

*Dinesh Kumar Deora*

*Registered Valuer – Securities or Financial Assets*

*IBBI Registration Number IBBI/RV/07/2019/12711*

*PVAI RVO COP Number COP/01/OFL/23-24/496*

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## **Beekay Niryat Limited**

### **Determination of Fair Value of Equity Shares**

August 27, 2024

Dinesh Kumar Deora

*Registered Valuer*

Asset Class – Securities or Financial Assets

Reg. No. IBBI Registration Number IBBI/RV/07/2019/12711

#### **Address:**

205, 2<sup>nd</sup> Floor, Nadiadwala Market, Poddar Road, Malad (East), Mumbai-400097



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Date: August 30, 2024

To,

Board of Directors  
Beekay Niryat Limited  
111, Signature Tower, DC-2,  
Lal Kothi Scheme, Tonk Road,  
Jaipur, Rajasthan, 302015

Dear Sirs,

**Sub: Determination of Fair Market Value of Equity Shares of Beekay Niryat Limited**

We refer to your request for the valuation of the equity shares of **Beekay Niryat Limited (hereinafter referred to as 'the Company')** as on **August 27, 2024 (Relevant Date)**, for the purpose mentioned below. We are pleased to present herewith our report on the same.

### Company Background

Beekay Niryat Limited is a company registered under the Companies Act, 1956 incorporated on June 6, 1975 vide CIN: L67120RJ1975PLC045573 having its registered office at 111, Signature Tower, DC-2 Lal Kothi Scheme, Tonk Road, Jaipur, Jaipur, Rajasthan, India, 302015.

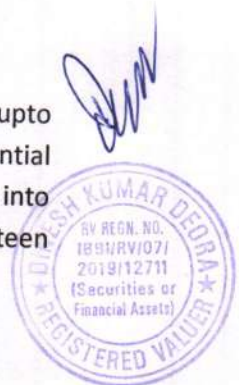
The company is engaged in bottling of spirits and alcohol. The Company is also engaged in the field of distilleries and supply of Extra Neutral Alcohol through its stake of about 30% in AgriBiotech Industries Limited. The company has also ventured into Alcohol manufacturing business through partnership in Pioneer Spirits LLP by acquiring controlling stake of 23%. Pioneer Spirit LLP which is engaged in the business of manufacturing of Indian made foreign Liquor (IMFL) and also engaged with bottling of IIMFL.

The authorized, issued, subscribed and paid-up share capital of the Company as on date are as under:

Particulars	Amount (INR in lakhs)
<b>Authorized Share Capital</b>	
80,00,000 Equity Shares of INR 10 each	800.00
<b>Issued, subscribed and paid-up Share Capital</b>	
76,84,23,700 Equity Shares of INR 10 each	768.42

### Valuation Background and Purpose

We have been informed that the Board of Directors of the company intends to issue and allot upto 9,75,000 Equity Shares and upto 22,25,000 Warrants convertible into Equity Shares on preferential basis to identified investors forming part of the non-promoter group. Each Warrant is convertible into One (1) Equity Share and the conversion can be exercised at any time during the period of Eighteen



(18) months from the date of allotment of Warrants, in one or more tranches, as the case may be, on such terms and conditions as applicable, entitling the Proposed Allottee to subscribe to and be allotted the Warrants convertible into Equity Shares of the Company.

The total number of securities proposed to be issued would exceed 5% of the enhanced capital. As per Regulation 166A of SEBI (ICDR) Regulations, the floor price, in cases where allotment of more than 5% of the post issue fully diluted share capital of the issuer, shall be higher of the floor price determined—

- under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or
- the price determined under the valuation report from the independent registered valuer or
- the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

Pursuant to the requirements of the Regulation 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we have been engaged by the Company to undertake a valuation exercise and express opinion on the fair value of equity shares of the Company as on August 27, 2024 (“Valuation Date”) which is also the Relevant Date.

We have been informed that this Valuation Report may be delivered to the Regulators, including the Stock Exchanges and may be referred for various disclosures to be made to Public Shareholders/ Regulatory Authorities and towards any compliances of SEBI ICDR Regulations, 2018.

### Sources of Information

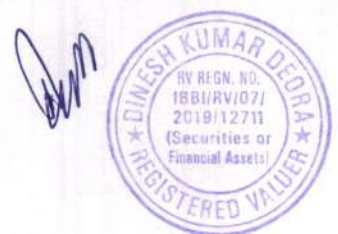
For the purpose of this valuation exercise, we have relied upon the following sources of information as provided to us by the management of the companies:

- (a) Limited Reviewed Financial Statements of the Company for the period ended June 2024
- (b) Audited Financial Statements of the Company for the Financial Years March 2024, March 2023 and March 2022
- (c) Historical share price and volume databases of BSE Limited
- (d) Such other information and explanations as we have required, and which have been provided by the Management including Management Representations.

The Management has been provided with the opportunity to review the Draft Report (excluding the recommended Fair Value per share) as a part of our standard practice to make sure that factual inaccuracies/omissions are avoided in the final report.

### Valuation Base

As per Indian Valuation Standard 102 issued by The Institute of Chartered Accountants of India, Valuation Base means the indication of the type of value being used in engagement. In this engagement, Fair Value as determined shall be considered as the valuation base.



## Valuation Approach and Date

- i. The valuation exercise involves selecting a method suitable for the purpose of valuation, by the exercise of judgment by the valuer, based on the facts and circumstances as applicable to the business of the company to be valued.
- ii. As mentioned earlier, the present valuation exercise is being undertaken in order to derive the fair value per share for preferential allotment as per SEBI ICDR Regulations.
- iii. We have been asked by the management to consider August 27, 2024 as the Valuation Date being the Relevant Date.

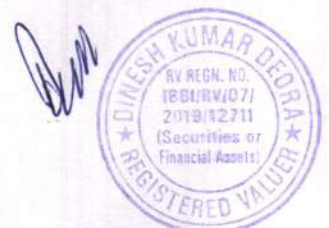
## Valuation Methodology

- i. Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be 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. There can, therefore, be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness. The International Accounting Standard Board (IASB), which is the independent standard setting body of the IFRS Foundation, has set out two internationally accepted valuation methodologies for arriving at the fair value of a share namely, the income approach and the market approach.
- ii. For the purpose of determining fair value, a valuer may, therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation.
- iii. The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for the choice of approach used based on the facts of the company.

### (A) Market Approach

#### Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company. Regulation 164(1) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 prescribes the method for calculating pricing of frequently traded shares. 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:



- a. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised 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 preceding the relevant date.

**(B) Asset Approach**

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company. Usually, under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

**(C) Income Approach**

Usually, under the Income-Based Approach, the methods that maybe applied are Discounted Cash Flow (DCF) Method or the Price Earning Capacity Value (PECV) Method.

**Discounted Cash Flow Method**

Under DCF approach, the future free cash flows of the business are discounted to the valuation date to arrive at the present value of the cash flows of the business or capitalized using a discount rate depending on the capital structure of the company. This approach also takes into account the value of the business in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

**Profit Earning Capacity Value Method**

Under PECV method, the average earning on the basis of the past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earnings are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc. After this, the normalized earnings are then capitalized at an appropriate discount rate.

**Change in control**

It has been represented that no change in control or Management of the Company is contemplated consequent to the proposed preferential issue of Equity Shares and the warrants and resultant Equity Shares being allotted upon conversion of the warrants. However, voting rights will change in accordance with the shareholding pattern.



## Valuation Conclusion

In view of the foregoing, the value of Beekay Niryat Limited needs to be determined with reference to various valuation approaches.

On the basis of the foregoing, in our opinion, the **Fair Value per Equity Share of the Company** as on **August 27, 2024, being the Relevant Date**, is arrived at Rs. 44.57 (Rupees Forty Four and Paise Fifty Seven only).

The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perception, key underlying assumption and limitations were given due consideration.

The Report assumes that the company complies fully with relevant laws and regulations applicable in all its area of operations unless otherwise states, and the company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.

In the ultimate analysis, the valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors. E.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of balance sheets, but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 2019 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the share, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is art, not an exact science. Mathematical certainty is not demanded nor indeed is it possible."*

The value is required to be read in conjunction with the Valuation Summary in Annexure I and Statement of Assumptions and Limiting Conditions in Annexure II. The value so arrived can undergo change in case of any change in any facts, information/assumptions provided to us by the management of the Company. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.



In accordance with our standard practice, the Management has been provided with an opportunity to review factual information in our draft Certificate to ensure that factual inaccuracies, omissions etc. are avoided in our final Certificate. We state that we are independent of the shareholders, directors and management of the Company and do not have any financial association with the shareholders, directors and management of the Company other than receipt of fees in connection with the professional services provided. Our fee for the engagement is not contingent upon the results reported.

**Dinesh Kumar Deora**  
**REGISTERED VALUER: Securities or Financial Assets**  
**IBBI Registration Number IBBI/RV/07/2019/12711**  
**PVAI RVO COP Number COP/01/OFL/23-24/496**

**Place: Mumbai**  
**Date: 30<sup>th</sup> August, 2024**



**UDIN No. F005683F001080350**

**Encl.**

1. Annexure-I – Valuation Summary
2. Annexure II – Statement of Exclusions and Limitations



## Annexure I – Valuation Summary

(Figures in INR)

Method	Value per Share	Weights	Weighted Values
Asset Approach (A)	55.68	1	55.68
Income Approach (B)	21.05	1	21.05
Market Approach (C)	50.78	2	101.56
<b>Fair Value per share (INR)</b>		<b>4</b>	<b>44.57</b>

### Notes:

- Pursuant to the definition provided under the SEBI ICDR Regulations 2018, the Shares of the Company are frequently traded.
- For valuation of companies on going concern basis, the earnings are perceived to be better indicator of value than the asset approach. For public listed and actively traded companies, market price is considered and broadly accepted as the leading indicator of value by market participants.
- Considering the above, more weight has been considered for value determined under Market Approach while computing a fair value per equity share.

### A. Asset Approach

The Company is a listed entity and its operating results for half-year ended June 2024 are available. The results are not full year results and are only subjected to "Limited Review" and are not "Audited". Further, in accordance with the SEBI (LODR) regulations, the Balance Sheet are available only for periods ended September and March every year. Hence, we have based our conclusion only on full year audited Balance Sheet of FY 2023-24.

(INR in lakhs)

Particulars	31.03.2024
Paid up Share Capital	768.42
Reserves & Surplus	3,509.84
<b>Net worth</b>	<b>4,278.26</b>
No of Shares (in Lakhs)	76.84
<b>Net Asset Value Per Share</b>	<b>55.68</b>

### B. Income Approach

Since Beekay Niryat Limited is a listed company, financial projections of the company are considered to be price sensitive information. Thus, the management of the Company has not shared the financial projections. Hence, due to unavailability of financial projections, DCF method of valuation is not adopted.



Accordingly, we have adopted PECV method of valuation based on last 3 years of full year audited financial statements.

(INR in lakhs)

Particulars	31.03.2024	31.03.2023	31.03.2022
PAT	244.66	282.66	156.64
Capitalisation Rate	15%	15%	15%
Capitalised Value	1,631.07	1,884.40	1,044.27
Weights	3	2	1
Weighted Value	4,893.21	3,768.80	1,044.27
Sum of Weighted Value	1,617.71		
No. of Shares (Lakhs)	76.84		
PECV Per Share	21.05		

### C. Market Price Method

Pursuant the definition provided under the SEBI ICDR Regulations 2018, the Shares of the Company are frequently traded. 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, as per Regulation 164(1) the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

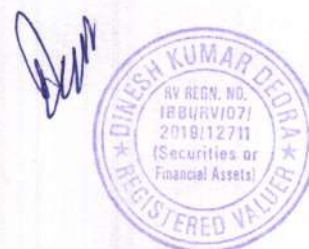
- the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

We are informed that the "Relevant Date" for the proposed allotment is **August 27, 2024**. Accordingly, the calculation of price as per Reg. 164(1) of SEBI (ICDR) Regulations, 2018 is given below:

#### 90/10 trading days volume weighted average price at BSE preceding the Relevant Date

Particulars	Total Volume	Total Turnover (INR)	Weighted Average (INR)
90 days data	21,29,618	10,40,36,089	48.85
10 days data	4,20,285	2,13,40,988	50.78
Highest price at BSE			50.78

Considering Regulation 164 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the price works out to **INR 50.78**



**Share Trading Data on BSE Limited**  
(Period: April 16, 2024 to August 26, 2024)

Day	Date	Shares	Turnover (INR)
1	26-Aug-24	43,134	22,66,602
2	23-Aug-24	20,149	10,59,143
3	22-Aug-24	1,19,103	62,33,547
4	21-Aug-24	32,715	16,39,907
5	20-Aug-24	46,546	23,26,389
6	19-Aug-24	28,982	14,38,275
7	16-Aug-24	39,637	19,64,556
8	14-Aug-24	27,474	13,55,688
9	13-Aug-24	29,387	14,40,289
10	12-Aug-24	33,158	16,16,592
11	09-Aug-24	18,486	8,97,213
12	08-Aug-24	26,305	12,66,227
13	07-Aug-24	28,549	13,55,715
14	06-Aug-24	35,046	16,64,760
15	05-Aug-24	20,699	9,65,644
16	02-Aug-24	17,399	7,80,697
17	01-Aug-24	25,318	11,45,304
18	31-Jul-24	21,936	9,99,647
19	30-Jul-24	14,332	6,57,903
20	29-Jul-24	7,385	3,35,610
21	26-Jul-24	8,737	4,02,027
22	25-Jul-24	19,398	8,63,534
23	24-Jul-24	9,246	4,27,263
24	23-Jul-24	16,669	7,57,429
25	22-Jul-24	18,920	8,61,664
26	19-Jul-24	2,442	1,12,367
27	18-Jul-24	2,886	1,36,218
28	16-Jul-24	12,272	5,77,143
29	15-Jul-24	4,317	2,04,070
30	12-Jul-24	18,883	8,86,095
31	11-Jul-24	12,711	5,91,647
32	10-Jul-24	2,041	96,944
33	09-Jul-24	6,763	3,23,168
34	08-Jul-24	20,641	9,73,192
35	05-Jul-24	11,426	5,51,543
36	04-Jul-24	7,481	3,60,878
37	03-Jul-24	17,242	8,43,400
38	02-Jul-24	40,697	19,74,560
39	01-Jul-24	7,508	3,66,231
40	28-Jun-24	12,021	5,80,815
41	27-Jun-24	17,499	8,50,623
42	26-Jun-24	16,258	7,85,070
43	25-Jun-24	15,409	7,40,409
44	24-Jun-24	22,460	11,22,142
45	21-Jun-24	7,608	3,78,406
46	20-Jun-24	35,397	17,41,877
47	19-Jun-24	6,249	3,04,045



Day	Date	Shares	Turnover (INR)
48	18-Jun-24	9,470	4,66,460
49	14-Jun-24	15,708	7,81,568
50	13-Jun-24	5,776	2,87,002
51	12-Jun-24	28,604	14,22,925
52	11-Jun-24	7,370	3,66,074
53	10-Jun-24	28,825	14,15,231
54	07-Jun-24	26,065	12,84,720
55	06-Jun-24	8,598	4,21,968
56	05-Jun-24	37,329	17,56,000
57	04-Jun-24	18,093	8,87,825
58	03-Jun-24	13,275	6,75,534
59	31-May-24	23,665	11,68,863
60	30-May-24	15,672	7,67,164
61	29-May-24	28,266	14,14,814
62	28-May-24	27,083	13,61,992
63	27-May-24	20,372	10,10,008
64	24-May-24	19,853	9,89,737
65	23-May-24	16,903	8,52,173
66	22-May-24	16,072	8,23,550
67	21-May-24	17,290	9,03,498
68	18-May-24	1,566	82,597
69	17-May-24	17,939	9,35,724
70	16-May-24	12,894	6,77,022
71	15-May-24	12,751	6,53,798
72	14-May-24	8,810	4,46,005
73	13-May-24	32,992	17,05,165
74	10-May-24	12,407	6,42,554
75	09-May-24	19,007	10,00,707
76	08-May-24	28,548	14,89,737
77	07-May-24	61,452	31,58,457
78	06-May-24	26,455	13,29,838
79	03-May-24	35,672	17,97,069
80	02-May-24	33,423	16,70,398
81	30-Apr-24	33,377	16,03,229
82	29-Apr-24	35,931	16,77,900
83	26-Apr-24	33,186	15,73,432
84	25-Apr-24	1,02,350	48,36,763
85	24-Apr-24	39,619	18,64,110
86	23-Apr-24	40,863	18,73,302
87	22-Apr-24	25,873	12,05,764
88	19-Apr-24	35,120	16,11,715
89	18-Apr-24	41,408	18,79,400
90	16-Apr-24	44,765	20,41,829

Particulars	Total Volume	Total Turnover (INR)	Weighted Average (INR)
90 days data	21,29,618	10,40,36,089	48.85
10 days data	4,20,285	2,13,40,988	50.78
Highest price at BSE			50.78



## Annexure II - Statement of Exclusions and Limitations

- During the course of the work, we have relied upon the information provided by the Management of the Company.
- Our valuation exercise and conclusions reached by me is dependent on the information provided to me being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided. The scope of our assignment did not involve us performing audit test for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of the work. As such, we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we don't take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of my report.
- We have prepared our report based on the information provided by the Management of the Company and relied on the information for the Company provided by its Management.
- Our valuation will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any Company or business valued by me.
- This report is prepared with a limited purpose/ scope as identified/started earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals of this transaction.
- Our valuation is based purely on financial parameters and does not take into consideration the market value or realisable value of fixed assets including land building machinery etc. Our valuation does not attempt to value any intangibles like goodwill, brand value etc.
- Our work is neither, nor it should be construed as, my opinion on/or certification of compliance by the Company with the provisions of any law including Companies, foreign Exchange, Taxation and Capital market related laws or as regards any legal implications or issues arising thereon.
- A valuation of this nature involves application of the value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholder's funds or Net Assets owned by the business. The Net Assets Value is a most conservative method of Valuation and therefore is considered as the minimum value for any transaction. This methodology calculates the underlying net Assets of the business on a adjusted book value basis. We have used the said method to estimate the value of the Company in this case. The NAV method according to me would be most appropriate for the valuation of the shares of the Company.

