

SHARE EXCHANGE RATIO REPORT

**for the
PROPOSED MERGER
of
INDO BEVS PRIVATE LIMITED
(Transferor Company)
WITH
INDOSPIRIT BEVERAGES PRIVATE LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS
AND
CREDITORS**

Prepared By:

CA. Punam Singal

Registered Valuer

IBBI Registration No. - IBBI/RV/11/2019/12585

WA 109, B2, 2nd floor, Shakarpur, Delhi - 92

Mobile – 9654883278

Email - punam@singalandcompany.com

Reference:

Date: June 13, 2025

To The Board of Directors Indo Bevs Private Limited B-230, Okhla Industrial Area Phase-I, Delhi- 110020, India	To The Board of Directors Indospirit Beverages Private Limited B-230, Ground Floor, Okhla Industrial Area Phase-I, Delhi- 110020, India
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SUBJECT: RECOMMENDATIONS ON SHARE EXCHANGE RATIO (THE "REPORT")

I refer to engagement letter dated June 05, 2025 wherein the Board of Directors of Indo Bevs Private Limited and Indospirit Beverages Private Limited has engaged me to assess the share exchange ratio for proposed merger of Indo Bevs Private Limited (Transferor Company) with Indospirit Beverages Private Limited (Transferee Company) under a Scheme of Amalgamation under Section 230 and 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and Rules framed thereunder.

The Report is subject to the scope of limitations, exclusions and disclaimers detailed in the Report attached herewith. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

The Report is subject to the laws in India.



1. **BACKGROUND INFORMATION OF THE ASSETS BEING VALUED:**

A. Indospirit Beverages Private Limited (hereinafter referred to as the “**IBPL**” or the “**Transferee Company**”)

Indospirit Beverages Private Limited (CIN- U15100DL2014PTC263174), was incorporated under the name Bubbly Wines Private Limited and under the provisions of Companies Act, 2013 on January 07, 2014, as a private company limited by shares. The name of the Transferee Company was changed from “Bubbly Wines Private Limited” to “Indospirit Beverages Private Limited” pursuant to fresh certificate of incorporation dated August 07, 2014, and has its registered office at B-230, Ground Floor, Okhla Industrial Area Phase-I, Delhi- 110020, India and an authorized share capital of Rs. 2,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 1/- each. The issued, subscribed and paid-up share capital is Rs 1,75,37,370/- divided into 1,75,37,370 equity shares of Rs. 1/- each fully paid-up.

The main object of the Company inter-alia is:

1. To carry on in India or elsewhere the business to manufacture, produce, refine, process, formulate, buy, sell, import, export or otherwise dealing in all types of liquors and other alcoholic and Non-alcoholic beverages, bottling and drinks made for human consumption and to perform any other activity incidental thereto.
2. To act as stockiest, warehouse agent, distributors and C & F Agent of all type of beers and other alcoholic and Non-alcoholic beverages and drinks made for human consumption and to perform any other activity incidental thereto.

B. INDO BEVS PRIVATE LIMITED (hereinafter referred to as the “**Indo Bevs**” or the “**Transferor Company**”)

Indo Bevs Private Limited (CIN- U70200DL2018PTC329516), a Company incorporated under the provisions of the Companies Act, 2013 and having its registered office at B-230, Okhla Industrial Area Phase-I, Delhi- 110020, India has an authorized share capital of Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each fully paid-up.



The main object of the Company inter-alia is:

1. To act as buyers, sellers, distributors, agents, exporters, importers, hirers, designers, manufacturers, harvesters, processors, consultants and dealers in all kinds of agriculture crops, commodities, products, and by-products.
2. To carry on the business of providing all types of solutions and services in the field on agriculture to any person, firm, company, trusts, association, institution, society, body corporate, government or government department, public or local authority in India and outside India and/or to develop procedures, methods, process and principles for and to engage in research relating thereto.

2. **PROPOSED TRANSACTION:**

The Board of Directors of the **Indo Bevs Private Limited** are contemplating the merger with **Indospirit Beverages Private Limited** and under a Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 (hereinafter referred to as the "Proposed Merger") and other applicable provisions of the Companies Act, 2013, the appointed date being 01 April 2025.

The scope of my service is to conduct a relative (not absolute) valuation of the shares of **IBPL** and **Indo Bevs** and report on the Share Exchange Ratio for the Proposed Merger in accordance with the generally accepted professional standards.

Accordingly, to determine the Share Exchange Ratio for the Proposed Merger of **Indo Bevs** with **IBPL** would require determining the relative value of the equity shares of **IBPL** and **Indo Bevs**. These values are to be determined independently, but on a relative basis, without considering the effect of the Proposed Merger.

3. **APPOINTING AUTHORITY:**

For the aforesaid purpose, the Board of Directors of **IBPL** and **Indo Bevs** vide their letter dated June 05, 2025, have appointed me to study and give Share Exchange Ratio, for the issue of Transferee Company equity shares to the equity shareholders of Transferor Company.



4. **IDENTITY OF THE VALUER AND DISCLOSURE OF INTEREST:**

Name of the Valuer	Punam Singal
Address of the Valuer	WA 109, B2, 2nd Floor, Shakarpur, Delhi 92.
Contact Detail	9654883278
Email address	punam@singalandcompany.com
Qualifications	Chartered Accountant and Registered Valuer
Disclosure of Interest or Conflict	There is no conflict of interest identified.

5. **VALUATION DATE:**

Based on the understanding of the Appointed Date for Proposed Merger, I have considered the date of valuation to be 31 May 2025.

6. **NATURE AND SOURCES OF INFORMATION AND REPRESENTATIONS:**

For the Purpose of this assignment, I have relied on the following information and documents made available to me by the management of IBPL and Indo Bevs -

- Provisional financial statements of Transferor Company and Transferee Company for the financial year ended 31 May 2025.
- Copies of Memorandum and Articles of Association of the Transferor Company and the Transferee Company.
- Draft Scheme of Amalgamation.
- It has been informed to me that there are no material events and / or demand decisions - legal or otherwise against the companies which have arisen / will arise subsequent to the Appointed Date and are likely to affect materially the state of affairs as on date and / or the future maintainable profits or its net assets.

7. **INSPECTIONS AND INVESTIGATIONS UNDERTAKEN:**

The website of the Ministry of Corporate Affairs (www.mca.gov.in) was inspected to carry out the inspections of various documents filed by the Company as considered necessary in connection with performance of the duties.



8. KEY UNDERLYING ASSUMPTIONS:

For the purpose of this report, I have assumed that:

- The companies are going concern and shall continue to remain so.
- For the purpose of this assignment, I have relied upon the information and representations made available to me by the management of the respective companies.

9. VALUATION - APPROACH & METHODOLOGY:

From the facts, circumstances, information and explanations, I have used the Fair Value Base as prescribed under Indian Valuation Standard 102 *Valuation Bases* to determine the fair value of equity shares for the Proposed Merger of **Indo Bevs** with **IBPL**. Valuation Approaches are prescribed under Indian Valuation Standard 103 *Valuation Approaches and Methods*.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of shares of a company, which can be considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

- a. Asset Approach – Net Asset Value (“NAV”) Method
- b. Income Approach – Discounted Cash Flow (“DCF”) Method
- c. Market Approach – Comparable Companies Method

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at by using usual and conventional methodologies adopted for mergers of a similar nature and our reasonable judgment, in an independent and bona fide manner based on previous experiences of assignments of a similar nature.



9.1 Asset Approach – Net Asset Value (“NAV”) Method

The asset approach seeks to determine the business value based on the value of the company's assets. Most commonly used method in this approach is Net Asset Value (“NAV”) Method or Adjusted Book Value Method. The Asset approach is relevant to going concerns as well as in case where there is a premise of Liquidation.

9.2 Income Approach – Discounted Cash Flow (“DCF”) Method

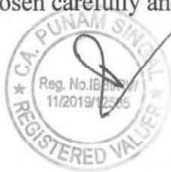
Under the DCF method the projected free cash flows to the entity are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the enterprise. Using DCF analysis involves determining the following:

- (a) Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies/ business' capital - both debt and equity.
- (b) Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other Investments of equivalent risk.

9.3 Market Approach – Comparable Companies Method (“CCM”)

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as business.

Under CCM method, value of a business/ company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.



10. BASIS OF SHARE EXCHANGE RATIO:

- The fair basis of amalgamation of IBPL and Indo Bevs would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.
- In the present case, based on our research, discussions with management and the review of latest audited balance sheet, and management certified financial statements, we understand that the business of IBPL and Indo Bevs are such that there are various complexity to reliably estimate the future free cash flows and appropriate discount rate for determining the value based on income approach and accordingly is not considered.
- Further, since IBPL and Indo Bevs are unlisted companies, the market approach of valuation is not quite relevant and not applicable for valuation of shares of IBPL and Indo Bevs.
- Based on our understanding as mentioned above, in our view NAV methodology is the appropriate method for arriving at the fair value of the Company. Hence, IBPL and Indo Bevs have been valued by adopting NAV method.
- The NAV approach indicates the fair value of equity shares based on their asset backing. The fair value/ realizable value of all assets appearing in the balance sheet of a company are aggregated and the value of all external liabilities is reduced to arrive at 'Net Assets' owned by the company.
- We are of the opinion that the NAV method of valuation constitutes an appropriate method for valuation of the equity shares for the stated purpose.
- Other method of valuation is not used in the absence of relevant information required for those methods.

11. MY RECOMMENDATION FOR SHARE EXCHANGE RATIO:

Having regard to the information base and representation supplemented by rationale for the Proposed Merger, on the basis of the methods and calculations given in *Annexures A, Annexure - A-1 to Annexure- A-2*, I am of the opinion that the allotment of equity shares in Transferee Company to the equity shareholders of Transferor Company will be in the ratio as per the statement on exchange ratio calculation (*Annexure A*) i.e.:



“97 (Ninety-seven) fully paid-up equity shares of the Transferee Company of INR 1/- (Rupee One) each for every 33 (Thirty-three) fully paid-up equity shares of the Transferor Company of INR 10/- (Rupees Ten) each fully paid up”

12. SCOPE LIMITATIONS AND CAVEATS:

This Share Exchange Ratio Report is based on the information provided and representations made to me by the management of the Transferor Company and the Transferee Company.

This report has been prepared solely for the purpose of assisting the management of Indo Bevs and IBPL in determining the Share Exchange Ratio for the Proposed Merger of the former with the latter.

The report or any contents herein, shall not be referred to or quoted in any agreement or document, other than in connection with the Proposed Merger, without our prior consent.

This report is prepared based on sources of information in point 6. I have relied upon the representations provided by the management referred to above that the information contained in the report is materially accurate and complete, fair in its manner of portrayal and therefore, forms a reliable basis for the valuation.

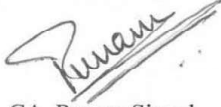
I have neither checked nor independently verified such information and representations. My work did not include either any audit of the projected accounts of any company or validating their financial performance.

The information provided by the management of Indo Bevs and IBPL is included in this report in good faith and in the belief that such information is neither false nor misleading.

By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will be of necessity subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions which have to be made. There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.



Yours faithfully



CA. Punam Singal

Registered Valuer

UDIN – 25516144BMJFTE3315

IBBI Registration No. IBBI/RV/11/2019/12585

WA 109, B2, 2nd floor, Shakarpur, Delhi 92.

Place: Delhi

Date: June 13, 2025



Annexure -A

Statement on calculation of Equity Exchange Ratio	
Particulars	Amount in (Rs)
(A) Value per equity share of Indospirit Beverages Private Limited (Transferee Co.)	64.77
(B) Value per equity share of Indo Bevs Private Limited (Transferor Co.)	190.42
Equity Exchange Ratio	
97 equity shares of Indospirit Beverages Private Limited to be issued for every 33 Equity shares of Indo Bevs Private Limited	

INDOSPIRIT BEVERAGES PRIVATE LIMITED

Statement of Valuation of Equity Shares on the basis of Net Asset Value Approach

(Figures taken on the basis of Provisional Financial Statements as at May 31, 2025)

		Amount (Rs. in lacs)	
Sl. No.	Particulars	Book Value	Restated Value
(A)	Assets		
	Non-Current Assets		
	Property, Plant and Equipment	7,055.93	7,055.93
	Deferred Tax Asset(Net)	15.32	15.32
	Other Non-Current Assets	391.48	391.48
	Current Assets		
	Inventories	2,769.53	2,769.53
	Trade Receivable	9,477.86	9,477.86
	Cash & Cash Equivalents	18.44	18.44
	Short-term loans & advances	2,320.54	2,320.54
	Other current assets	3,759.99	3,759.99
	Total of A	25,809.09	25,809.09
(B)	Liabilities		
	Non-Current Liabilities		
	Long term Borrowing	246.84	246.84
	Other Long Term Liabilities	5,035.26	5,035.26
	Long Term Provisions	114.83	114.83
	Current Liabilities		
	Short-term borrowings	1,479.97	1,479.97
	Trade Payables	5,591.69	5,591.69
	Other current liabilities	1,978.77	1,978.77
	Short-term provision	2.42	2.42
	Total of B	14,449.78	14,449.78
(C)	Equity Value (A-B)		11,359.31
(D)	No. of Equity Shares of Rs. 1/- each (FV)		17,537,370
(E)	Equity Fair Value per share of Rs. 1/- each		64.77



INDO BEVS PRIVATE LIMITED

Statement of Valuation of Equity Shares on the basis of Net Asset Value Approach

(Figures taken on the basis of Provisional Financial Statements as at May 31, 2025)

Amount (Rs. in '000)

Sl. No.	Particulars	Book Value	Restated Value
(A)	Assets		
	Current Assets		
	Cash & Cash Equivalents	101.34	101.34
	Other current assets	1,820.56	1,820.56
	Total of A	1,921.90	1,921.90
(B)	Liabilities		
	Current Liabilities		
	Other current liabilities	17.70	17.70
	Total of B	17.70	17.70
(C)	Equity Value (A-B)		1,904.20
(D)	No. of Equity Shares of Rs. 10/- each (FV)		10,000
(E)	Equity Fair Value per share of Rs. 10/- each		190.42

