs which is 99.90 % of total revenue.

Other Income

The other income from interest income and gain on foreign currency transaction for the period from April 1, 2019 to December 31, 2019 is ₹ 1.32 Lakhs which is 0.10% of total revenue.

Expenses

Cost of Material Consumed

Our cost of material consumed is amounting to ₹ 676.99 Lakhs for the period from April 1, 2019 to December 31, 2019 which is 52.88% of total revenue.

Employee Benefit Expense

Our Employee benefit expense is amounting to ₹ 297.82 Lakhs for the period from April 1, 2019 to December 31, 2019 which is 23.26% of total revenue.

Finance Cost

Our Finance cost amounting to ₹ 64.14 Lakhs for the period from April 1, 2019 to December 31, 2019 which is 5.01% of total revenue.

Depreciation and Amortisation expenses

Our cost of depreciation and amortisation amounting to ₹ 41.64 Lakhs for the period from April 1, 2019 to December 31, 2019 which is 3.25% of total revenue.

Other Expenses

Our cost of other expenses amounting to ₹ 213.50 Lakhs for the period from April 1, 2019 to December 31, 2019 which is 16.68% of total revenue.

Profit After Tax

The profit after tax for the period from April 01, 2019 to December 31, 2019 is ₹ 50.63 Lakhs which is 3.95% of the total revenue.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2019 TO FINANCIAL YAER ENDED MARCH 31, 2018

Total Revenue

Our total revenue for the Financial Year 2018-19 is ₹ 1841.34 Lakhs whereas for the Financial Year 2017-18 is ₹ 1732.22 Lakhs showing an increase of 6.30%. The increase is due to increase in sale of manufactured goods and duty drawback and other export incentives.

Revenue from Operations

The revenue from operation for the financial year 2018-19 is ₹ 1833.83 Lakhs which is 99.59 % of total revenue whereas for Financial Year 2017-18 is ₹ 1730.23 Lakhs showing increase by 5.99%. The increase in revenue from operations is due to increase in sale of manufactured goods.

Other Income

The other income for the period Financial Year 2018-19 is ₹7.51 Lakhs which is 0.41% of total revenue whereas for Financial Year 2017-18 is ₹ 1.99 Lakhs which is 0.11% of the total revenue showing an increase of 277.39%. The increase is due to increase in gain on Foreign Currency Transaction.

Expenses

Cost of Material Consumed

Our Cost of material consumed amounting to ₹ 682.31 Lakhs for the Financial Year 2018-19 which is 37.06% of total revenue whereas for Financial Year 2017-18 is ₹ 798.40 Lakhs showing a decrease of 14.54%. The decrease is due to reduction in purchases of raw material

Employee Benefit Expense

Our Employee benefit expense amounting to ₹ 384.53 Lakhs for the financial year 2018-19 which is 20.88% of total revenue whereas for Financial Year 2017-18 is ₹ 344.16 Lakhs showing an increased by 11.73%. The increase is due to increase in salaries, wages and Contribution to provident and other funds.

Finance Cost

Our Finance cost amounting to ₹ 104.62 Lakhs for the Financial Year 2018-19 which is 5.68% of total revenue whereas for Financial Year 2017-18 is ₹ 117.69 Lakhs showing a decrease by 11.11%. The decrease is due to decrease in interest expenses on borrowings from others and other borrowing cost i.e Bank Charges

Depreciation and Amortisation

Our cost of depreciation and amortisation amounting to ₹ 66.92 Lakhs for the Financial Year 2018-19 which is 3.63% of total revenue whereas for FY 2017-18 is ₹ 55.66 Lakhs showing an increase by 20.24%. The increase is due to addition of machinery, vehicle etc.

Other Expenses

Our cost of other expenses amounting to ₹ 298.03 Lakhs for the Financial Year 2018-19 which is 16.19% of total revenue whereas for Financial Year 2017-18 is ₹ 328.85 Lakhs showing decrease by 9.37%. The decrease is due to decrease in expenses on commission on sale, power and fuel charges, building repairs and maintenance, sales and distribution expenses etc.

Profit After Tax

The profit after tax for the Financial Year 2018-19 is ₹ 65.21 Lakhs which is 3.54% of the total revenue whereas for Financial Year 2017-18 is ₹ 51.02 Lakhs showing an increase by 3.54%.

COMPARISON OF FINANCIAL YAER ENDED MARCH 31, 2018 TO FINANCIAL YAER ENDED MARCH 31, 2017

Total Revenue

Our total revenue for the Financial Year 2017-18 is ₹ 1732.23 Lakhs whereas for Financial Year 2016-17 is ₹ 1561.39 Lakhs showing an increase by 10.94%.

Revenue from Operations

The revenue from operation from for the Financial Year 2017-18 is ₹ 1,730.23 Lakhs which is 99.89% of total revenue whereas for Financial Year 2016-17 is ₹ 1,560.16 Lakhs showing an increase by 10.90%. The increase is due to marginal increase in manufactured goods.

Other Income

The other income for Financial Year 2017-18 is ₹ 1.99 Lakhs which is 0.11% of total revenue whereas for Financial Year 2016-17 is ₹ 1.23 Lakhs showing an increase by 61.79%. The increase is due to marginal increase from profit on sale of property, plant & equipment.

Expenses

Cost of Material Consumed

Our Cost of material consumed amounting to ₹ 798.40 Lakhs for Financial Year 2017-18 which is 46.09% of total revenue whereas for Financial Year 2016-17 is ₹ 658.49 Lakhs showing an increase by 21.25%. The increase is due to increase in purchase of raw material.

Employee Benefit Expense

Our Employee benefit expense amounting to ₹ 344.16 Lakhs for Financial Year 2017-18 which is 19.87% of total revenue whereas for Financial Year 2016-17 is ₹ 244.33 Lakhs showing an increase by 40.86%. The increase is due to significant increase in salaries and wages, contribution to provident fund and staff welfare expenses.

Finance Cost

Our Finance cost amounting to ₹ 117.69 Lakhs for Financial Year 2017-18 which is 6.79% of total revenue whereas for Financial Year 2016-17 is ₹ 130.64 Lakhs showing decrease by 9.91%. The decrease is due to reduction in cost of borrowing from banks and others.

Depreciation and Amortisation

Our cost of depreciation and amortisation amounting to ₹ 55.66 Lakhs for Financial Year 2017-18 which is 3.21% of total revenue whereas for Financial Year 2016-17 is ₹ 60.54 Lakhs showing decrease by 8.08%. The decrease is due to sale of plant and machinery.

Other Expenses

Our cost of other expenses amounting to ₹ 328.85 Lakhs for Financial Year 2017-18 which is 18.98% of total revenue whereas for Financial Year 2016-17 is ₹ 331.74 Lakhs showing decrease by 0.87%. The decrease is due to decrease in job work charges, commission on sale, service tax, Travelling & Conveyance.

Profit After Tax

The profit after tax for Financial Year 2017-18 is ₹ 51.02 Lakhs which is 2.95% of the total revenue whereas for Financial Year 2016-17 is ₹ 27.69 Lakhs. Hence, it can be stated that in Financial Year 2017-18 it has been increased by 84.24%.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operation.

3. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major products/ main activities derives from sale of valves manufactured by our Company.

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page no. 20 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations. However, due to the present global pandemic disease COVID-19, the business operations may get impacted.

6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

7. Total turnover of each major industry segment in which the issuer company operated.

The Company is in the business of valves manufacturing, relevant data included in the section titled "*Industry Overview*" beginning on page no. 76 of this Draft Prospectus.

8. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment.

9. The extent to which business is seasonal.

Our Business is not seasonal.

10. Any significant dependence on a single or few suppliers or customers.

We are not significantly dependent on single customers or few suppliers for December 31, 2019 & March 31, 2019

Particulars	Suppliers		Customers	
	December 31, 2019	March 31, 2019	December 31, 2019	March 31, 2019
Top 10 (%)	84.56	76.46	36.68	39.21
Top 5 (%)	67.52	66.08	24.12	24.27
Top 1 (%)	22.57	26	7.08	8.02

11. Competitive conditions.

Competitive conditions are as described under the Chapters titled *“Industry Overview”* and *“Business Overview”* beginning on pages no. 76 & 93 respectively of the Draft Prospectus.

FINANCIAL INDEBTEDNESS

SECURED LOAN

A. Facilities availed from HDFC Bank Limited vide sanction letter reference No. 84479546 dated May 19, 2020 are as follows:

Sr. No	Nature of facility	Amount (₹ in Lakhs)	Interest (in %)	BG/LC Commission (%)	Tenor	Valid Upto	Interest Payment	Outstanding as on December 31, 2019] (₹ in Lakhs)
1.	Cash credit	350.00	7.9	---	12 Months	June 15, 2021	Monthly Rests, unless otherwise specified. Interest needs to be serviced by the 3 rd of every month	255.39
	Sub Limit							
i.	Pre-Shipment Credit	(80.00)	7.9	---	180 Days			
ii.	WC- Pre/ Post Shipment Credit	(80.00)	7.9	---	180 Days			
iii.	Bank Guarantee (Financial)	(1.01)	--	1	365 Days			
iv.	Bank Guarantee (Financial)	(1.24)	--	1	365 Days			
v.	Bank Guarantee	(0.51)	--	1	365 Days			
2.	DRUL	25.00	8.5	---	365 Days			
3.	Bank Guarantee	2.57		1	365 Days			
4.	Term Loan	13.00	7.9	---	60 Months			
5.	Bank Guarantee (Sub Limit) [Financial]	(0.28)	--	1	458 Days	--		
6.	BBG-WC Term Loans	150.00	7.9	---	60 Months	58.85		
7.	Bank Guarantee	50.00	--	1	365 Days			
8.	BBG-WC Term Loans	100.00	7.9	---	60 Months	60.41		

Note :

In case of external benchmark the Reference Rate shall be reset by the Bank once in three months or at such intervals as may be permissible under the RBI guidelines/regulations from time to time. In case of MCLR Reference Rate the applicable Bank's Reference Rate the applicable Bank's MCLR shall be reset by

the Bank in accordance with the tenure/tenor frequency of the MCLR being [overnight]/[one-month]/[three-month]/[six-month]/[one-year] MCLR. The Borrower hereby further agrees that the applicable interest rate shall change in accordance with every reset/change of the Reference Rate or change of the spread by the Bank. *The prevailing reference rate can be checked at our website www.hdfcbank.com.*

Purpose: *Business Requirements*

A) Primary Security

Machinery, Plant and Machinery, Personal Guarantee of Directors, Property Owners and Shareholders, PRP0021476 – Atam Valves Pvt Ltd – 21299, Stock, Industrial Property, Fixed Deposits, LC from other Banks, Stock for Export

B) Security Collateral:

Personal Guarantee of Directors Property Owners and Shareholders Stock, Plant and Machinery, Machinery, Debtors, Fixed Deposits, Stock for Export.

Sr. No	Property Description	Type of Property	Area
1.	PRP0021476- ATAM VALVES PVT LTD – 21299 Property No. 95 Measuring 1 KANAL MARLA 53 SQ FEET Situated at SUS Nagar Jalandhar – 144 001	Resi- Bunglow	6541.37
2.	Industrial Property Khasra No. 15953/1, 15952/2 s Bye pass Jalandhar, Near Industrial area GT Road, – 144004 Near Hind Metal Works	Industrial Estates with Industrial Activity	36895

Specific Conditions:

Additional:

1. Provide the Closure proof of current accounts maintained with other banks (Axis Bank, SBI and PNB).
2. Management Certified Balance Sheet of FY 21 To Be Obtained.
3. Ram Rating to be done
4. Provide Complete GST Returns of all states, Mom Sales and GST sales varies

Credit Covenants:

1. Promoters money in business (Tnw Plus unsecured Loans from Promoters less advances for Non- Business purpose) to be maintained at minimum Rs. 1138.00 lacs during the currency of the exposure.

Other General Conditions:

Bank based on the representations made by the borrower and the furnishing of financial statements by the Borrower has extended the above-mentioned Credit Facilities. The commitment to the proposal facilities is subject to:

- a. The absence of any material adverse change in the condition of the borrower.
- b. The Borrower or its associate not having defaulted under any financing obligation to any bank of institution in past.
- c. Compliance by the Borrower of all laws and regulations under various taxation, retrieval and applicable laws prevalent from time to time and the Borrower having taken necessary approvals, permissions, registrations, licenses as may be required for running the business.
- d. All future borrowings by the Borrower shall be with prior written permission of Bank.
- e. Guarantors not to issue any Personal Guarantee for any other loans without prior written permission of HDFC Bank except for Car Loans, Personal Loans, Home Loans, Education Loans to be obtained for self and family members.
- f. There is no litigation pending against the borrower.
- g. Borrower shall not have any accounts with other Banks/Financial Institutions (for sole banking).
- h. Borrower shall not divert any funds to any purpose and launch any new scheme of expansion without prior permission of HDFC Bank.
- i. We are pleased to offer you a preferential rate of rate of interest at 7.9% for the above facilities. This will be incumbent upon your shifting all your business and family accounts to us and that HDFC bank will become your preferred bank for all your personal and business needs. The interest rate will be reviewed at the time of renewal every year.

B. In terms of Government of India “Emergency Credit Line Guaranteed Scheme” (ECLGS) has been availed from HDFC Bank Limited vide sanction letter reference No. 251273 dated June 08, 2020.

Sr. No.	Credit Facility	Limit (₹ in Lakh)	Interest Rate	Tenor	Moratorium Period	Repayment Period
1	GECL- WCTL	110.55	8.25% p.a.	48 Months	12 Months	12 Month Principal Moratorium 36 Monthly Installments after Moratorium. (Principal Payment) Interest to be serviced on monthly basis.

Note:

In case of external benchmark the Reference Rate shall be reset by the Bank once in three months or at such intervals as may be permissible under the RBI guidelines / regulations from time to time. The Borrower hereby further agrees that the applicable interest rate shall change in accordance with every reset/ change of the Reference Rate or change of the Spread by the Bank.

PURPOSE : To augment working capital requirement to enable business unit to meet operating liabilities & restart / increase operations.

SECURITY: Extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.

SPECIFIC CONDITION:

The Loan offer is subject to your unit complying with the following additional requirements under the scheme as below:

1. Annual Turnover of your entity for Financial year 2019-20 is upto Rs 100 crs
2. Overall fund based outstanding credit with all Banks/NBFC/FI as on 29th feb'2020 is upto Rs 25 crores.
3. Overdues if any, across all Banks/NBFC/FI as on 29th Feb'2020 does not exceed 60 days.
4. Your entity is registered under GST or is exempted from registration under GST.
5. Other specific conditions which were mentioned in earlier sanction letter(s) continue to apply.

C. Auto Loan Facility sanctioned by HDFC Bank Limited

(₹ in Lakhs)

Facility	Auto Loan
Amount	₹ 67.72
Repayment Schedule	37 Instalment of ₹ 207200 starting from Stipulated date
Security	Secured by Hypothecation of vehicle
Outstanding amount as on December 31, 2019	₹ 25.72

UNSECURED LOANS

(₹ in Lakhs)

Sr. No	Particulars	Amount (as on December 31, 2019)
1.	Vimal Jain	98.21
2.	Amit Jain	282.75
3.	Pamila Jain	6.26
4.	Banks	95.40

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding: A.(I) criminal proceedings; (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters and Directors (the "**Relevant Parties**").

For the purpose of (V) above, our Board in its meeting held on September 02, 2019, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

(1). In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered 'material' if:

- (a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 5 % of the profit after tax of our Company as per the restated financial statements of our Company as on December 31, 2019, being Rs. 50.63 Lakhs; or
- (b) the monetary liability is not of any such pending quantifiable, however, the outcome proceedings may have a bearing on the business, operations, prospects or reputation of our Company.

B. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors. For this purpose, our Board pursuant to board resolution dated September 02, 2019, has considered outstanding dues to any creditor of the Company having monetary value which exceeds 5% of the profit after tax of the Company as per the latest restated consolidated financial statements of the Company disclosed in the Draft Prospectus, as material.

Except as stated in this section, there are no outstanding material dues to creditors of our Company.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.valvesexporters.com. It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

A. Litigation involving our Company

l) Litigation against our Company

- a) Criminal Proceedings

As on the date of this Draft Prospectus, there are no pending criminal proceedings against our Company.

- b) Actions by statutory or regulatory authorities

As on the date of this Draft Prospectus, there are no pending actions by statutory or regulatory authorities against our Company.

c) Income Tax Claims

Direct Tax

i. Income Tax

Particulars	No. of Cases	Aggregate amount involved (in Rs.) #
A.Y.2015-16	1	17003
Total		17003

The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amounts.

(1) Demand raised for an amount of Rs.17003.00 under Section 143(1) of the Income -tax Act, 1961 for the A.Y. 2015-16 as on date of this Draft Prospectus.

ii. TDS

Number of Cases	Amount to the extent ascertainable (Rs.)
NA	NA

d) Other Pending Material Litigations

As on the date of this Draft Prospectus, there are no pending material Litigations filed against Company.

II) Litigation by our Company

a) Criminal Proceedings

As on the date of this Draft Prospectus, there are no pending criminal proceedings filed by our Company.

b) Actions involving statutory or regulatory authorities

As on the date of this Draft Prospectus, there are no pending matters by our Company against statutory or regulatory authorities.

c) Income Tax Claims

Direct Tax

NIL

Indirect Tax

NIL

d) Other Pending Material Litigations :

1. Our Company has filed Claim case of Rs.17,77,019/- for delayed payment alongwith interest, case bearing Endst No. 3392, dated : 07/12/2018 under "The Small & Medium Enterprises Development Act.2006", before Deputy Commissioner – cum Chairman, Micro Small Enterprises – Facilitation Council, Punjab, District Industry Centre,B-6,Focal Point, Jalandhar against M/s.IMP POWERS LTD, SURVAY NO.263/3/2/2,VILL: SAYLI,UMERKOI ROAD,SILVASSA-396230,DADRA & NAGAR HAVELI.
2. Our Company has filed Claim case of Rs.1,33,876/- for delayed payment alongwith interest, case bearing Endst No.Mktg,MSEFC/07/16/537/2941-G, dated 02/08/2016 under "The Small & Medium Enterprises Development Act.2006", before Deputy Commissioner – cum Chairman, Micro Small Enterprises – Facilitation Council, Punjab, District Industry Centre,B-6,Focal Point, Jalandhar against the Company M/s. Syschem (India) Ltd. Village: Bargodam, Dist.Panchkula (Haryana).
3. Our Company has filed Claim case of Rs.85,903/- for delayed payment alongwith interest, case bearing Endst No. MKTG/MSEFC/05/2017/669/6705-A, dated 30/06/2017 under "The Small & Medium Enterprises Development Act.2006", before Deputy Commissioner – cum Chairman, Micro Small Enterprises – Facilitation Council, Punjab, District Industry Centre,B-6,Focal Point, Jalandhar against the M/s.Kiran Sanitation address at Link Road, Near Urban Bank,Cuttack-753012.
4. Our Company has filed Claim case of Rs.11,49,048/- (Rs.10,25,936/- principal amount & Rs.1,23,112/- interest) for delayed payment alongwith interest, case bearing Endst No. Mktg.MSEFC/08/2016/38/13592-A,dated : 02/08/2016 under "The Small & Medium Enterprises Development Act.2006", before Deputy Commissioner – cum Chairman, Micro Small Enterprises – Facilitation Council,Punjab,District Industry Centre,B-6,Focal Point,Jalandhar against the M/s.Oriental Veneer Products Ltd, having address at Survey No.49,Village Aghai,Thane,Maharashtra 421301.
5. Our Company has filed civil case before Deputy Commissioner at Jalandhar exercising the power of the Director of Industries -Cum- Chairman,Industrial Facilitation council Punjab (under the micro,small & medium enterprises Development Act-2006), against the Company Shree Laxmi Engineers bearing case No. 52 of 2019 for recovery of the dues amounting to Rs.1,93,407/- pending to be received from them, alongwith interest 24,871/- ,till the date of filing of the case i.e 28.02.2019 and further accrued compound interest till its actual realization for the goods supplied & delivered to them.
6. Our Company has filed Civil case before Deputy Commissioner Jalandhar exercising the power of the Director of Industries -Cum- Chairman,Industrial Facilitation council Punjab (under the micro,small & medium enterprises Development Act-2006) at Jalandhar against the Company Shree Laxmi Boilers bearing case No. 68 of 2019 for the recovery of the dues amounting to Rs. 58,299/- pending to be received from them including interest, till the date of filing of the case i.e 28.02.2019 and further accrued compound interest till its actual realization for the goods supplied & delivered to Shree Laxmi Boilers.
7. Our Company has filed a Civil case before Deputy Commissioner at Jalandhar exercising the power of the Director of Industries -Cum- Chairman, Industrial Facilitation council Punjab (under the micro, small & medium enterprises Development Act-2006) at Jalandhar against the Company M/s.Hind Rectifiers ltd having reference no. 60 of 2019 for the recovery of the dues & demanded them to pay the amounts

against supply of material aggregating to a sum of Rs.90,736.00/- alongwith interest Amounting to Rs.37,237/- till the filing of the case i.e date 28.02.2019 and further accrued compound interest till its actual realization.

8. Our Company has filed Civil case BEFORE THE CIVIL JUDGE SENIOR DIVISION, JALANDHAR, against the Company RAJ PROCESS SYSTEM PRIVATE LIMITED, case details : case type :CS37- SUIT I OXXXVII OF CPC, Filing Number :2720/2018, filing date: 29-05-2018, registration Number : 13/2018, Registration Date: 29-05-2018, CRN Number : PBJL02-002648-2018.

Reasons for filing the suit : for recovery of amount of Rs.1,52,756/- alongwith interest at the rate of 12 % per annum upto the filing of the suit till its realization for the supply of goods i.e Cast Steel Globe Valves.

The Company has prayed for amount Rs.1,71,086.72/- from the date of filing of the suit till its actual realization alongwith with future interest at the rate of 9 % per annum, in the interest of justice.

Observation: All the above mentioned Civil cases filed by our Company before concerned authorities, tribunals & before the civil courts at Jalandhar, Punjab for recovery of their pending dues against the goods supplied by them to the different Companies, are pending for adjudication and no order has been passed in any of the above mentioned recovery civil cases.

B. Litigation involving our Directors

l) Litigation against our Directors

a) Criminal Proceedings

As on date of this Draft Prospectus, there are no pending Criminal Proceedings against our Directors.

b) Actions by statutory and regulatory authorities

As on the date of this Draft Prospectus, there are no pending actions by statutory or regulatory authorities against our Directors.

c) Income Tax Claims

Direct Tax

i. OUTSTANDING TAX DEMAND NOTICES ISSUED UNDER SECTION 245 IN THE NAME OF

DIRECTOR RAVI BHUSHAN JAIN

Particulars	Demand identification Number (DIN)	Date on which demand is raised	Date of last refresh	Aggregate amount involved (in Rs.)#
Income Tax A.Y 2012-13 Under section code 1431a	201301237013940354T	06/06/2013	07/05/2020	4470/- CPC

Particulars	Demand identification Number (DIN)	Date on which demand is raised	Date of last refresh	Aggregate amount involved (in Rs.)#
Total				4470/-

ii. OUTSTANDING TAX DEMAND NOTICES ISSUED UNDER SECTION 245 IIN THE NAME OF DIRECTOR AMIT JAIN

Particulars	Demand identification Number (DIN)	Date on which demand is raised	Date of last refresh	Aggregate amount involved (in Rs.)
Income Tax A.Y 2016-17 Under section code 1431a	2019201637100297543T	29/012020	19/04/2020	518
Total				518

iii. OUTSTANDING TAX DEMAND NOTICES ISSUED UNDER SECTION 245 IN THE NAME OF DIRECTOR VIMAL PARKASH JAIN AS ON DATE 19/04/2020

Particulars	Demand identification Number (DIN)	Date on which demand is raised	Date of last refresh	Aggregate amount involved (in Rs.)
Income Tax A.Y 2014-15	2017201437045744491W	16/08/2017		1110 /- CPC
Total				1110/-

#The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department.

Demand raised for an amount of Rs.4470.00 in the name of Director Ravi Bhushan Jain for A.Y.2012-13,an amount of Rs.in the name of the Director Amit Jain for A.Y.2016-17 & amount of Rs.1110.00 in the name of Vimal Parkash Jain for A.Y.2014-15 under section 245 of the Income Tax Act,1961.

Indirect Tax

As on date, except the demand notices mentioned hereinabove no other demand notices or other proceedings have been issued to/served upon the Company calling upon the Company Director to pay the amount.

d) Other Pending Material Litigations

As on the date of this Draft Prospectus, there are no pending material litigations against our Directors.

II) Litigation by our Directors

a) Criminal Proceedings

As on date of this Draft Prospectus there is no pending Criminal Proceedings filed by the Directors of the Company

b) Actions by statutory and regulatory authorities

As on the date of this Draft Prospectus, there are no pending matters by our Directors against statutory or regulatory authorities.

C) Income Tax Claims

As on the date of this Draft Prospectus, there are no pending claims claimed by our Directors against the Income Tax authorities.

b) Other Pending Material Litigations

As on the date of this Draft Prospectus, there are no pending material Litigations by our Directors against any company.

C. Litigation involving our Promoters

l) Litigation against our Promoters

a) Criminal Proceedings

As on date of this Draft Prospectus, there is no pending Criminal Litigation involving our Company Promoters

b) Other Pending Material Litigations

As on date of this Draft Prospectus except what is stated hereinabove, there are no pending litigations involving our Promoters

c) Income Tax Claims

Direct Tax

Details of the amount pending to be paid by the Company against the Income Tax Demand Notices issued by the Income Tax Department as per the Income Tax Act,1961 is mentioned hereinabove under the clause B "Litigation involving our Directors" of this pending Litigation Chapter please refer the same.

d) Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals including any outstanding action.

As on the date of this Draft Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

II) Litigation by our Promoters

a) Criminal Proceedings

As on date of this Draft Prospectus there is no Criminal Proceedings initiated by the Promoters of our company against any company.

b) Tax Claims

As on the date of this Draft Prospectus, there are no pending matters by our Promoters against the Income Tax authorities.

c) Other Pending Material Litigations

As on date of this Draft Prospectus there is no Pending Material Litigations filed by the Promoters

D. Outstanding dues to Creditors

As of December 31, 2019, we had 99 creditors on a consolidated basis outstanding amount aggregating to ₹ 115.12 Lakhs. Details of outstanding dues owed as at December 31, 2019, to MSMEs and other creditors are set out below.

Creditors	Number of Cases	Amount due (in Rs. Lakhs)
MSMEs	13	8.43
Other creditors	96	106.69

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed Rs.2.53 Lakhs, which is 5% of the profit after tax of our Company as per the latest Restated Financial Statements of our Company included in this Draft Prospectus, shall be considered as 'material'. Accordingly, in this regard, the creditors to whom an amount exceeding ₹ 2.53 Lakhs owed as on December 31,2019 were considered 'material' creditors. Based on the above, there are 7 material creditors of our Company as on December 31, 2019 to whom an aggregate amount of ₹ 75.96 Lakhs was outstanding on such date.

The details pertaining to amounts due towards the material creditors are available on the website of our Company at www.valvesexporter.com.

E. Material Developments

Except as disclosed in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 183 of this Draft Prospectus, in the opinion of our Board, there have not arisen, since FY 2018-19, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

F. Wilful Defaulter

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Prospectus.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government / RBI, various Government agencies and other statutory and / or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing of valves, we require various approvals and / or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled "Key Industry Regulations and policies" on page 108 of this Draft Prospectus.

INCORPORATION AND OTHER DETAILS:

1. The Partnership deed was made and entered between the three partners namely Mr. Vinod Kumar Jain, Mr. Vimal Parkash Jain and Ms. Bimla Jain in the name of *M/s. ATAM VALVES* at Jalandhar, Punjab on April 1, 1982.
2. The Certificate of Incorporation consequent upon takeover of Partnership Firm by "Atam Valves Private Limited Company" was issued on September 30, 1985 by the Registrar of Companies, Punjab, H.P. & Chandigarh in the name of "*ATAM VALVES PRIVATE LIMITED*".
3. The Certificate of Incorporation consequent upon conversion from "Private Company" to "Public Company" was issued on November 24, 2017 by the Registrar of Companies, Chandigarh in the name of "*ATAM VALVES LIMITED*".
4. The Corporate Identification Number (CIN) of the Company is U27109PB1985PLC006476.

APPROVALS FOR THE ISSUE:

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on September 2, 2019, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Annual General Meeting held on September 7, 2019 authorized the Issue.

In-principle approval from the Stock Exchange

We have received In-principle approval from the stock exchange for the listing of our Equity Shares on the SME Platform of BSE, pursuant to letter dated [●] bearing reference no. [●].

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated July 19, 2019 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated July 12, 2019 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number ("ISIN") is INE09KD01013.

PROPERTY DETAILS

The Company has its business located at:

SN	Particulars	Address	Owned / Leased
1.	Registered Office	1051, Industrial Area, Jalandhar 144004, Punjab, India	Leased
2.	Manufacturing Unit	1050-1051, Industrial Area, Jalandhar 144004, Punjab, India	Leased
3.	Manufacturing Unit	E-11, Industrial Area, Jalandhar 144004, Punjab, India	Leased

For further details of the properties mentioned above, please refer to the “*Details of Immovable Property*” in the chapter titled “*Business Overview*” on page 93 of this Draft Prospectus.

APPROVALS / LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

SN	Description	Authority	Registration No. / License No.	Date of Issue	Date of Expiry
1.	Registration & License to work as Factory under The Factories Act, 1948	Chief Inspector of Factories, Department of Labour, Punjab	JAL0FL3721	January 13, 2020	December 31, 2020
2.	Certificate of Importer-Exporter Code (IEC)	Additional Director General of Foreign Trade	3003013572	March 08, 2004	NA
3.	Udyog Aadhar Memorandum / Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit	Ministry of Micro, Small and Medium Enterprises, Government of India	PB10B0001068	May 18, 2016	NA

Approvals and licenses related to Business Activities are in the registered in the name of “ATAM VALVES LIMITED”.

TAX RELATED APPROVALS / LICENSES / REGISTRATIONS:

SN	Authorisation Granted	Issuing Authority	Registration No. / License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AABCA2863R	NA	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	JLDA00576C	March 14, 2018	Perpetual
3.	Goods and Service Tax Identification Number – Gujarat	Government of India	24AABCA2863R1ZD	July 26, 2019 Effective from: July 01, 2017	NA

SN	Authorisation Granted	Issuing Authority	Registration No. / License No.	Date of Issue	Validity
4.	Goods and Service Tax Identification Number – Punjab	Government of India	03AABCA2863R1ZH	September 04, 2018 Effective from: September 20, 2017	NA

The above-mentioned tax related approvals/Licenses/Registrations are registered name of “ATAM VALVES LIMITED”.

Observation :

The Company has not registered for the payment of the Professional Tax (Punjab Professional Tax) under the Income Tax Act,1961 as stated by Punjab state Development Act,2018 hence the liability may arise in present or in future calling the company for the payment of Professional tax by the income tax Department/Authorities.

INDUSTRIAL AND LABOUR RELATED APPROVALS / REGISTRATIONS:

SN	Description	Authority	Registration No. / License No.
1.	Employees Provident Fund Registration (under Employees’ Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	EST.ID:LDJAL15756
2.	Registration under Employees’ State Insurance Act, 1948	Employees State Insurance Corporation	29000207380000908

The EPF and ESI are registered in the name of “ATAM VALVES LIMITED”.

Pollution Control Board approval and certificates:

SN	Authorisation Granted	Issuing Authority	Registration No. / License No.	Date of Issue	Validity
1.	Consent order from Punjab Pollution Control Board "consent to operate u/s256 of Water (Prevention & Control of Pollution) Act,1974"	"Punjab Pollution Control Board" "Pollution Control Board Certificate"	CTOW/Renewal/JAL/2017/ 5582860	June 27,2017	June 30,2022
2.	Consent order from Punjab Pollution Control Board "consent to operate u/s Air (Prevention & Control of Pollution) Act,1981	"Punjab Pollution Control Board" "Pollution Control Board Certificate"	CTOA/Renewal/JAL/2017/ 5582802	June 27,2017	June 30,2022

- The company has obtained the permission and certificate from the Pollution Control Board to operate at its factory at Punjab from the Pollution Control Board Authority.
- The Company has to make an application to the Pollution Control Board Authority for the name change of the user pursuant to the conversion of the Company from "ATAM VALVES PVT LTD" to "ATAM VALVES LIMITED ".

OTHER REGISTRATION AND CERTIFICATES:

1. Company ATAM VALVES LIMITED has obtained permission from The Director of Boilers, Punjab Opp.All India Radio Station Jalandhar under Indian Boilers Regulation,1950 on 31/12/2003 bearing application no. 4185 to carry out manufacturing activities regarding Boiler Mountings and fitting in accordance with approved drawings and in continuation to same. The Director of Boilers, Punjab, Jalandhar has given its approval for the manufacturing of Forged Steel fittings, M.S. and S.S. Steam Fittings & Flangers under Indian Boilers Regulation 1950. In reference to the letter dated 20.05.2010 issued by our company in favour of the. The Director of Boilers, Punjab bearing no. DBP/Jal/1448 dated 02/07/2010.

Quality Certifications obtained by Our Company :

1. Certificate of registration bearing certificate number Q-18072101, dated : 21-07-2018, and Expiry date : 20-07-2020, and recertification due date : 20-07-2020 issued by Equalitas Certifications Limited stating that the Quality management system of our Company conforms to ISO 9001 :2015.
2. Certificate of registration bearing certificate number E-18072101, dated : 21-07-2018, and Expiry date : 20-07-2020, and recertification due date : 20-07-2020 issued by Equalitas Certifications Limited stating that the Environmental Management System for Manufacture and Supply of Valves, Cocks and Boiler Mountings of our Company conforms to ISO 14001 :2015.

The quality certification ISO is obtained in the name of “ATAM VALVES LIMITED”.

CERTIFICATE BUREAU OF INDIAN STANDARDS :

SN	Authorisation Granted	Issuing Authority	Registration No. / License No.	Date of Issue	Validity
1.	BUREAU OF INDIAN STANDARDS	Chandigarh Branch-I, Nothern Regional Office, Bureau of Indian Standards	CML/No.2203529 in the name of ATAM VALVES PVT.LTD. IS.NO : 778 :1984 For the Product name Copper Alloy Gate,Globe and Check Valves for Waterworks purposes	March 20,2019	February 28,2020
2.	BUREAU OF INDIAN STANDARDS	Chandigarh Branch-I, Nothern Regional Office, Bureau of Indian Standards	CML/No.9995526 license in the name of ATAM VALVES.PVT.LTD. IS.NO : 9890 : 1981 For the Product name General Purpose ball valves	May 3, 2019	March 31,2020
3.	BUREAU OF INDIAN STANDARDS	Chandigarh Branch-I, Nothern Regional Office, Bureau of Indian Standards	CML/No.4800759 License in the name of ATAM VALVES LIMITED IS.NO: 13095 :1991 For the Product name Butterfly Valves Limited	June 24,2019	May 31,2020

The Company has to make an application to the concerned authorities to renew BIS Licenses which are expired and/or will be expired and also for the name change of the Company from “ATAM VALVES PVT.LTD” to “ATAM VALVES LTD”.

INTELLECTUAL PROPERTY & TRADEMARK RELATED APPROVALS / REGISTRATIONS

As on date of the Draft Prospectus our Company has applied for the following trademarks:

SN	Authority Granting Approval	Application No. Certificate No.	Class	Proprietor Name	Description of the Logo / Label / Device (Applied for)	Validity	Applicable Laws
1.	Trademark Registry	<u>446961</u> 168774	11	Atam Valves Ltd	Word Mark (ATAM)	December 17, 2026	Trademark Act, 1999
2.	Trademark Registry	<u>468824</u> 188834	7	Atam Valves Ltd	Word Mark (ATAM)	March 06, 2028	Trademark Act, 1999
3.	Trademark Registry	<u>480868</u> 189728	7	Atam Valves Ltd	Device (FEBI) 	November 11, 2028	Trademark Act, 1999
4.	Trademark Registry	<u>480869</u> 192990	12	Atam Valves Ltd	Device (FEBI) 	November 11, 2028	Trademark Act, 1999
5.	Trademark Registry	<u>1263890</u> 449098	35	Atam Valves Ltd	Word Mark (ATAM)	January 29, 2024	Trademark Act, 1999
6.	Trademark Registry	<u>2482198</u> 1199330	6	Atam Valves Ltd	Device (ATAM) 	February 20, 2023	Trademark Act, 1999
7.	Trademark Registry	<u>2482199</u> 1199333	7	Atam Valves Ltd	Device (ATAM) 	February 20, 2023	Trademark Act, 1999
8.	Trademark Registry	<u>2482200</u> 1199336	11	Atam Valves Ltd	Device (ATAM) 	February 20, 2023	Trademark Act, 1999
9.	Trademark Registry	<u>2482201</u> 1501575	35	Atam Valves Ltd	Device (ATAM) 	February 20, 2023	Trademark Act, 1999

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on September 02, 2019 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1)(c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the AGM of our Company held on September 07, 2019.

We have received In-Principle Approval from BSE Limited vide their letter dated [●] to use the name of BSE Limited in the Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

PROHIBITION BY SEBI

Our Company, Promoters, Promoter Group, Directors and Group Companies are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

CONFIRMATIONS

1. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors in past (5 five) years

DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender by the RBI or other government authorities and no such proceedings are pending against any of them except as details provided in the chapter titled "*Outstanding Litigations and Material Developments*" on page no 194 of this Draft prospectus.

ELIGIBILITY FOR THE ISSUE

Our company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE). Our Company also complies with eligibility conditions laid by SME Platform of BSE for listing of Equity Shares.

We confirm that:

- a. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the Lead Manager shall ensure that the Issuer shall file copy of the Draft Prospectus/Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus /Prospectus to SEBI.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see "*General Information*" on page 44 of this Draft Prospectus.
- c. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within eight days from the date our Company becomes liable to unblock it, then our Company and every officer in default

shall, on and from expiry of eight days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.

- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “General Information” on page 44 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 19, 2012 and notice dated February 5, 2015, July 11, 2018 and January 09, 2019 and relaxation in eligibility criteria in view of COVID-19 Pandemic Situation vide notice number 20200522-21 dated May 22, 2020 which states as follows:

1. The issuer should be a Company incorporated Under Companies Act,1956

Our Company is incorporated under the Companies Act,1956.

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital of the Company will be ₹ [●] Lakhs, less than ₹25 crores

3. Net Tangible Assets of ₹ 150.00 Lakhs

The Company has net Tangible assets as on December, 31 2019 ₹ 484.64 lakhs

4. Positive Net Worth

Our Company satisfies the above criteria. Our Net Worth is as follows:

(₹ in lakhs)

Particulars	December 31, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Net Worth as per Restated Financial Statement	486.78	436.16	370.95	259.93

5. Track Record

(A) The company should have a (combined) track record of at least 3 years.

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	December 31, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Net Profit as per P&L Account	50.63	65.21	51.02	27.69

(B) The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive.

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	December 31, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Cash Accruals as per restated Financial Statement	111.45	154.99	131.99	95.99
Net Worth as per Restated Financial Statement	486.78	436.16	370.95	259.93

6. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE09KD01013

7. Company shall mandatorily have a website.

Our Company has a live and operational website: www.valvesexporters.com

8. Certificate from the applicant company stating the following:

- a. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b. There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- c. There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 27, 2020 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, CHANDIGARH, IN TERMS OF SECTION 26 OF THE COMPANIES ACT, 2013

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing reliance on any other source of information, including our website: www.valvesexporters.com , www.fedsec.in would be doing so at his or her own risk.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions,

commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE

BSE Limited ("BSE") has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed on SME platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completely, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration

requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

Our company has obtained In-Principle approval from BSE vide letter dated [●] to use name of BSE in this offer document for listing of equity shares on SME Platform of BSE, with which Basis of Allotment will be finalized.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from SME Platform of BSE. Application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, the Company shall forthwith unblock, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not unblocked within Eight days after our Company becomes liable to unblock it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to unblock such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or vis-à-vis otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 .”

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

CONSENTS

The written consents of Directors, Company Secretary, Compliance Officer & Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead

Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. K. C. Khanna & Co., Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements and statement of Tax Benefits dated May 14, 2020 and May 23, 2020 respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at www.fedsec.in

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Shree Ganesh Remedies Limited	8.55	36	October 13, 2017	40.00	1.11% (1.85%)	24.31% (+6.17%)	27.78% (+4.46%)
2.	Lorenzini Apparels Ltd	4.47	10	February 15, 2018	10.20	-32.10% (-3.27%)	-38.50% (3.63%)	-54.50% (9.76%)
3.	Ganesh Films India Limited	8.42	80	July 31, 2018	80.00	4.19% (2.97%)	1.19% (-9.41%)	-27.25% (-5.18%)
4.	Add-Shop Promotions Limited	6.22	26	September 10, 2018	28.20	3.85% (-9.55%)	1.92% (-7.81%)	1.92% (3.30%)
5.	Sun Retail Limited	10.11	23	October 16, 2018	36.00	100.22% (-0.06%)	95.65% (1.97%)	78.26% (10.65%)
6.	Ashapuri Gold Ornament Limited	29.32	51	March 27, 2019	50.00	-9.80% (1.57%)	-8.04% (2.60%)	-55.69% (-2.51%)
7.	Artemis Electricals Limited	42.00	60	May 14, 2019	70.00	63.00% (6.53%)	50.00% (-0.97%)	140.00% (8.11%)
8.	Cian Healthcare Limited	37.92	61	May 23, 2019	62.00	-5.33% (0.99%)	-14.75% (-3.82%)	-74.59% (3.79%)
9.	Sona hi Sona	4.50	10	October 15, 2019	11.15	9.00% (3.61%)	6.00% (7.89%)	35.00% (-21.30%)
10.	DC Infotech and Communications Limited	10.80	45	December 27, 2019	45.50	0.44% (-1.04%)	0.44% (-32.08%)	-1.11% (-14.49%)

Sources: All share price data is from www.bseindia.com

Note:

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds Raised (₹. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30 th Calendar day from listing date			Nos of IPOs trading at discount on 180 th Calendar day from listing date			Nos of IPOs trading at premium on 180 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2017-18	*2	13.02		1				1	1				1	
2018-19	**4#	54.08			1	1		2	1	1		1		1
2019-20	***4	95.22			1	1		2	1		1	1	1	

*The scripts of Shree Ganesh Remedies Limited and Lorenzini Apparels Limited were listed on October 13, 2017 and February 15, 2018 respectively.

**The scripts of Ganesh Films India Limited, Add-Shop Promotions Limited, Sun Retail Limited and Ashapuri Gold Ornaments Limited were listed on July 31, 2018, September 10, 2018, October 16, 2018 and March 27, 2019 respectively.

***The script of Artemis Electricals Ltd, Cian Healthcare Ltd, Sona Hi Sona Jewellers (Gujarat) Limited and DC Infotech and Communication Limited were listed on Tuesday, May 14, 2019, May 14, 2019, Thursday, May 23, 2019, Tuesday, October 15, 2019 and Friday, December 27, 2019 respectively

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Fedex Securities Private Limited.

Track Record of past issues handled by Fedex Securities Private Limited

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.fedsec.in

EXPERT OPINION

Except for

(a) Peer Review Auditors' reports dated [●] on the restated financial statements by M/s. K. C. Khanna & Co., Chartered Accountants

(b) Statement of Tax Benefits dated May 23, 2020 by M/s. K. C. Khanna & Co., Chartered Accountants; we have not obtained any other expert opinions.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Except as stated in the chapter titled "*Capital Structure*" beginning on page 51 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 5 years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

COMMISSION OR BROKERAGE

We have not made any public issue in last five years. Hence, no sums have been paid or payable as Commission or Brokerage.

CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY

Except as disclosed in Chapter titled "*Capital Structure*" on page 51 and below, our Company has not made any capital issue during the previous three years. Our Company do not have any listed group Companies/ Subsidiaries / Associates.

Details of the Issuer:

Name of the Company	Atam Valves Limited
Year of Issue	Financial Year 2017-18
Type of Issue	Rights issue
Amount of Issue	₹. 60,00,000/-
Date of Closure of Issue	October 17, 2017
Date of Allotment	October 20, 2017
Date of Credit of securities to the demat account	October 20, 2017
Date of Completion of the project, where object of the Issue was financing the project	N.A.
Rate of dividend paid	The Company has not paid any dividend

PERFORMANCE VIS-À-VIS objects;

Except as stated in the chapter titled "*Capital Structure*" beginning on page 51 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 5 years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies and Promoter Group Companies have their equity shares listed on any stock exchange.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Disposal of Investor Grievances by our Company

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on December 26, 2019 comprising of Surinder Kumar Salwan as a Chairman, Amit Jain and Vimal Parkash Jain as members. For further details, please refer the chapter titled "*Our Management*" on page no. 124 of Draft Prospectus.

Our Company has also appointed Natisha Choudhary as the Company Secretary and Compliance Officer of our company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

Atam Valves Limited

1051 Industrial Area,
Jalandhar 144004, Punjab, India.

Tel No: 0181 5001111

Website: www.valvesexporters.com

E-mail: cs@atamfebi.com

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the BSE SME, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "*Main Provision of Articles of Association of our Company*" on page 258 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act 2013, Memorandum of Association and Articles of Association and SEBI Listing Regulations and recommended by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "*Basis for Issue Price*" on page 70 of the Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under

the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 258 of the Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by BSE SME from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Investor

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form

available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON		[•]
ISSUE CLOSES ON		[•]

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE SME are taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from BSE SME. The Commencement of trading of the Equity Shares will be entirely at the discretion of BSE SME and in accordance with the applicable laws.

Submission of Application Forms:

Issue period (except the Issue Closing Date)	
Submission and Revision of Application Form	Only between 10.00 a.m. and 5.00 p.m. IST
Issue Closing Date	
Submission and Revision of Application Form	Only between 10.00 a.m. and 3.00 p.m. IST

On the Issue Closing Date, for uploading the Application Forms:

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from BSE SME may be taken as the final data for the purpose of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 40 of the Companies Act, 2013.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of [●] Equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Stock Exchange.

Withdrawal of the Issue

Our Company in consultation with the LM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is registered with the RoC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

Restrictions, if any on Transfer and Transmission of Equity Shares & on their consolidation or splitting

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 51 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the

Articles of Association. For details please refer to the section titled “*Main Provisions of the Articles of Association*” beginning on page 258 of the Draft Prospectus.

New Financial Instruments

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

Allotment to receive Equity Shares in Dematerialized Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialized form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Prospectus:

- Tripartite agreement dated July 19, 2019 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated July 12, 2019 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

Migration to Main Board

The Company may be migrated to Main Board pursuant to Regulation 277 of the SEBI (ICDR) Regulation and in accordance to that Securities Exchange Board of India (SEBI) vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010 has stipulated the requirements for migration from SME platform to main board. The migration eligibility of BSE is notified on [https://www.bsesme.com/static/getlisted/Migration from SME Exchange to Main Board.aspx](https://www.bsesme.com/static/getlisted/Migration%20from%20SME%20Exchange%20to%20Main%20Board.aspx) and as amended time to time.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital exceeds ₹10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the BSE SME). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 218 and 223 respectively of this Prospectus.

Public issue of upto 15,00,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share (the "issue price") aggregating to ₹ [●] ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares*	[●]	[●]
Percentage of Issue Size available for allocation	[●]	[●]
Basis of Allotment/Allocation if respective category is oversubscribed	[●]	[●]
Mode of Application	Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only.	Through ASBA mode Only.
Minimum Application Size	<p>For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000</p> <p>For Retail Individuals: Such number of equity shares where application size is of at least [●].</p>	[●] Equity Shares
Maximum Bid	<p>For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed [●] Equity Shares subject to adhere under the relevant laws and regulations as applicable.</p> <p>For Retail Individuals: Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-</p>	[●] Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode

Particulars	Net Issue to Public	Market Maker reservation portion
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

Note:

1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled "Issue Procedure" beginning on page 223 of this Draft Prospectus.

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Pursuant to the SEBI ICDR Regulations, 2018 the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 ("UPI Circular") in addition to ASBA Process has introduced an alternate payment mechanism using Unified Payments Interface ("UPI"), consequent reduction in timelines for listing in a phased manner. Further, SEBI vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 has notified Phase II for detail implementation refer below "Phased implementation of Unified Payments Interface". Applicants applying through the ASBA process or UPI Mechanism should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs hence applicant shall ensure that ASBA Bank Account has sufficient Balance.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 updated pursuant to the SEBI Circular bearing Number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019 (Collectively the UPI Circular) in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI circular, Unified Payments Interface will be introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries with the object to reduce the time duration from public issue closure to listing from six working days to upto three Working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transaction to the UPI Payment mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases. Further SEBI has issued vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 implementation of Phase II, shall stand modified to the extent stated under the circular i.e. SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019. and circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020. This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Fixed Price Issue Procedure

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

Availability of Prospectus and Application Forms

Copies of the Application Form and the Draft prospectus / prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Bid/Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All **the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism)** shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians / Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs, FPI's etc. applying on a repatriation basis (ASBA)	Blue

**Excluding electronic Application Form*

Submission and Acceptance of Application Forms

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries").

Sr No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
4.	A depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	Registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment.:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment.	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account

Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

Who can apply?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Overseas Corporate Bodies

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Maximum and Minimum Application Size

1. For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Participation by associates/affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

Option to Subscribe to the Issue

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines-

Application By HUF

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals

Application by Mutual Funds

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Eligible NRIs/FII's on Repatriation Basis

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or confirm or accept the UPI mandate request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. Participation of Eligible NRIs in the offer shall be subject to FEMA Regulations.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Application by FPI

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (“SEBI FPI Regulations”), investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) shall be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules the total holding by each FPI or an investor group, cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24 % of the total paid-up Equity Share capital on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100%). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Our Company has, pursuant to a resolution passed by our Board dated November 11, 2019 and resolution passed by our shareholders dated November 15, 2019 set the aggregate limit for investments by FPIs to 49% of the paid-up equity share capital of our Company.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time. Participation of FPIs in the Offer shall be subject to the FEMA Rules

Application by SEBI registered VCFs, AIFs and FVCIs

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to FEMA Regulations and Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Application by provident funds/ pension funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof.

Application by limited liability partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Application by Banking Companies

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Application by Insurance Companies

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDA Investment Regulations").

Application by SCSBs

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Application under Power of Attorney

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FII's, FPI's, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in

whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories

Application by OCBs

In accordance with RBI regulations, OCBs cannot participate in this Issue.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) and UPI APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in> . For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

ASBA Process and Electronic Registration of Application

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Application form shall bear the stamp of the syndicate member/SCSBs/registrar and share transfer agents/depository participants/stock brokers and if not, the same shall be rejected.

Who can apply?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Terms of payment

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment Mechanism

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by *Retail Individual Investors* through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode:

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Networth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking of Funds:

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

Unblocking of Funds:

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

Further, RIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

Rejection grounds under UPI Payment Mechanism

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account

List of Banks providing UPI facility

An investors shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode

Electronic Registration of Applications

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.

3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
 - Name of the Applicant;
 - IPO Name;
 - Application Form number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - UPI ID (RIIs applying through UPI Mechanism)
 - Numbers of Equity Shares Applied for;
 - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and

other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Withdrawal of Applications

RIs can withdraw their applications until Issue Closing Date. In case a RI wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

1. The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
2. Under-subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement

The issue is 100% Underwritten. *For further details please refer to Section titled "General Information" on page 44 of this Draft Prospectus.*

Filing of the Offer Document with the RoC

For filing of offer document please refer chapter titled "General Information" on page 44 of this Draft Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily

newspaper and one regional newspaper where registered office of the Company is situated with wide circulation.

Issuance of Confirmation Allocation Note (“CAN”)

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Issuance of Allotment Advice

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

- a) The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- b) **Issuer will that: (i)** the allotment of the equity shares; and **(ii)** initiate corporate action for credit of shares to the successful applicant’s Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Designated Date

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

General Instructions

Applicants are requested to note the additional instructions provided below.

Do’s:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID, Client ID and UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI-linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;

17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;

8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than one ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
22. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in **BLOCK LETTERS** in **ENGLISH** only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form

submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

Applicant’s Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant’s status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband ‘s name to determine if they are multiple applications.

ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.

2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

Grounds for Technical Rejections

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples of [●];
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the

Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;

- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- aa. Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated July 12, 2019 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated July 19, 2019 with CDSL, our Company and Registrar to the Issue;
The Company's shares bear an ISIN No: INE09KD01013
- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

To Natisha Choudhary	Bigshare Services Private Limited Address: 1st Floor, Bharat Tin Works Building,
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<p>Company Secretary and Compliance Officer Address: 1051, Industrial Area, Jalandhar, Punjab- 144 004 Tel No: 0181 5001111 Email: cs@atamfebi.com Website: www.valvesexporters.com</p>	<p>Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059, Maharashtra, India Tel.No: 91 22 62638200 Fax No: +91 22 62638299 E-mail Id : ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Raphael SEBI Registration No: INR000001385</p>
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Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 Working Days from the Bid/Offer Closing Date.

Impersonation

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Grounds for Refund

Non-Receipt of Listing Permission

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

Minimum Number of Allottees

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

Mode of Refunds

- a) **In case of ASBA Bids:** Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Bidding, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer
- b) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Investors: Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of

complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;

- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the LM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to Draft Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

Completion of Formalities for listing & Commencement of Trading

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate

basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 2,000 equity shares the allotment will be made as follows:
 - a. Each successful applicant shall be allotted [●] equity shares; and
 - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' of Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

Basis of Allotment in the event of Under subscription

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Undertaking by our Company

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published on the stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with Stock Exchange / RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

Utilization of Issue Proceeds

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

FDI for items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign Investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details please see the chapter titled “*Key Industry Regulations and Policies*” beginning on page 108 of this Draft Prospectus.

RBI also issues Master Directions - Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by the RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the applicable pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present, our Company is in the business of *Manufacturing Valves*. The manufacturing activity is specifically listed in the Permitted Sectors of FDI Policy i.e. 5.2.5, hence 100 % foreign direct investment through automatic route is permitted subject to applicable laws/regulations, security and other conditionalities.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy, 2017 has to be obtained by the company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/ RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained, and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence to the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time; (iii) where the transfer of shares does not meet the

pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and iv) where the investee company is in the financial sector provided that: a) Any 'fit and proper/due diligence' requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the composite cap.

Portfolio Investment to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in the transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

Subject to the provisions of the FDI policy, foreign investment in 'manufacturing' sector is under the automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 % and 24 % will be called the individual and aggregate limit, respectively. However, this

limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is:

The total holding by any individual NRI or OCI shall not exceed 5 % of the total paid-up equity capital on a fully diluted basis or should not exceed 5 % of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 % of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase / sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION
ARTICLES OF ASSOCIATION
OF
ATAM VALVES LIMITED

PRELIMINARY

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company.

INTERPRETATION

2. (1) In these regulations—
 - (a) "The Act" means the Companies Act, 2013,
 - (b) "The seal" means the common seal of the company.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (3) "Public Limited Company" within the meaning of Section 2(71) of the Companies Act, 2013 means a company which-
 - (a) is not a private company;
 - (b) has a minimum paid up share capital of five lakhs rupees or such higher paid up capital, as may be prescribed;

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be a public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The Authorized Share Capital of the Company is as mentioned in clause V of the Memorandum of Association of the Company with power of the Board of Directors to sub-divide, consolidate and increase and with power from time to time, issue any shares of the original capital with and subject to any preferential, qualified or special rights, privilege or condition as may be, thought fit, and upon the sub-division of shares apportion the right to participate in profits in my manner as between the shares resulting from sub-division.
4. (i) The Company shall have minimum paid up capital of Rs.5,00,000/-(Rs. Five Lacs only)
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
6. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
 - (a) One certificate for all his shares without payment of any charges; or
 - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 7.
 - (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
 - (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
- 8. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 9.
 - (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
 - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
 - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 10.
 - (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
 - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- 11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 12. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

- 13.
 - (i) The company shall have a first and paramount lien—
 - (a) On every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

- (b) On all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
14. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made—
- (a) Unless a sum in respect of which the lien exists is presently payable; or
 - (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
15. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

17. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
 - (iii) A call may be revoked or postponed at the discretion of the Board.
18. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
20. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

21. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. The Board—
 - (a) May, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

23. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
24. The Board may, subject to the right of appeal conferred by section 58 declines to register—
 - (a) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) Any transfer of shares on which the company has a lien.
25. The Board may decline to recognize any instrument of transfer unless—
 - (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) The instrument of transfer is in respect of only one class of shares.
26. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) To be registered himself as holder of the share; or
 - (b) To make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

31. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
32. The notice aforesaid shall—
- (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
 - (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
40. Where shares are converted into stock,—
 - (a) The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the

assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law—
- (a) Its share capital;
 - (b) Any capital redemption reserve account; or
 - (c) Any share premium account.

CAPITALIZATION OF PROFITS

42. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) That it is desirable to capitalize any part of the amount for the time being Standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) That such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
 - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
43. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
 - (b) Generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

- (b) To authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

44. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

45. All general meetings other than annual general meeting shall be called extraordinary general meeting.
46. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

47. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
48. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
49. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
50. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

51. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

52. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
53. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
54. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
55. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
56. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
57. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
58. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

59. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
60. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
61. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

62. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The persons named below are the Directors of the Company:

(I). Sh. VIMAL PARKASH JAIN

(II). Sh. AMIT JAIN

(III). Smt. PAMILA JAIN

(IV). Sh. MUNI LAL JAIN

There shall be a Chairman of the Company who shall be elected by the Board of Directors from time to time. Sh. Vimal Parkash Jain is the Chairman of the Company.

MANAGING DIRECTOR

Mr. AMIT JAIN is the Managing Director of the Company. The Board of Directors may, from

time to time, appoint one of their body or any other person as Managing Director of the Company, by whatever name or designation as such, as per the provision of the Companies Act, 2013 and on such terms and conditions as they deem fit, and delegate such powers to him and to fix his remuneration, as may be thought proper and necessary by the Board from time to time, The Managing Director may vacate his office on his own or the board can remove him in General Meeting and to appoint another competent person in his place to fill the vacancy.

63. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
 - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - (b) in connection with the business of the company.
64. The Board may pay all expenses incurred in getting up and registering the company.
65. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
66. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
67. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
68. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

69. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
70. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
71. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
72. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.
73. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
74. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
75. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
76. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
77. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
78. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
79. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

80. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

81. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
82. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
83. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
84. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
85. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
86. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
87. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

88. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
89. No dividend shall bear interest against the company.

ACCOUNTS

90. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

WINDING UP

91. Subject to the provisions of Chapter XX of the Act and rules made there under—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

92. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 1051, Industrial Area, Jalandhar, Punjab between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A) Material contracts for the Issue

1. Issue Agreement dated February 06, 2020 between our Company and the Lead Manager.
2. Registrar Agreement dated September 07, 2019 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●] amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●] amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated February 06, 2020 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated July 19, 2019 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
7. Tripartite agreement dated July 12, 2019 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

B) Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated September 02, 2019 in relation to the Issue and other related matters.
3. Shareholders' resolution dated September 07, 2019 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Market Maker and Banker to the Issue to include their names in this Draft Prospectus and to act in their respective capacities.

5. Peer Review Auditors Report dated May 14, 2020 on Restated Financial Statements of our Company for the period ended December 31, 2019 and financial years ended March 31, 2019, 2018 and 2017.
6. The Report dated May 23, 2020 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus.
7. Copy of approval from BSE Limited vide letter dated [●] to use the name of BSE SME in this offer document for listing of Equity Shares on BSE SME
8. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956 / Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Name	Designation	Signature
Vimal Parkash Jain (DIN: 01063027)	Chairman and Whole time Director	Sd/-
Amit Jain (DIN: 01063087)	Managing Director	Sd/-
Pamila Jain (DIN: 01063136)	Wholetime Director	Sd/-
Rajni Sharma (DIN: 08510736)	Independent Director	Sd/-
Surinder Kumar Salwan (DIN: 08510741)	Independent Director	Sd/-
Ravi Bhushan Jain (DIN: 08510737)	Independent Director	Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Pamila Jain	Sd/-
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Date: June 27, 2020

Place: Punjab