



Ajay Kumar Siwach

FCS, LL.B., IP, RV, MBA

Registered Valuer – SFA
Insolvency Professional
Certified Independent Director

Date: 29th March, 2022

To,

The Board of Directors

Atam Valves Limited

CIN: L27109PB1985PLC006476

Registered office: 1051, Outside Industrial Area,
Jalandhar, Punjab - 144004

Dear Sir,

SUB: VALUATION REPORT PURSUANT TO REGULATION 166A(1) OF SEBI (ICDR) REGULATIONS, 2018

We refer to our engagement vide Audit Committee Resolution dated 29th March 2022 wherein Atam Valves Limited ("Company") has requested undersigned Ajay Kumar Siwach ("Registered Valuer") to evaluate the Issue price as per Regulation 164(1), SEBI (ICDR) Regulations, 2018 (read with other applicable regulations) for the proposed issue of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity shares on preferential basis to promoter and promoter group of the company.

We hereby enclose the Report on Valuation for the evaluation of Issue Price for the proposed allotment of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity shares on preferential basis to promoter and promoter group of the company. This Valuation Report is prepared in compliance with Regulation 166A(1) and 164(1) of SEBI (ICDR) Regulations, 2018. The sole purpose of this report is to assist the Company to determine the Issue price for the accounting purpose of issue of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity shares on preferential basis to promoter and promoter group of the company.

Based on the Scope and limitations of work, Sources of information and Valuation methodology of the report and the explanations therein, the Issue Price for the proposed issue of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity shares on preferential basis amounts to **Rs. 50.09 per share** (rounded off to nearest decimal as **Rs 50.00 per share**) calculated as per Regulation 164(1) of SEBI (ICDR) Regulations, 2018.



Ajay Kumar Siwach

Registered Valuer – Securities or Financial Assets

Registration No. IBBI/RV/05/2019/11412



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VALUATION ANALYSIS

We refer to our Engagement vide Audit Committee Resolution dated 29th March 2022 confirming our appointment as Registered valuers of Atam Valves Limited (the “Company”). In the following paragraphs, we have summarized our Valuation Analysis (the “Analysis”) of the business of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work as mentioned in herein below in this report.

1. Context and Purpose

Based on discussion with the Management, we understand that the Company is in process of issue of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants are proposed to be issued to promoters and promoters group of the company.

2. Assumptions

We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of all investments in securities or partnership interests, and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company through any sale, reorganization or reduction of any owner’s/manager’s participation in the existing activities of the Company.

We have been informed by management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3. Background of the company and Industry

Atam Valves Limited having its registered office at 1051, Outside Industrial Area, Jalandhar, Punjab – 144004, was incorporated on 30th September 1985

The Company is managed by Directors namely:



DIN	Name
01063027	VIMAL PARKASH JAIN
01063087	AMIT JAIN
01063136	PAMILA JAIN
08510736	RAJNI SHARMA
08510737	RAVI BHUSHAN JAIN
08510741	SURINDER KUMAR SALWAN

The company is one of the leading manufacturer of Industrial & Plumbing Valves and Fittings, known for innovation and product quality. In 1982 the organization has diversified from manufacturing of bushings to design, engineer and manufacturer of Industrial Valves under the brand “ATAM”. In 1992 company further diversified its manufacturing to ‘FEBI’ make Ball Valves under the banner of FEBI Valves Pvt. Ltd.

4. Background information of the asset being valued

Equity shares of Atam Valves Limited.

5. Purpose of valuation and appointing authority:

To arrive at Issue price per share as per Regulation 164(1) of SEBI (ICDR) Regulations, 2018 for the proposed issue of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity shares on preferential basis to promoters and promoters group of the company.

6. Disclosure of valuer interest / conflict, if any:

Nil.

7. Date of appointment, valuation date and date of report:

Date of appointment	29 th March 2022
Valuation date	21 st March 2022
Date of report	29 th March 2022



8. Basis / bases of value used

As per Regulation 164(1) of SEBI ICDR Regulations, 2018 “If the equity shares of the issuer have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be **not less than higher** of the following:

- a) the 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date or
- b) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.”

The book value of the Equity shares of the Company as on 31st March, 2021 is Rs. 24.16/-

Hence, the higher of the price calculated as per Regulation 164(1) of SEBI (ICDR) Regulations, 2018 and the Book value of the Equity shares of the Company as on 31st March, 2021 shall be considered to ascertain the Issue Price for the proposed issue of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity shares on preferential basis to promoters and promoter group of the company.

9. Valuation Standards

The Report has been prepared in compliance with the SEBI ICDR Regulations, 2018.

10. Valuation Methodology, Approach and Procedures adopted in carrying out the valuation

Issue Price per share has been calculated as per Regulation 164(1) of Chapter V of SEBI ICDR Regulations, 2018.

11. Valuation of the Issue Price per share

The valuation of the Issue price per share is arrived at as per Regulation 164(1) of Chapter V of SEBI ICDR Regulations, 2018. The Price Calculation is attached herewith as Annexure-A.

12. Sources of Information

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to the services sector in which the Company is operating as available in the public domain. Specifically, the sources of information include:

1. Objective for the proposed Preferential issue;
2. Discussions with the Management;
3. BSE Website;
4. In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.



13. Distribution of report

The Analysis is confidential and has been prepared exclusively for finding out of Issue price per share for the proposed issue of 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity Shares on preferential basis to promoters and promoter group of the company. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of Ajay Kumar Siwach, Registered Valuer. Such consent will only be given after full consideration of the circumstances at the time.

14. Opinion of Issue price of the share and valuation summary:

Accordingly, based on the information available, Issue Price per share for the proposed issue 23,49,000 Equity Warrants convertible into Equity shares, out of which 18,00,000 Equity Warrants convertible into Equity shares is estimated at Rs. 50.00/- per share. Hence, the Company has fixed the Issue Price of **Rs. 50.00/- per share** calculated as per Regulation 164(1) of SEBI ICDR Regulations, 2018.

Yours Faithfully



Ajay Kumar Siwach
Registered Valuer – Securities or Financial Assets
Registration No. IBBI/RV/05/2019/11412
29th March 2022

**Annexure A**

Calculation of Issue Price as per Regulation 164(1) of SEBI ICDR Regulations, 2018

S.No	Date	Day	Open Price	Close Price	WAP
1	17-Mar-22*	Thursday	44.15	55.55	52.50
2	16-Mar-22	Wednesday	52.50	52.65	52.63
3	14-Mar-22	Monday	48.05	48.05	48.05
4	09-Mar-22	Wednesday	53.90	47.80	52.28
5	08-Mar-22	Tuesday	45.00	45.00	45.00
6	03-Mar-22	Thursday	45.50	47.50	50.39
7	02-Mar-22	Wednesday	50.40	50.40	50.40
8	25-Feb-22	Friday	52.05	42.00	48.03
9	21-Feb-22	Monday	53.50	43.40	50.27
10	16-Feb-22	Wednesday	48.00	48.00	48.00
11	11-Feb-22	Friday	50.00	51.45	48.63
12	10-Feb-22	Thursday	52.00	48.65	47.16
13	04-Feb-22	Friday	46.00	46.00	46.00
14	02-Feb-22	Wednesday	44.00	44.00	44.00
15	28-Jan-22	Friday	53.65	53.65	53.65
16	27-Jan-22	Thursday	54.00	53.95	50.79
17	25-Jan-22	Tuesday	45.00	45.00	45.00
18	21-Jan-22	Friday	42.00	41.10	41.55
19	20-Jan-22	Thursday	50.90	50.90	50.90
20	18-Jan-22	Tuesday	50.20	45.00	49.95
21	14-Jan-22	Friday	44.05	50.25	47.15
22	10-Jan-22	Monday	41.25	50.65	49.11
23	05-Jan-22	Wednesday	40.00	45.10	45.95
24	04-Jan-22	Tuesday	49.00	49.00	49.00
25	03-Jan-22	Monday	47.50	47.50	47.50
26	30-Dec-21	Thursday	43.50	43.50	43.50
27	28-Dec-21	Tuesday	49.00	51.90	50.48
28	27-Dec-21	Monday	47.50	46.00	46.75
29	24-Dec-21	Friday	52.75	52.75	52.75
30	07-Dec-21	Tuesday	44.10	44.10	44.10
31	03-Dec-21	Friday	45.00	45.00	45.00
32	26-Nov-21	Friday	52.50	50.00	52.49
33	23-Nov-21	Tuesday	46.00	48.00	47.32



34	17-Nov-21	Wednesday	40.00	40.00	40.00
35	16-Nov-21	Tuesday	37.25	46.95	42.10
36	11-Nov-21	Thursday	49.45	42.30	45.88
37	09-Nov-21	Tuesday	45.65	45.70	45.68

* 18th, 19th & 20th March 2022 were trading holidays on account of Good Friday, Saturday & Sunday respectively.

90 DAYS
AVERAGE 47.84

10 DAYS
AVERAGE 50.09

Highest of
above
two **50.09**

Therefore, Issue Price per share fixed by the Company is **Rs. 50.00/- (rounded off to nearest decimal)** calculated as per Regulation 164(1) of SEBI ICDR Regulations, 2018.

