

Date: 13 April 2023

To,
The Board of Directors
Associated Alcohols & Breweries Limited,
4th Floor, BPK Star Tower, A.B. Road,
Indore, Madhya Pradesh – 452008

Sub: Fairness Opinion Report on the Share Exchange ratio issued by Navin Khandelwal, Registered Valuer, for the proposed amalgamation of **Associated Alcohols & Breweries Limited** ("Transferor Company") with **Mount Everest Breweries Limited** ("Transferee Company").

Dear Sir(s)/ Madam(s),

We refer to the engagement letter dated 28 March 2023 wherein the Management of Associated Alcohol & Breweries Limited ("AABL" or "Transferor Company") has requested Bonanza Portfolio Limited ("BPL" or "we" or "us") to provide a fairness opinion on the share exchange ratio issued by Navin Khandelwal, Registered Valuer for the purpose of the proposed amalgamation of Associated Alcohol & Breweries Limited with Mount Everest Breweries Limited (hereinafter referred to as "Proposed amalgamation").

Scope and Purpose

We understand that the Board of Directors (the "Board") of Associated Alcohols & Breweries Limited ("AABL" or the "Transferor Company") and Mount Everest Breweries Limited ("MEBL" or "Transferee Company") are considering the amalgamation of AABL with MEBL through a scheme of amalgamation under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Amalgamation"). AABL and MEBL are collectively hereinafter referred as the ("**Merging Entities**"). Under the Scheme, equity shares of MEBL will be issued to the shareholders of AABL for the proposed amalgamation of AABL with MEBL.

We further understand that the Board of the Merging Entities have appointed Registered Valuer for undertaking valuation exercise for the proposed Amalgamation and obtained a valuation report dated 13th April 2023 (the "**Valuation Report**") prepared by Navin Khandelwal (the "**Valuer**").

Based on all the relevant factors and circumstances as discussed and outlined in the Valuation Report, the Registered Valuer has recommended the following share exchange ratio for the proposed amalgamation of AABL with MEBL:

"755 (Seven Hundred and Fifty-Five) equity shares of MEBL having face value of Rs. 10 each fully paid up shall be issued for every 1,000 (One Thousand) equity shares held in AABL having face value of Rs. 10 each fully paid up." ("**Share Exchange Ratio**").

Bonanza Portfolio Ltd.

CIN: U65991DL1993PLC052280
SEBI Regn. No. Dp: IN-DP-62-2015
SEBI Regn. No. INZ000212137

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Pursuant to Securities & Exchange Board of India ("SEBI") master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "SEBI Circulars") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, the Board of the Transferor Company has appointed Bonanza Portfolio Limited ("**BPL**" or "we" or "us") to Issue a "**Fairness Opinion Report**" to AABL in relation to the above mentioned Share exchange ratio recommended by the Registered Valuer in the Valuation Report dated 13 April 2023.

BPL has not undertaken the valuation of the Merging Entities. The valuation exercise for the proposed Amalgamation has been done by the Valuer. We have examined the Valuation Report submitted by the Valuer to the Transferor Company. We have not independently checked or verified the assumptions made by the Valuer. We have reviewed the historical financial and business information of the Merging Entities and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

This opinion is subject to the scope, assumptions, limitations and disclaimers detailed herein. As such the Opinion is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This Opinion has been issued only for the purpose of facilitating the Scheme in terms of the above mentioned SEBI Circulars and should not be used for any other purpose.

Company Background

Associated Alcohols & Breweries Limited

AABL is a Public Limited Company incorporated under the provisions of the Companies Act, 2013, under CIN L15520MP1989PLC049380 and having its registered office at 4th Floor, BPK Star Tower A.B. Road Indore Indore – 452 008, Madhya Pradesh, India. The equity shares of AABL are listed on both NSE and BSE.

AABL is primarily engaged in the business of manufacturing and trading of Extra Neutral Alcohol (ENA), Indian Made Indian Liquor (IMIL/ country liquor), Indian Made Foreign Liquor (IMFL) and other by products. Further the Company intends to start the manufacturing of grain-led ethanol from FY24 to capitalize on the GOI (Government of India) Ethanol Blending Policy.

Mount Everest Breweries Limited

MEBL is a Limited Company, incorporated under the provisions of the Companies Act, 2013, under CIN U15549MP1999PLC049379 and having its registered office at 4th Floor, BPK Star Tower A.B. Road Indore – 452 008, Madhya Pradesh, India.

MEBL is engaged in the business of manufacturing and sale of beer under four in-house brands namely Lemount, Mounts 6000, Stok (recently launched in premium category) and Dabang. MEBL is also engaged in manufacturing of beer on a contract manufacturing basis with United Breweries Limited ('UBL') for its 'Kingfisher' strong brand.

Information Source

In arriving at the Opinion set forth below, we have relied upon the accuracy and completeness of all information and documents provided to us by the Management, including:

1. Valuation Report dated 13 April 2023 issued by the Valuer;
2. Scheme of Amalgamation of AABL with MEBL and their respective shareholders ("**Scheme**");
3. Audited financial statements of Merging Entities for the year ended March 31, 2022;
4. Audited financial statements of Merging Entities for nine months period ended December 31, 2022;
5. Financial projections of Merging Entities from April 1, 2022 to March 31, 2028 provided by each company;
6. Necessary explanations, information and representations provided by the management of the Company and/or its advisors.

Scope of our review

1. Reviewed the Valuation Report;
2. Reviewed the Scheme Document;
3. Reviewed certain publicly available business and financial information of the Merging Entities;
4. Reviewed the audited financial statements of the Merging Entities for the nine months period ended December 31, 2022 and for the financial year ended March 31, 2022;
5. Other relevant details regarding the Merging Entities such as their present activities, segments they operate in, future plans, existing shareholding pattern and other relevant information and data, including information in the public domain;
6. One-on-one discussion with Representatives of AABL, on such matters we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

Relationship with Bonanza Portfolio Limited

Bonanza Portfolio Limited was not requested to, and did not, provide advice concerning the structure, the Share Exchange Ratio or any other aspects of the Merger or to provide services other than the delivery of this Fairness Opinion. BPL did not participate in negotiations with respect to the terms of the Merger and any related transactions. Consequently, BPL has assumed that such terms are the most beneficial terms from Transferor Company's perspective that could under the circumstances be negotiated between the merging Entities.

We will receive a fee from the Transferor Company for tendering this opinion. In addition, Transferor Company has agreed to indemnify us for claims arising out of our engagement for providing the opinion.

In the past, BPL may have provided, and may currently or in the future provide investment banking services to the entities under the scheme and / or its holding or subsidiaries or affiliates and their respective shareholders, for which services BPL has received or may receive customary fees. In addition, in the ordinary course of their respective business, affiliates of BPL may actively trade in securities of the entities under the scheme and / or its holding or subsidiaries or affiliates and their respective shareholders for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. BPLs engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the scheme only to fulfil the requirements under the SEBI Master Circular dated November 23, 2021 and the amendments thereof and for no other purposes.

This opinion is addressed to and provided solely for the benefit of Board of Directors of AABL and MEBL exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Exchange Ratio.

Conclusion

In our opinion, in the given circumstances, based on all relevant factors, information and subject to the scope limitations & disclaimers on the date thereof, and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio as recommended by the Valuer, is fair to the equity shareholders of AABL.

Thanking you,

Yours faithfully,

For Bonanza Portfolio Limited

Name: Swati Agrawal

Designation: Asst. Vice President

Date: April 13, 2023

Place: Mumbai

Assumptions and limitations

In giving our opinion:

- 1) We have relied on the assessment of the Transferor Company's management on the commercial merits of the amalgamation, including that the amalgamation is in the best Interests of the Merging Entities and its shareholders as a whole;
- 2) We have relied without independent verification, upon the accuracy and completeness of all of the information (including, without limitation, the Valuation Report) that was made available to us or publicly available or was discussed with or reviewed by us (including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this opinion;
- 3) We have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the Merger will be obtained in a timely manner without any adverse effect;
- 4) We have not made any independent evaluation or appraisal of the assets and liabilities of the Merging Entities and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of the Merging Entities under any laws relating to the bankruptcy, insolvency or similar matters;
- 5) We have not conducted any independent legal, tax, accounting or other analysis of the Transferor Company or of the Merger and when appropriate we have relied solely upon the judgments of the Transferor Company's legal, tax, accountants and other professional advisers who may have given such advice to the Transferor Company without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganization or transaction costs that may arise as a result of the Merger in our analysis. In addition, we have not performed any independent analysis of the situation of the Individual shareholders of the Transferor Company, including with respect to taxation in relation to the Merger and express no opinion thereon;
- 6) We have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which the Merging Entities are or may be a party or is or may be subject, or of any government investigation of any possible unasserted claims or other contingent liabilities to which the Merging Entities are or may be a party or is or may be subject to;
- 7) We have assumed that the Share Exchange Ratio will not be subject to any adjustments and express no opinion regarding any adjustments to the Share Exchange Ratio after the date of this opinion;

- 8) We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by BPL and its affiliates, its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of this Fairness Opinion Report;
- 9) We have assumed that the Management of the Transferor Company are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion;
- 10) Our opinion is not necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion;
- 11) We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any company to effect the proposed Amalgamation or the merits of the proposed Amalgamation nor does it constitute any kind of recommendation to any shareholder or creditor of the Merging Entities as regards to the proposed Amalgamation or any matter related thereto.
- 12) We are expressing no opinion herein as to the price at which any securities of the Merging Entities will trade at any time;

Disclaimer

This Fairness Opinion Report ("***Certificate***" or "***This certificate***" or "***this certificate***") contains proprietary and confidential information regarding **Associated Alcohols & Breweries Limited** and **Mount Everest Breweries Limited** are collectively hereinafter referred as the ("Merging Entities"). This certificate is issued for the exclusive use and benefit of the Merging Entities as per the Engagement letter dated April 13, 2023. This certificate has been issued by Bonanza Portfolio Limited ("***BPL***"), on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Merging Entities, including the Valuation Report provided by the Valuer and for the sole purpose to facilitate the Merging Entities to comply with sub-para 7(d) and para 2(d) of Part I, A of the SEBI Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 consolidating

the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (“SEBI Circulars in relation to Scheme of Arrangement by Listed Entities”) and it shall not be valid for any other purpose or as at any other date. This Certificate is issued by BPL in the capacity of an Independent merchant banker, on the Valuation Report issued by the Valuer.

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