

**Valuation Report
Of
SOM DISTILLERIES & BREWERIES LTD**

CIN: L74899DLI993PLC052787

**Prepared by:
SANKA HARI SURYA
(IBBI REGISTERED VALUER)
Registration No: IBBI/RV/07/2019/12576**

Report Date: 8th July, 2023

Contact Details

**Shree Mahavir Sadhana Chs, D-602,
Plot No. 18 EFG, Sector-14,
Navi Mumbai, Sanpada- 400705
Maharashtra**

M: +91 9833932080, E-Mail: ca.harisurya@gmail.com



Table of Contents

Purpose
About the Valuer
Background/Information of the Company
Shareholding Pattern of the Company
Appointing Authority
Disclosure of Valuer's Interest
Source of Information
Approach Considered in Value Analysis
Selection of Valuation Methodology
Valuation & Conclusion
Limitations & Disclaimers



Date: 8th July, 2023

To,
The Board of Directors
SOM DISTILLERIES & BREWERIES LTD
I - A, Zee Plaza, Kamal Cinema Road, Arjun Nagar,
Safdarjung Enclave, New Delhi, Delhi, 110029

Dear Sir/Madam,

Subject: Valuation of Equity Shares of SOM DISTILLERIES & BREWERIES LTD (SDBL)

I. Purpose:

We have been engaged by SDBL having Registered office at I - A, Zee Plaza, Kamal Cinema Road, Arjun Nagar, Safdarjung Enclave, New Delhi, Delhi, 110029 for the purpose of valuation of equity shares of SDBL (“**SDBL**”/ “**Company**”).

SDBL is evaluating the fair market value of equity shares under preferential issue of shares under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018). Since, the Board of the Directors proposed to issue equity shares more than 5% to some of the proposed allottees, SDBL requires Valuation of its shares for issuing shares in terms of the amended regulation 166A of SEBI ICDR 2018.

Accordingly, as per the request received from the company, we are valuing the Equity Shares of the Company.

The information contained herein and our report is confidential. It is intended only for the sole use for SDBL, and only in connection with the purpose mentioned above. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the purpose as aforesaid, can be done only with our prior permission in writing.

II. About the Valuer:

Mr. Sanka Hari Surya is an Independent valuer and he is registered with Insolvency and Bankruptcy Board of India (“IBBI”) with Registration No.: IBBI/RV/07/2019/12576 for the purpose of carrying out the said valuation of equity shares.

III. Background/Information about SDBL

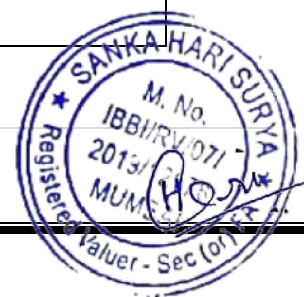
SDBL is based at Delhi and Incorporated in the year 1993. The Registered office of the Company is situated at I - A, Zee Plaza, Kamal Cinema Road, Arjun Nagar, Safdarjung Enclave, New Delhi, Delhi, 110029.

The Company is presently listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Share Capital of the Company, on a fully diluted basis, as on 30th June, 2023 is as under:

Particulars	Amount in INR Lakhs
Issued, subscribed and paid up Capital 7,72,60,525 Equity Share of INR 5 each fully paid-up	3,863.03

(Source: Shareholding Pattern as on 30th June, 2023 filed with BSE)



IV. Shareholding Pattern of SDBL

Shareholding pattern as on 30th June, 2023.

Particulars	No of Equity Shares	% of Holding
Promoter & Promoter Group	2,66,28,572	34.47
Other than Promoter & Promoter Group	5,06,31,953	65.53
Total	7,72,60,525	100.00

(Source: Shareholding Pattern as on 30th June, 2023 filed with BSE)

V. Appointing Authority:

We were assigned with this project of valuation of the Equity shares of the Company by the Audit Committee of Board (ACB) of the Board of Directors of the Company.

VI. Disclosure of Valuer's Interest/ Conflict:

The Valuer is not related to the SDBL or its promoters or its Director or their relatives. The valuer does not have any interest or conflict of interest with respect to the valuation under consideration.

VII. Sources of Information:

We were provided with the following information by SDBL for the valuation purpose as aforesaid:

- Brief background of the business of the Company;
- Audited Financial Statements of last 5 years;
- Information available in the Public Domain;
- Latest Shareholding Pattern on 30th June, 2023;
- Memorandum and Articles of Association of the Company; and
- Market prices available on BSE and NSE Websites.

VIII. Approach Considered in our Value Analysis:

General Principle for Valuation

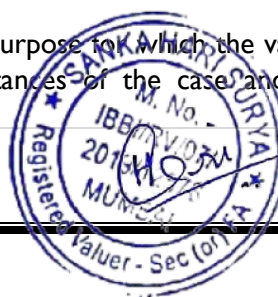
There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

Broadly there are three approaches of Valuations which are as follows:

- a) "Net Asset Approach"
- b) "Profit Earning Capacity Value"- PECV approach
- c) "Market" Approach

IN SUMMARY:

The application of any method of valuation depends on the purpose for which the valuation exercise is performed; relevance of each method under the circumstances of the case and other factors as



determined appropriate. The brief methodology in each of the three approaches as mentioned above is as mentioned hereunder:

- **Net Asset Approach:** This method takes into account the value of the assets of the business or the net worth as represented in the financial statements of the Company. For the purposes of arriving at net asset value per share, the net worth so arrived at shall be divided by the number of equity shares issued and paid-up.
- **Profit Earning Capacity Value (PECV) Approach:** This method of valuation presumes the continuity of the business and uses the past earnings to arrive at an estimate of future maintainable profits (FMP). For the purpose of the calculating PECV of shares, commonly accepted approach is to capitalize weighted average of past earnings, at an appropriate rate of capitalization, to arrive at the fair value per share.
- **Market Approach:** The market approach is a method of determining the value of shares based on the quoted price in the respective stock exchange where the shares have been listed.

Selection of Valuation Methodology

The objective of the valuation process is to make a best reasonable judgment of the value of the Equity Shares of the Company. The Company's Equity shares are presently listed on BSE and NSE and are frequently traded at BSE and NSE. However, the Company has highest trading volume at NSE.

Further, since the Company proposed to issue shares more than 5% to some of the allottees, in terms of the provisions of Regulation 166 of SEBI ICDR 2018, as amended upto date, SDBL requires Valuation of its Equity shares for issuing Equity shares on preferential basis. Accordingly, the minimum price shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164 or the price determined by the Valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer.

Therefore, for the evaluation of fair valuation, we, being an independent Valuer, have considered best reasonable judgment to value the equity shares through weighted average of Market Approach (Price calculated in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018) and Net Asset Value and Price Earning Capacity Value (PECV).

Further, the Equity Shares of the Company is frequently traded at the BSE and NSE and highest trading volume at NSE and Price in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018 has been determined considering 6th July, 2023 as relevant date in terms of SEBI ICDR 2018 as follows:

Minimum of the Higher of the price determined through following methods was considered:

- Price determined under sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR Regulations as per following provisions i.e. price shall be not less than higher of the following:
 - The 90 (ninety) days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
 - The 10 (ten) days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date



Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

The minimum price per Equity Share in accordance with Regulation 164 of the SEBI (ICDR) Regulations is calculated at Rs. 274.34 per equity share as per **Annexure I** and we, being an Independent Valuer, have calculated Rs. 229.07 per equity shares as the fair value price of each Equity Share in accordance with Regulation 166A of the SEBI (ICDR) Regulations as per **Annexure II**.

Method of determination of price as per the Articles of Association of the Company – Not applicable as the Articles of Association of the Company are silent on the determination of a floor price/minimum price of the shares issued on preferential basis.

Following is the summary of the Valuation:

Value per Share as per Regulation 164 of SEBI ICDR 2018 - <i>as per Annexure-I.</i>	Rs. 274.34
Fair Value per Share- <i>as per Annexure-II.</i>	Rs. 229.07
Price Calculated as per Articles of Association of the Company	N.A.
Whichever is higher as above	Rs. 274.34
Minimum price per Equity Share as per regulation 166A of SEBI ICDR 2018	Rs. 274.34

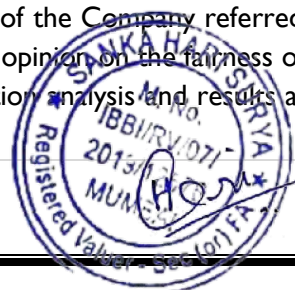
Valuation & Conclusion:

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors.

The Fair Market Value per equity share of SDBL as per above methodology is INR 274.34/- (Indian Rupees Two Hundred Seventy Four and Thirty Four paise).

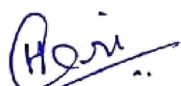
Limitations & Disclaimers:

- Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review, due diligence or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.
- Our work does not constitute an audit or certification of the historical financial statements/prospective results including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific



to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

- In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the Equity shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with SDBL and our work and our finding shall not constitute a recommendation as to whether or not the SDBL/ Company should carry out the transaction.
- Our report is meant for the purpose as mentioned and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- Neither Valuer, nor its partners/directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.



Sanka Hari Surya
(Registered Valuer)
IBBI/RV/07/2019/12576



Date: 8th July, 2023

Place: Mumbai

Annexure-I

Calculation of Price as per regulation 164 of SEBI ICDR 2018.

As per SEBI ICDR 2018, the Company's Equity shares are Frequently Traded at BSE and NSE and has highest trading volume at NSE. If the equity shares of the issuer have been listed on a recognised 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:

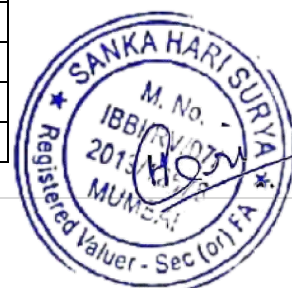
Market Price (90 trading days volume weighted average price quoted at NSE during the 90 trading days preceding the relevant date i.e. 6 th July, 2023) Note (1) below	Rs. 187.35
Market Price (10 trading days volume weighted average price quoted at NSE during the 10 trading days preceding the relevant date i.e. 6 th July, 2023) Note (2) below	Rs. 274.34
Whichever is higher as above	Rs. 274.34

Method of determination of price as per the Articles of Association of the Company – Not applicable as the Articles of Association of the Company are silent on the determination of a floor price/minimum price of the shares issued on preferential basis.

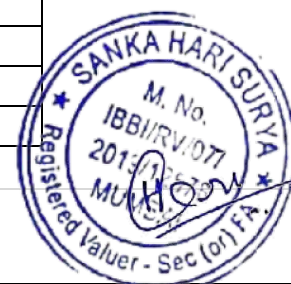
Note (1)

Market Price (90 trading days volume weighted average price quoted at NSE during the 90 trading days preceding the relevant date i.e. 6th July, 2023):

S.No.	Date	VOLUME	VALUE
1	05-Jul-23	10,46,457	31,75,30,137.50
2	04-Jul-23	12,03,028	34,49,54,899.30
3	03-Jul-23	6,78,072	18,41,28,886.20
4	30-Jun-23	7,11,408	18,65,22,180.70
5	28-Jun-23	3,30,657	8,48,99,233.10
6	27-Jun-23	1,55,571	3,96,39,519.40
7	26-Jun-23	3,74,549	9,57,62,338.30
8	23-Jun-23	4,52,554	11,41,22,712.70
9	22-Jun-23	2,36,997	6,11,31,103.55
10	21-Jun-23	4,21,754	11,06,54,941.55
11	20-Jun-23	6,84,895	17,90,63,754.80
12	19-Jun-23	8,13,898	20,67,69,726.05
13	16-Jun-23	2,95,142	7,25,90,766.50
14	15-Jun-23	5,53,232	13,51,55,957.40
15	14-Jun-23	3,62,221	9,05,34,616.30
16	13-Jun-23	3,17,783	7,86,12,975.60
17	12-Jun-23	5,32,693	13,36,23,457.80



S.No.	Date	VOLUME	VALUE
18	09-Jun-23	4,37,768	10,99,72,396.05
19	08-Jun-23	11,76,837	29,84,76,878.05
20	07-Jun-23	5,86,192	15,76,98,801.20
21	06-Jun-23	12,60,512	33,64,28,846.00
22	05-Jun-23	13,83,684	34,43,75,494.95
23	02-Jun-23	3,55,135	8,14,35,839.95
24	01-Jun-23	5,69,391	12,88,56,546.10
25	31-May-23	4,04,256	9,38,42,000.00
26	30-May-23	5,28,570	12,02,80,992.60
27	29-May-23	8,56,693	19,27,23,722.95
28	26-May-23	3,94,449	8,52,32,835.60
29	25-May-23	4,67,905	10,06,71,564.30
30	24-May-23	11,36,466	24,20,91,107.10
31	23-May-23	9,33,220	19,24,51,447.25
32	22-May-23	22,40,381	45,52,42,271.25
33	19-May-23	10,22,307	19,30,12,641.00
34	18-May-23	3,32,753	6,09,82,801.40
35	17-May-23	2,80,813	5,02,89,336.55
36	16-May-23	2,81,482	5,02,96,928.25
37	15-May-23	4,69,142	8,56,00,885.20
38	12-May-23	1,51,340	2,75,96,312.35
39	11-May-23	3,22,143	5,87,12,068.10
40	10-May-23	5,71,225	10,26,78,879.70
41	09-May-23	6,81,229	12,73,73,965.05
42	08-May-23	7,02,501	13,08,81,081.70
43	05-May-23	10,48,845	18,90,19,509.05
44	04-May-23	4,74,296	8,23,02,741.60
45	03-May-23	3,85,884	6,65,63,628.65
46	02-May-23	11,26,187	19,48,10,556.20
47	28-Apr-23	8,79,822	14,97,34,555.55
48	27-Apr-23	11,52,313	19,96,98,492.20
49	26-Apr-23	6,16,764	10,53,06,665.05
50	25-Apr-23	5,49,586	9,24,84,378.90
51	24-Apr-23	4,71,256	8,11,88,665.05
52	21-Apr-23	9,84,557	16,77,46,412.50
53	20-Apr-23	13,63,047	23,34,02,857.40
54	19-Apr-23	33,16,582	55,78,60,512.95
55	18-Apr-23	8,15,865	12,96,74,209.35
56	17-Apr-23	4,95,401	7,64,68,060.30
57	13-Apr-23	5,54,461	8,40,57,138.25
58	12-Apr-23	6,84,725	10,68,78,561.10
59	11-Apr-23	13,48,340	20,43,71,616.90
60	10-Apr-23	14,65,432	21,87,91,123.10
61	06-Apr-23	8,20,469	13,06,00,082.55
62	05-Apr-23	15,34,189	24,28,73,696.10



S.No.	Date	VOLUME	VALUE
63	03-Apr-23	25,77,173	40,69,62,800.65
64	31-Mar-23	24,71,018	37,07,70,248.70
65	29-Mar-23	5,92,282	8,24,75,576.35
66	28-Mar-23	5,21,146	7,22,33,307.05
67	27-Mar-23	6,05,523	8,27,51,866.85
68	24-Mar-23	4,12,816	5,64,77,413.75
69	23-Mar-23	2,37,977	3,20,54,490.15
70	22-Mar-23	1,68,711	2,25,93,431.55
71	21-Mar-23	3,10,504	4,13,82,737.60
72	20-Mar-23	3,20,680	4,38,63,424.00
73	17-Mar-23	4,06,163	5,63,78,438.85
74	16-Mar-23	3,72,430	5,03,80,522.35
75	15-Mar-23	10,29,989	14,73,71,620.00
76	14-Mar-23	4,91,427	6,86,54,348.75
77	13-Mar-23	7,79,907	10,99,59,273.90
78	10-Mar-23	4,37,436	6,01,81,102.35
79	09-Mar-23	16,17,942	22,84,44,636.60
80	08-Mar-23	17,38,420	23,29,90,151.60
81	06-Mar-23	2,90,156	3,53,86,258.25
82	03-Mar-23	2,86,943	3,41,96,161.75
83	02-Mar-23	1,66,658	1,97,06,241.25
84	01-Mar-23	1,54,718	1,81,82,888.85
85	28-Feb-23	2,13,751	2,45,90,607.15
86	27-Feb-23	1,33,793	1,54,08,234.40
87	24-Feb-23	2,21,812	2,59,54,484.05
88	23-Feb-23	87,077	1,01,02,897.35
89	22-Feb-23	2,94,225	3,42,34,220.70
90	21-Feb-23	2,61,689	3,11,89,186.35
	90 days VWAP	6,40,07,692.00	11,99,16,12,883.30
		Rs.	187.35

Note (2)

Market Price (10 trading days volume weighted average price quoted at NSE during the 10 trading days preceding the relevant date i.e. 6th July, 2023):

S.No.	Date	VOLUME	VALUE
1	05-Jul-23	10,46,457	31,75,30,137.50
2	04-Jul-23	12,03,028	34,49,54,899.30
3	03-Jul-23	6,78,072	18,41,28,886.20
4	30-Jun-23	7,11,408	18,65,22,180.70
5	28-Jun-23	3,30,657	8,48,99,233.10
6	27-Jun-23	1,55,571	3,96,39,519.40
7	26-Jun-23	3,74,549	9,57,62,338.30
8	23-Jun-23	4,52,554	11,41,22,712.70
9	22-Jun-23	2,36,997	6,11,31,103.55
10	21-Jun-23	4,21,754	11,06,54,941.55



S.No.	Date	VOLUME	VALUE
	10 days VWAP	56,11,047	1,53,93,45,952
		Rs.	274.34

Annexure II

Calculation of Fair Value

1. Net Asset Approach

Particulars	Amt in INR Lakhs
Equity Shares Capital as on relevant date	3,688.23
Add: Reserve and Surplus as on 31 st March, 2023	33,848.71
Add: fund raised post 31 st March, 2023	4,894.33
Net worth	42,431.27
No of shares as on relevant date	7,72,60,525
Book Value per Share (Rs.)	54.92

** Rounded off upto two decimal places.

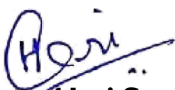
2. **Market Approach:** The Price calculated in terms of regulation 164 of SEBI ICDR 2018 i.e. Rs. 274.34 per Equity Share (as per Annexure I).

3. Price Earning Capacity Value

B] PECV METHOD	PAT	Weights	Product
2023	6,030.23	1	6,030.23
2022	-984.00	0	-
2021	-3,807.28	0	-
2020	1,502.11	1	1,502.11
2019	1,974.21	1	1,974.21
AVG		3	9,506.55
Capitalization @10%	31,688.49		
Number of Equity Shares	7,72,60,525		
Value per equity share	41.02		

Fair Value –Closing Market Price as on relevant date as follow:

Weightaged Average	Price per Share (Rs.)	Weight (%)	Product
NAV	54.92	10%	5.49
Market Price	274.34	80%	219.47
PECV	41.02	10%	4.10
		Price (Rs.)	229.07


Sanka Hari Surya
 (Registered Valuer)
 IBBI/RV/07/2019/12576



Date: 8th July, 2023
Place: Mumbai