

**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: 9th December, 2022

Contact Details

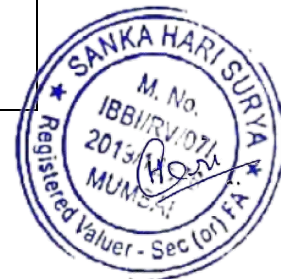
**Shree Mahavir Sadhana Chs, D-602,
Plot No. 18 EFG, Sector-14,
Navi Mumbai, Sanpada- 400705
Maharashtra**

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



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Date: 9th December, 2022

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

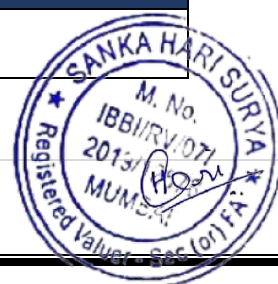
SDBL is based at Delhi and Incorporated in the year 1993. The Registered office of the Company is situated at I - A, Zee Plaza, Kamal Cinema Road, Arjun Nagar, Safdarjung Enclave, New Delhi, Delhi, 110029.

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 8th December, 2022 is as under:

Particulars	Amount in INR Lakhs
Issued, subscribed and paid up Capital	3,624.34
7,24,86,796 Equity Share of INR 5 each fully paid-up	

(Source: Shareholding Pattern as on 18th November, 2022 filed with BSE)



IV. Shareholding Pattern of SDBL

Shareholding pattern as on 18th November, 2022.

Particulars	No of Equity Shares	% of Holding
Promoter & Promoter Group	2,41,34,100	33.29
Other than Promoter & Promoter Group	4,83,52,696	66.71
Total	7,24,86,796	100.00

(Source: Shareholding Pattern as on 18th November, 2022 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 18th November, 2022;
- ☐ 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 8th December, 2022 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. 141.29 per equity share as per **Annexure I** and we, being an Independent Valuer, have calculated Rs. 120.44 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 - as per Annexure-I.	Rs. 141.29
Fair Value per Share- as per Annexure-II.	Rs. 120.44
Price Calculated as per Articles of Association of the Company	N.A.
Whichever is higher as above	Rs. 141.29
Minimum price per Equity Share as per regulation 166A of SEBI ICDR 2018	Rs. 141.29

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 141.29/- (Indian Rupees One Hundred Forty One and Twenty Nine paisa).

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: 9th December, 2022
Place: Mumbai



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. 8 th December, 2022)- Annexure-III	Rs. 113.58
Market Price (10 trading days volume weighted average price quoted at NSE during the 10 trading days preceding the relevant date i.e. 8 th December, 2022)- Annexure-III	Rs. 141.29
Whichever is higher as above	Rs. 141.29

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.



Calculation of Fair Value

I. Net Asset Approach

Particulars	Amt in INR Lakhs
Equity Shares Capital as on relevant date	3499.34
Add: Reserve and Surplus as on 30 th September, 2022	28833.28
Add: Security Premium on allotment of shares on 18 th November, 2022	1225.00
Net worth	33,682.62
No of shares as on relevant date	7,24,86,796
Book Value per Share (Rs.)	46.47

** Rounded off upto two decimal places.

2. **Market Approach:** The Price calculated in terms of regulation 164 of SEBI ICDR 2018 i.e. Rs. 141.29 per Equity Share (as per Annexure I).

3. Price Earning Capacity Value

B] PECV METHOD	PAT	Weights	Product
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
2018	2,523.27	1	2,523.27
AVG		3	5,999.58
Capitalization @10%	19,999		
Number of Equity Shares	7,24,86,796		
Value per equity share	27.59		

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

Weightaged Average	Price per Share	Weight	Product
NAV	46.47	10%	4.65
Market Price (Annexure-III)	141.29	80%	113.03
PECV	27.59	10%	2.76
		Price	120.44


Sanka Hari Surya
(Registered Valuer)

IBBI/RV/07/2019/12576

Date: 9th December, 2022

Place: Mumbai



Calculation of Market Price:

A) Volume weighted average price (VWAP) of the equity shares of SDBL quoted on the National Stock Exchange of India Limited during the 90 trading days preceding the Relevant Date.

Trading Days	Date	Total Traded Quantity	Total Turnover (Rs.)
1	27-Jul-22	1710539	159836039.7
2	28-Jul-22	937583	85580752.4
3	29-Jul-22	669838	60341141.35
4	01-Aug-22	1273875	119286951.3
5	02-Aug-22	715045	65506233.95
6	03-Aug-22	285541	26196709.05
7	04-Aug-22	382946	35054299.65
8	05-Aug-22	277603	24993686.7
9	08-Aug-22	554922	51880335.15
10	10-Aug-22	1026649	101198591.4
11	11-Aug-22	831344	83040469.6
12	12-Aug-22	894927	90168321.05
13	16-Aug-22	537275	52991971.5
14	17-Aug-22	325493	31237420
15	18-Aug-22	414103	39535921.55
16	19-Aug-22	346139	32952829.3
17	22-Aug-22	405206	37119327.45
18	23-Aug-22	519884	47403796.35
19	24-Aug-22	293564	26577926.2
20	25-Aug-22	696956	65987415.35
21	26-Aug-22	576595	53856433.25
22	29-Aug-22	520325	46722238.35
23	30-Aug-22	267452	24505507.9
24	01-Sep-22	681756	64720191.95
25	02-Sep-22	759855	75401423.2
26	05-Sep-22	1251566	128341620.2
27	06-Sep-22	580600	59273683.7
28	07-Sep-22	403568	39943929.65
29	08-Sep-22	209871	20605219.5
30	09-Sep-22	420387	42223856.3
31	12-Sep-22	353996	35896137.35
32	13-Sep-22	295876	29418347.3
33	14-Sep-22	376293	37564415.2
34	15-Sep-22	459765	45766413.6
35	16-Sep-22	263138	25899092.35
36	19-Sep-22	169735	16528056.05
37	20-Sep-22	756686	75898763.5
38	21-Sep-22	1257361	131305771
39	22-Sep-22	1139207	119434242.6
40	23-Sep-22	646238	69968553.6



41	26-Sep-22	915433	101717598.3
42	27-Sep-22	486330	53528429.15
43	28-Sep-22	299965	32450869.7
44	29-Sep-22	759960	84313155.3
45	30-Sep-22	2272817	252910030.9
46	03-Oct-22	1610911	195852678.8
47	04-Oct-22	838642	103360773.2
48	06-Oct-22	1200868	155399124.4
49	07-Oct-22	786499	102636625.4
50	10-Oct-22	448440	57695270.1
51	11-Oct-22	971487	117166595.3
52	12-Oct-22	1352539	159517567.3
53	13-Oct-22	428506	51382322.45
54	14-Oct-22	343178	41409267.75
55	17-Oct-22	882059	109078077.6
56	18-Oct-22	523767	66426212.8
57	19-Oct-22	388649	48509671.05
58	20-Oct-22	281319	35107746.65
59	21-Oct-22	254177	30081847.95
60	24-Oct-22	656450	73892144.65
61	25-Oct-22	2145524	229810922.5
62	27-Oct-22	1331204	142532539.1
63	28-Oct-22	639397	70064376
64	31-Oct-22	411986	44724426.7
65	01-Nov-22	422077	45494445.7
66	02-Nov-22	639123	69135810.6
67	03-Nov-22	326288	36117515.4
68	04-Nov-22	991236	114467424.3
69	07-Nov-22	456436	52420444.8
70	09-Nov-22	466524	52478601.45
71	10-Nov-22	186135	20673492.75
72	11-Nov-22	192152	21529906.85
73	14-Nov-22	134122	14962569.65
74	15-Nov-22	584742	67300709.2
75	16-Nov-22	1282764	155583256.8
76	17-Nov-22	372506	44775619.45
77	18-Nov-22	256042	30332405.4
78	21-Nov-22	591279	71903047.35
79	22-Nov-22	1305773	167690142.5
80	23-Nov-22	2267568	292447880.7
81	24-Nov-22	2788442	391528569.9
82	25-Nov-22	1349806	185924376.9
83	28-Nov-22	1204511	166885303.2
84	29-Nov-22	724955	102870456.9
85	30-Nov-22	411135	57546891.15
86	01-Dec-22	254035	35262501.5
87	02-Dec-22	1290670	186475060.4
88	05-Dec-22	740921	109826693.5



89	06-Dec-22	450101	65826610.45
90	07-Dec-22	592886	83533367.7
Total		65002038	7382725413
90 Trading Days VWAP (Rs.)			113.58

B) Volume weighted average price (VWAP) of the equity shares of SDBL quoted on the National Stock Exchange of India Limited during the 10 trading days preceding the Relevant Date.

Trading Days	Date	Total Traded Quantity	Total Turnover (Rs.)
1	24-Nov-22	2788442	391528569.9
2	25-Nov-22	1349806	185924376.9
3	28-Nov-22	1204511	166885303.2
4	29-Nov-22	724955	102870456.9
5	30-Nov-22	411135	57546891.15
6	01-Dec-22	254035	35262501.5
7	02-Dec-22	1290670	186475060.4
8	05-Dec-22	740921	109826693.5
9	06-Dec-22	450101	65826610.45
10	07-Dec-22	592886	83533367.7
Total		9807462	1385679832
10 Trading Days VWAP (Rs.)			141.29

A) 90 trading days VWAP (Rs.)	113.58
B) 10 trading days VWAP (Rs.)	141.29
Applicable Minimum Price (Higher of the A or B) (Rs.)	141.29

