

**SCHEME OF AMALGAMATION**

**AMONG**

**ASSOCIATED ALCOHOLS & BREWERIES LIMITED  
("TRANSFEROR COMPANY" OR "AABL")**

**AND**

**MOUNT EVEREST BREWERIES LIMITED  
("TRANSFEREE COMPANY" OR "MEBL")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**[Under Section 230 to 232 read with Section 66 of the Companies Act, 2013 read with Rules made thereunder]**



**A. PREAMBLE TO THE SCHEME OF AMALGAMATION**

1. This Scheme of Amalgamation (hereinafter referred to as "the Scheme" or "this Scheme" or "the Scheme of Amalgamation") is presented under the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 ("Act"), for the: (i) amalgamation of Associated Alcohols & Breweries Limited ("**Transferor Company**") with and into Mount Everest Breweries Limited ("**Transferee Company**"); (ii) transfer of the authorized share capital of the Transferor Company to the Transferee Company; and (iii) dissolution without winding up of the Transferor Company, pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Act and the relevant provisions of this Scheme. In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**2. Brief overview of the companies involved in the scheme:**

- (i) **Associated Alcohols & Breweries Limited ("Transferor Company" or "AABL")**, is a public company incorporated under the Companies Act, 1956 having its registered office at 4<sup>th</sup> Floor, BPK Star Tower, A.B. Road, Indore, Madhya Pradesh – 452008, India, with Permanent Account Number ("**PAN**") AAECA2674B and Corporate Identification Number ("**CIN**") L15520MP1989PLC049380. The Transferor Company was incorporated on July 7, 1989. E-mail address of the Transferor Company is cs@aabl.in. The Transferor Company is engaged in the business of manufacturing and trading of Rectified Spirit, Extra Neutral Alcohol (ENA), Indian Made Indian Liquor (Country Liquor), Indian Made Foreign Liquor and by products. The Equity Shares of the Transferor Company are listed on the BSE Limited and the National Stock Exchange of India Limited.
- (ii) **Mount Everest Breweries Limited ("Transferee Company" or "MEBL")**, is a public company incorporated under the Companies Act, 1956 having its registered office at 4<sup>th</sup> Floor, BPK Star Tower, A.B. Road, Indore, Madhya Pradesh – 452008, India with Permanent Account Number ("**PAN**") AACDM5244J and the Corporate Identification Number ("**CIN**") U15549MP1999PLC049379. The Transferee Company was incorporated on August 13, 1999. E-mail address of the Transferee Company is cs@meblindia.com. The Transferee Company is engaged in the business of manufacture and sale of beer. The Equity Shares of the Transferee Company are not listed on any of the recognized stock exchanges.
- (iii) The amalgamation of the Transferor Company with and into the Transferee Company, pursuant to and in accordance with this Scheme, shall be in accordance with Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the



Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

- (iv) **DATE OF TAKING EFFECT:** The Scheme set out herein in its present form or with any modification(s) approved, imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

#### B. RATIONALE FOR THE SCHEME

The management of the Transferor Company and the Transferee Company believe that the business existing in the Transferor Company should be consolidated with the Transferee Company for the following primary reasons:

- (i) The amalgamation of the Transferor Company with and into the Transferee Company will enable consolidation of the business and operations of the Transferor Company into the Transferee Company, which complement the business of the Transferee Company and which will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies, manage working capital and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources, and technologies of both the Transferor Company and the Transferee Company, thereby significantly contributing to business efficiency, future growth and maximizing shareholder value;
- (ii) The amalgamated company will be well positioned to compete effectively with its peers in the markets;
- (iii) The combined entity would be able to effectively optimize the overall administration and statutory compliances by eliminating duplication of functions (viz. secretarial, finance);
- (iv) The transactions contemplated in the scheme provides opportunities that benefits all the stakeholders of the Parties. This will result in enhanced shareholder value pursuant to economies of scale and business efficiencies.

The Scheme is in the best interests of the shareholders, employees, creditors and all stakeholders of each of the Parties (as defined hereinafter).



**C. PARTS OF THE SCHEME**

This Scheme is segregated into the following four (4) parts:

- (i) **Part A** sets forth the definitions;
- (ii) **Part B** sets forth the capital structure of the Transferor Company and the Transferee Company;
- (iii) **Part C** deals with the amalgamation of the Transferor Company with and into the Transferee Company, in accordance with Section 230 to 232 of the Act and other applicable provisions of the Act, and deals with the change in share capital, consideration, change in name of the Transferee Company and accounting treatment in the books of the Transferee Company;
- (iv) **Part D** deals with the general terms and conditions applicable and sets forth certain additional arrangements that form part of this Scheme.



1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following capitalized expressions/ terms shall have the meanings mentioned herein below:

- 1.1 "**Act**" means the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder, including without limitation the Companies (Compromises, Arrangements and Amalgamations) Rules 2016, each as amended from time to time.
- 1.2 "**Applicable Laws**" means any statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time.
- 1.3 "**Appointed Date**" means the opening of business hours on April 1, 2022, or such other date as the NCLT may direct, with effect from which this Scheme will be deemed to be effective, in the manner described in Clause 5.3 of Part D of this Scheme.
- 1.4 "**Board of Directors**" in relation to the Transferor Company and the Transferee Company, means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the Board of Directors or by such committee of directors.
- 1.5 "**Companies**" means collectively, the Transferor Company and the Transferee Company.
- 1.6 "**Effective Date**" means the date or the last of the dates on which the certified copy of the Order of the Hon'ble NCLT of Indore Bench is filed with the jurisdictional Registrar of Companies, by the Transferor Company and Transferee Company. Any references in the Scheme to "**upon the Scheme becoming effective**" or "**effectiveness of the Scheme**" shall mean and refer to the Effective Date.
- 1.7 "**Equity Shares**", with respect to a company, means the fully paid-up Equity Shares of such company.
- 1.8 "**Governmental Authorities**" means any government authority, statutory authority, regulatory authority, government department, agency, commission, board, tribunal or court or other law, rule



or regulation making entity having or purporting to have jurisdiction on each of the Transferee Company and Transferor Company, or any one party or any state or other subdivision thereof or any municipality, district or other subdivision thereof.

- 1.9 **"Listing Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, modified, replaced or supplemented from time to time and to the extent in force.
- 1.10 **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal, Indore Bench.
- 1.11 **"Parties"** means collectively, the Transferor Company and the Transferee Company.
- 1.12 **"RoC"** means the Registrar of Companies, Gwalior, Madhya Pradesh.
- 1.13 **"Record Date"** means a date to be fixed by the Board of Directors of the Transferee Company in consultation with the Transferor Company, for the purpose of determining the shareholders of the Transferor Company to whom the consideration shares will be allotted pursuant to this Scheme;
- 1.14 **"Scheme"** or **"this Scheme"** or **"the Scheme of Amalgamation"** shall mean this Scheme of Amalgamation among the Transferor Company, Transferee Company and their respective shareholders and creditors in its present form, with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions from the NCLT and the regulatory authorities as may be required under the Act and under all applicable laws;
- 1.15 **"Stock Exchanges"** means the stock exchanges where the Equity Shares of the Transferor Company are listed and are admitted to trading, viz, BSE Limited and the National Stock Exchange of India Limited.
- 1.16 **"SEBI"** means the Securities Exchange Board of India.
- 1.17 **"SEBI Circular"** means the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, and includes any substitution, modification and reissuance thereof from time to time.
- 1.18 **"Tax"** or **"Taxes"** shall include all outgoings or dues or liabilities, crystallized or contingent, on account of taxes on net income, gross income, gross receipts, sales, use, services, ad valorem, value-added, capital gains, corporate income tax, minimum alternate tax, buyback distribution tax, dividend distribution tax, transfer, franchise and profits, withholding tax; property tax; water tax;



any tax payable in a representative capacity, goods and service tax; service tax, value-added tax, duties of custom and excise (including state excise duty / levies), octroi duty, entry tax, stamp duty, other governmental charges or duties or other taxes or statutory payments in relation to contract labour and/ or other contractors and/ or sub-contractors, statutory pension or other employment benefit plan contributions, fees, assessments or charges of any kind whatsoever, including any surcharge or cess thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; and Taxation will be construed accordingly.

- 1.19 **"Transferee Company"** or **"MEBL"** means Mount Everest Breweries Limited, a public company incorporated under the Companies Act, 1956 having its registered office at having its registered office at 4<sup>th</sup> Floor, BPK Star Tower, A.B. Road, Indore, Madhya Pradesh – 452008, India with Permanent Account Number AACDCM5244J and the Corporate Identification Number U15549MP1999PLC049379.
- 1.20 **"Transferor Company"** or **"AABL"** means Associated Alcohols & Breweries Limited, a public company incorporated under the Companies Act, 1956 having its registered office at 4<sup>th</sup> Floor, BPK Star Tower, A.B. Road, Indore, Madhya Pradesh – 452008, India, with Permanent Account Number AAECA2674B and Corporate Identification Number L15520MP1989PLC049380 and shall include without limitation:
- (i) all assets, whether moveable or immovable, whether tangible or intangible, plant and machinery, equipment, stocks and inventory, including all rights, title, interests, claims, covenants, undertakings, of the Transferor Company in such assets;
  - (ii) all investments, receivables, loans, security deposits and advances extended, including accrued interest thereon, of the Transferor Company;
  - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, availed by the Transferor Company;
  - (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or of any excess payment, tax credits (including, without limitation, all amounts claimed as refund, whether or not so recorded in the books of accounts and credits in respect of income tax, such as carry forward tax losses comprising of unabsorbed depreciation), tax deducted at source, CENVAT, Input Tax Credit, sales tax, value added tax, central sales tax, turnover tax, excise duty, service tax, goods and services tax and minimum alternate tax credit, of the Transferor Company;
  - (v) all trademarks, service marks, domain names, patents and other intellectual property rights of every kind and description whatsoever, of the Transferor Company;
  - (vi) all privileges and benefits of, or under, all contracts, agreements, purchase and sale



orders, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments, undertakings, deeds, bonds, investments undertaken by or arrangements of any kind, and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever, of the Transferor Company;

- (vii) insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company is eligible;
- (viii) all employees of the Transferor Company;
- (ix) all advance payments, earnest monies, security deposits, advance rentals, payment against warrants, refund arising out of any order if any, or other rights or entitlements of the Transferor Company;
- (x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature, initiated by or against the Transferor Company; and
- (xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company.

2. In this Scheme, unless the context otherwise requires:

- a) Words denoting the singular shall include the plural and vice versa;
- b) Headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- c) Reference to the word "include" or "including" shall be construed without limitation;
- d) References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality);
- e) A reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
- f) Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- g) Word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.





**PART- B**

**3. CAPITAL STRUCTURE**

3.1. The capital structure of the Transferee Company, as on March 31, 2022 is as under:

Share Capital	Amount (INR)
<b>Authorised Share Capital</b>	
2,20,00,000 Equity Shares of INR 10/- each	22,00,00,000
<b>Total</b>	<b>22,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
2,06,11,027 Equity Shares of INR 10/- each fully paid up	20,61,10,270
<b>Total</b>	<b>20,61,10,270</b>

3.2. Since March 31, 2022 and until the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the issued, subscribed or paid up capital of the Transferee Company.

3.3. The Transferee Company has only one class of equity shares having par value of INR 10/- each.

3.4. The capital structure of the Transferor Company, as on March 31, 2022 is as under:

Share Capital	Amount (INR)
<b>Authorised Share Capital</b>	
2,50,00,000 Equity Shares of INR 10/- each	25,00,00,000
<b>Total</b>	<b>25,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,80,79,200 Equity Shares of INR 10/- each fully paid up	18,07,92,000
<b>Total</b>	<b>18,07,92,000</b>

3.5. Since March 31, 2022 and until the date of the Scheme being approved by the Board of Directors



of the Transferor Company, there has been no change in the issued, subscribed or paid up capital of the Transferor Company.

- 3.6. The Transferor Company has only one class of issued shares i.e., equity shares having par value of INR 10/- each.

**PART – C**

**4. AMALGAMATION OF THE TRANSFEROR COMPANY WITH AND INTO THE TRANSFEREE COMPANY**

**4.1. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH AND INTO THE TRANSFEREE COMPANY**

- 4.1.1. Subject to the provisions of the Scheme in relation to the modalities of amalgamation, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferor Company, together with all its properties, assets, licenses, permits, investments, borrowings, approvals, intellectual property rights, insurance covers or claims, records, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities, whether or not recorded in the books of the Transferor Company, shall amalgamate with and into the Transferee Company, and all presents and future properties, assets, investments, borrowings, approvals, intellectual property rights, insurance covers or claims, records, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities of the Transferor Company, and all other assets which become the assets of the Transferor Company after the Appointed Date up to the Effective Date, but which relates to the period on or up to the day of the Appointed Date, shall stand transferred to and vested in, and shall become the property of and an integral part of the Transferee Company subject to the existing charges and encumbrances, if any, (to the extent such charges or encumbrances are outstanding on the Effective Date), by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company shall stand amalgamated with and into the Transferee Company, in the manner described below:

- (i) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act,



instrument or deed done by the Transferor Company or the Transferee Company. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfill all obligations, in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the title to the immovable properties of the Transferor Company shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Governmental Authorities shall suffice as record of continuing title with the Transferee Company pursuant to this Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. Transferee Company may, if and as required, undertake such act/action as it deems appropriate in this regard. The Transferee Company shall in pursuance of the vesting order of the Tribunal be entitled to the delivery and possession of all documents of title to such immovable property in this regard.

- (ii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Transferor Company as are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed done by the Transferor Company or the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company.
- (iii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all other movable property (except those specified in sub-clause ii above) including investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances, if any, relating to the Transferor Company, recoverable in cash or in kind or for value to be received,



actionable claims, bank balances and deposits, if any with Governmental Authorities, semi-Governmental Authorities, local and other authorities and bodies, customers and other persons, cheques on hand, shall, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company become the property of the Transferee Company. Without prejudice to the foregoing, the Transferee Company shall be entitled to deposit at any time after the Effective Date, cheques received in the name of the Transferor Company, to enable the Transferee Company to receive the amounts thereunder. Where any of the outstanding receivables attributed to the Transferor Company have been received by the Transferor Company after the Appointed Date, but before the Effective Date, the same shall be deemed to have been received by the Transferor Company for and on behalf of the Transferee Company.

- (iv) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Transferor Company, shall stand transferred to and vested in the Transferee Company, and the same shall be assumed to the extent they are outstanding on the Effective Date and become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Transferor Company requires satisfaction of the charge over the properties of the Transferor Company and recordal of a new charge with the Transferee Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the vesting order of the Tribunal sanctioning the Scheme, or a certified copy of the same, and any deed of modification or novation executed *inter alios* by the Transferee Company. Where any of the loans, liabilities and obligations attributed to the Transferor Company have been discharged by the Transferor Company after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Transferee Company. Where after the Appointed Date but before the Effective Date, Transferor Company has taken any further loans, liabilities or obligations, such further loan shall also be deemed to have been for and on behalf of the Transferee Company



and the Transferee Company will assume liability for the same. All loans, advances and other obligations due from Transferor Company by the Transferee Company or vice versa, if any, shall stand cancelled and shall have no effect.

- (v) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, outstanding creditors and other liabilities of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the said Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date up to the Effective Date, shall under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act and pursuant to the orders of the Tribunal and without any further act or deed, be transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date, the outstanding creditors and other liabilities of the Transferee Company on the same terms and conditions as were applicable to the said Transferor Company. It is clarified that the Scheme shall not in any manner affect the rights and interests of the creditors of the said Transferor Company or be deemed to be prejudicial to their interests.
- (vi) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of the Transferor Company shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company.
- (vii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which it is a party or to the benefit of which it may be entitled or eligible, shall be in full force and effect against or in favor of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor



Company or to the benefit of which the Transferor Company may be eligible and which is subsisting or have effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme becoming effective, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company and shall be appropriately transferred or assigned by the concerned parties / Governmental Authority in favor of the Transferee Company.

- (viii) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) and registrations including relating to trademarks, logos, patents and other intellectual property rights, approvals, clearances, tenancies, privileges, powers, offices, easements, goodwill, entitlements, facilities of every kind and description of whatsoever nature, in relation to the Transferor Company, to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company.
- (ix) Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, statutory licenses, no-objection certificates, permissions, registrations (including, but not limited to, state excise licenses / permissions, environmental consent/ permissions, factory license, income tax, sales tax, service tax, goods and services tax, excise, value added tax, central sales tax (if any)), approvals, consents, permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company or granted to the Transferor Company shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and shall be appropriately transferred or assigned by the concerned statutory authorities in favour of the Transferee Company upon amalgamation of the Transferor Company with and into the Transferee Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions,



environmental approvals and consents including statutory licenses, permissions, approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company upon this Scheme, coming into effect on the Effective Date and with effect from the Appointed Date, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company.

- (x) All taxes, including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld / paid in a foreign country, goods and service tax payable or refundable to or credits being the entitlement of the Transferor Company including all or any refunds or claims shall be treated as tax liability or refunds / claims / credits as the case may be of the Transferee Company and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions as would have been available to the Transferor Company shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation etc. of the Transferor Company up to the Appointed Date shall be available to the Transferee Company with effect from the Appointed Date in terms of the provisions of Section 72A or other applicable provisions of the Income-tax Act, 1961.

- 4.1.2. Upon this Scheme becoming effective, the secured creditors of the Transferee Company shall be entitled to security over such properties and assets forming part of the Transferor Company on the Appointed Date on which the secured creditors of the Transferor Company have security, on a pari passu basis with the secured creditors of the Transferor Company, and the secured creditors of the Transferor Company shall be entitled to security over such properties and assets forming part of the Transferee Company on the Appointed Date on which the secured creditors of the Transferee Company have security, on a pari passu basis with the secured creditors of the Transferee Company. For the avoidance of doubt, it is clarified that all the assets of the Transferor Company and the Transferee Company which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by the Transferee Company. For this purpose, no further consent from the existing creditors shall be required and the sanction of this Scheme shall be considered as a specific consent of such creditors.

- 4.1.3. All the licenses, brand names, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, no-objection certificates, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that



have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, no-objection certificates, special status and other benefits or privileges of the Transferee Companies and shall remain valid, effective and enforceable on the same terms and conditions. For the avoidance of doubt, it is clarified that if the consent of either a third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes, and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

- 4.1.4. The Transferee Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements including any forms or depository instructions, with any party to any contract or arrangement in relation to the Transferor Company to which the Transferor Company is party, and make any filings with the Governmental Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing in the name of and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company, *inter alia*, in its capacity as the successor entity of the Transferor Company.
- 4.1.5. The Transferee Company and the Transferor Company shall, respectively, make appropriate filings with the Governmental Authorities in order to give formal effect to the provisions of this Clause 4 of this Scheme, and the relevant Governmental Authorities shall take the same on record, and shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance with the terms hereof.

#### 4.2. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 4.2.1. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed





Date, the Transferee Company shall bear the burden and the benefits of any legal, tax or other proceedings initiated by or against the Transferor Company. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Company, including (but not limited to) those before any Governmental Authority, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Transferor Company with and into the Transferee Company, or of anything contained in this Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. Initiation of assessment (including re-assessment) proceedings pertaining to the period prior to the Appointed date on / in connection to any of the Transferor Company, if any, under any provision of the Madhya Pradesh Excise Act, 1915 or State Excise Act of any other state, Income-tax Act, 1961 and/or any other Applicable Laws shall be with respect to such Transferor Company only and that the same shall not extend to/ deemed to include the standalone Transferee Company or the Transferor Company (other than the Transferor Company on / in connection to which the assessment/ reassessment proceedings are initiated). Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, where required, the Transferee Company undertakes to have such legal, tax or other proceedings initiated by or against the Transferor Company transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. For the avoidance of doubt, it is clarified that the Transferee Company undertakes to handle all legal or other proceedings which may be initiated by or against any of the Transferor Company after the Effective Date in respect of the period up to the Effective Date, in its own name and account and further undertakes to pay all amounts including interest, penalties, damages, etc. which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period up to the Effective Date.

#### 4.3. STAFF, WORKMEN AND EMPLOYEES

- 4.3.1. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all persons that were employed in the Transferor Company immediately before such date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, on terms and conditions no less favourable than those that were applicable to such employees immediately prior to such amalgamation, with the benefit of continuity of service on the same terms and conditions as were applicable to such



employees immediately prior to such amalgamation and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Transferee Company by virtue of this Scheme, shall continue to be governed by the terms of employment as were applicable to them immediately before such amalgamation and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees, of the Transferee Company, unless and otherwise so stated by the Transferee Company in writing in respect of all employees, class of employees or any particular employee. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Transferor Company in respect of such employees forming part of the Transferor Company with their respective employees. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation ('Funds') created or existing for the benefit of such employees of the Transferor Company, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company.

- 4.3.2. The existing provident fund benefits, gratuity benefits and superannuation benefits or any other special benefits or obligation, if any, created or used by the Transferor Company (or an affiliate of the Transferor Company on behalf of the Transferor Company) for its employees being transferred to the Transferee Company pursuant to this Scheme shall be continued by the Transferee Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. Further, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Company shall be continued / continue to operate against the relevant employee and shall be enforced by the Transferee Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company.

**4.4. CONSEQUENTIAL MATTERS RELATING TO TAX**



4.4.1. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all direct and indirect taxes of any nature, duties and cess or any other like payment made by the Transferor Company to any statutory authorities, including (but not limited to) income tax, service tax, security transaction tax, value added tax, central sales tax, customs duty, minimum alternate tax, advance tax, excise duty, goods and services tax, or any other like payments made by the Transferor Company to any statutory authorities, or other collections made by the Transferor Company and relating to the period after the Appointed Date up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Transferee Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company. Further, upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all deduction otherwise admissible to Transferor Company including deduction admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including, but not limited to, under Section 43B, Section 40, Section 40A etc. of the Income-tax Act, 1961) shall be eligible for deduction to the Transferee Company. Further, the Transferee Company shall be entitled to claim credit for taxes deducted / collected at source / paid against its tax / duty liabilities / minimum alternate tax, advance tax, service tax, value added tax liability, taxes / fees / duty paid under Madhya Pradesh Excise Act, 1915 or State Excise Act of any other state, Central Goods and Service Tax Act, 2017 (CGST Act), State Goods and Services Tax Act, 2017 (SGST Act) or Union Goods and Services Tax Act, 2017 (UTGST Act) applicable to any state / union territory in which the Transferor Company operates, Integrated Goods and Services Tax Act, 2017 (IGST Act) etc., notwithstanding the certificates / challans or other documents for payment of such taxes/ duties/ fees, as the case may be, being in the name of the Transferor Company.

4.4.2. Upon the Scheme coming into effect on the Effective Date, all taxes payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/ credits/ claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, entitlements (including, but not limited to, credits in respect of income tax, including carry forward tax losses, unabsorbed depreciation, sales tax, closing balance of CENVAT, Input Tax Credit, value added tax, turnover tax, central sales tax, excise duty, goods and services tax, security transaction tax, minimum alternate tax and duty entitlement credit certificates), holidays, remissions, reductions, deduction as would have been available to the Transferor Company by operation of law without any act or deed of the Transferee company, shall upon this Scheme becoming effective, be available to the Transferee Company, and losses and unabsorbed depreciation of the Transferor Company, if any, be carried forward and set off against tax on future taxable income of the Transferee Company in accordance with provisions of Section 72A or other applicable provisions of the Income-tax Act, 1961. The Transferee Company shall undertake all necessary compliances prescribed under applicable laws to effectuate transfer of credits of goods and services tax, Input



Tax Credits, refunds etc. of the Transferor Company to the Transferee Company.

4.4.3. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes payable by the Transferor Company including all or any refunds of claims shall be treated as the tax liability or refunds / claims as the case may be, of the Transferee Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and the Transferee Company shall be entitled to file / revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme, and all tax compliances under Applicable Laws by the Transferor Company shall be deemed to have been undertaken by the Transferee Company. Further, any tax deducted at source by the Transferor Company on transactions with the Transferee Company, if any from the Appointed Date to Effective Date, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

4.4.4. All the expenses incurred by the Transferee Company and/or Transferor Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company and/or Transferor Company, as applicable, in accordance with the Section 35DD of the Income-tax Act, 1961 over a period of five (5) years beginning with the previous year in which the Scheme becomes effective.

#### 4.5. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

4.5.1. With effect from the Appointed Date, and up to and including the Effective Date:

- (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Transferor Company for and on behalf of and in trust for the Transferee Company.
- (ii) All profits/ losses accruing to the Transferor Company and all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and services tax, value added tax, state excise duty/levy, sales tax, service tax etc.) thereon arising or incurred by it, shall, for all purposes, be treated as the profits, losses or taxes as the case may be, of the Transferee Company.
- (iii) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the respective Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent



for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

- (iv) all taxes (including, without limitation, income-tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST / UTGST and IGST, foreign taxes, etc.) paid or payable by the Transferor Company in respect of the operations and / or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income-tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST / UTGST, IGST, foreign taxes, etc.), whether by way of deduction at source, tax collected at source, advance tax, self-assessment tax, regular tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- (v) All accretions and depletions in relation to the Transferor Company shall be for and on account of the Transferee Company.
- (vi) The Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:
- a) when it is expressly provided in this Scheme; or
  - b) when it is in the ordinary course of business as carried on by the Transferor Company, as on the date of filing of this Scheme in the Tribunal; or
  - c) when written consent of the Transferee Company has been obtained in this regard;
- (vii) Except by mutual consent of the Boards of Directors of the Transferor Company and the Transferee Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Transferor Company and/or the Transferee Company as on the Appointed Date, or except as contemplated in this Scheme, pending



sanction of this Scheme, the Transferor Company and/or the Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, preference shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies);

- (viii) The Transferor Company shall not alter or substantially expand the business except with the written concurrence of the Transferee Company; and
- (ix) Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorisations of the Transferor Company, shall stand transferred by the order of the Tribunal, to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the Tribunal.

4.5.2. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that

- (i) Upon coming into effect of this Scheme, the Transferee Company shall, with reasonable dispatch immediately apply for transition / transfer of all licenses, product registrations, market authorizations, permits, quotas so as to ensure business continuity. The period between the Effective Date and the date on which the transitions of all the licenses, product registrations, market authorizations, permits, quotas or such other approvals as may deem fit by the Board of Directors of the Transferee Company is effective is hereinafter referred to as "Transition Period". With a view to avoid any disruption of business and to ensure continuity of operations and to maintain same quality of products, during the Transition Period, the business of the Transferor Company shall be carried on or deemed to have been carried on by the Transferee Company under the name and style of 'Associated Alcohols & Breweries Limited'.
- (ii) with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee



Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company.

- (iii) During the Transition Period, the Transferee Company shall be entitled to use all packed / labelled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Company or their vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Company is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.

#### 4.6. CONSIDERATION

- 4.6.1. The Transferee Company shall without any further act, issue and allot its Equity Shares of face value of INR 10/- each as consideration to each equity shareholder of the Transferor Company, whose name is recorded in the register of members of the Transferor Company as on Record date or to their respective heirs, executors, administrators or other legal representatives or successors-in-title, as the case may be, in the following manner:

*"773 (Seven Hundred and Seventy-Three) equity shares of MEBL having a face value of INR 10/- each fully paid-up shall be issued for every 1,000 (One thousand) equity shares held in AABL having a face value of INR 10/- each fully paid-up"*

- 4.6.2. The aforesaid ratio for the issue of Equity Shares by the Transferee Company against the Equity Shares held by the shareholders in the Transferor Company is based on the recommendations made in the Valuation Report dated 9<sup>th</sup> August 2022 issued by Mr. Niranjan Kumar, Registered Valuer, having IBBI registration No – IBBI/RV/06/2018/10137. Further, Kunvarji Finstock Private Limited, an independent merchant banker has provided a fairness report, dated 9<sup>th</sup> August 2022 on aforesaid Valuation Report.
- 4.6.3. Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum of Association and Articles of Association of the Transferee Company and shall be deemed to be in compliance with the provisions of the Act or any law for the time being in force.
- 4.6.4. The said Equity Shares in the Transferee Company to be issued to the equity shareholders of the Transferor Company pursuant to this clause shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights



and other corporate benefits attached to the Equity Shares of the Transferee Company. The Equity Shares of the Transferee Company issued pursuant to this clause and in lieu of the locked-in shares of the Transferor Company, if any, will be subject to lock-in for the remaining lock-in period of such locked-in shares, in accordance with the SEBI Circular.

- 4.6.5. Issuance of new Equity Shares by the Transferee Company shall be made in compliance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Master Circular issued by the Securities and Exchange Board of India on November 23, 2021 bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 or any statutory modification or re-enactment thereof from time to time.
- 4.6.6. The Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of the Transferor Company in dematerialized form, into the account in which shares of the Transferor Company are held or such other account as is intimated in writing by the shareholders to the Transferor Company and/or its Registrar. All the shareholders who hold shares of the Transferor Company in physical form shall also have the option to receive the Equity Shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferor Company and/or its Registrar on or before the Record Date. The shareholders who fail to provide such details shall be issued Equity Shares of the Transferee Company in physical form. Notwithstanding the above, if as per Applicable laws, the Transferee Company is not permitted to issue and allot the new Equity Shares in physical form and it has still not received the demat account details of such shareholders of the Transferor Company, the Transferee Company shall issue and allot such shares in lieu of the new equity share entitlement of such shareholders, into a Demat Suspense account, which shall be operated by one of the directors of the Transferee Company, duly authorised in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlements, will transfer from such Demat Suspense account into the individual demat account of such claimant shareholders, such number of shares as may be required in terms of this scheme.
- 4.6.7. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the designated stock exchange.
- 4.6.8. The new shares to be issued by the Transferee Company in respect of any Equity Shares of the Transferor Company which are held in abeyance under the provision of Section 126 of the Act or otherwise, shall also be kept in abeyance.
- 4.6.9. For the purpose of allotment of the shares, pursuant to this Scheme, the fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall





sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares and eligible shareholders would be compensated accordingly. For the sake of clarification, in case any shareholder of the Transferor Company becomes entitled to any fractional shares of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Transferee Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders, to whom they belong, for the specific purpose of selling such shares in the market at such price or prices within 90 days from the date of allotment of shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.

- 4.6.10. For the avoidance of doubt, it is clarified that, in case, the issued and paid-up share capital of the Transferee Company and / or the Transferor Company, as the case may be, undergoes any change, prior to this Scheme becoming effective, then Clause 4.6.1 shall automatically stand modified / adjusted accordingly to take into account the effect of such change.
- 4.6.11. Upon the issuance and allotment of Equity Shares pursuant to the Scheme, the Transferee Company shall take necessary steps, including the filing of the applications with Stock Exchanges, for the purpose of listing of the Equity Shares of the Transferee Company on such recognized Stock Exchanges, in accordance with the Applicable Laws.
- 4.6.12. Post listing of the Equity Shares of the Transferee Company on the Stock Exchanges, the Transferee Company shall comply with the requirement of maintaining public shareholding within such timelines as may be prescribed under Applicable Laws. Further, the Transferee Company shall undertake to increase the public shareholding to at least 25% (Twenty Five per cent.) within a period of 1 (One) year from the date of listing of its Equity Shares on such Stock Exchanges in accordance with the provisions of the SEBI Act and applicable regulations / notification / Circular.
- 4.6.13. The approval of this Scheme by the requisite majority of shareholders of the Transferee Company shall be deemed to be in due compliance of the provisions of Section 62 of the Act, and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.
- 4.6.14. The investments in the equity shares of the Transferee Company, appearing in the books of account of the Transferor Company shall, without any further act or deed, stand cancelled. The cancellation of share capital of the Transferee Company will be affected as part of this Scheme



in accordance with provision of Section 66 of the Act and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for confirming the cancellation of share capital.

#### **4.7. ACCOUNTING TREATMENT**

4.7.1. Pursuant to the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company with the Transferee Company in its books of accounts in accordance with the Indian Accounting Standard 103 "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India and any other relevant or related requirement under the Act, as applicable on the Effective Date.

4.7.2. As the Transferor Company shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 4.11 of this Scheme, hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company.

#### **4.8. TRANSFER OF THE AUTHORIZED SHARE CAPITAL**

4.8.1. As an integral part of the Scheme and upon the effectiveness of this Scheme, the authorised share capital of the Transferor Company shall stand transferred to and be merged with the authorised share capital of the Transferee Company, without any liability for payment of any additional fees or stamp duty.

4.8.2. Upon the Scheme coming into effect and with effect from the Appointed Date, (and consequent to consolidation of the existing authorized share capital of the Transferor Company in accordance with Clause 4.8.1 above), the authorised share capital of the Transferee Company of INR 22,00,00,000 (Rupees Twenty Two Crores Only) (divided into 2,20,00,000 Equity Shares of INR 10/- each), shall stand enhanced to an aggregate amount of INR 47,00,00,000 (Rupees Forty Seven Crores only) and the authorized share capital of the Transferee Company shall be consisting of 4,70,00,000 Equity Shares of INR 10/- each aggregating to INR 47,00,00,000. Accordingly, Clause V of the Memorandum of Association of the Transferee Company shall stand modified and be substituted by the following:

*"The Authorised share capital of the Company is INR 47,00,00,000 (Rupees Forty Seven crores only) comprises of 4,70,00,000 (Four Crore Seventy Lakh) equity shares of INR 10/- each with power to increase or decrease in accordance with the provisions of the Companies Act, 2013."*



4.8.3. For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferee Company and/or the Transferor Company, as the case may be, undergoes any change, prior to this Scheme becoming effective, then Clause 4.8 shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

4.8.4. It is hereby clarified that for the purposes of this Clause, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in authorised share capital of the Transferee Company, and no further act, instrument or deed by the Transferee Company or resolutions or actions under Sections 13, 61 and any other applicable provisions of the Act would be required to be separately passed or taken or pursuant to Section 232(3)(i) of the Act and the fee paid by the Transferor Company on its authorized share capital shall be set off against any fee payable by the Transferee Company on its authorized share capital subsequent to the amalgamation. Balance fees if any payable, after the aforesaid adjustment, by the Transferee Company shall be duly paid upon the sanctioning of the Scheme. Upon this Scheme coming into effect, the Transferee Company shall, if required, file the necessary documents / intimations as per the provisions of the Act with the RoC or any other applicable authority to record the aforesaid change in its authorised share capital.

#### 4.9. AMENDMENT OF THE MEMORANDUM OF ASSOCIATION

4.9.1. Upon the Scheme coming into effect, the main objects clause of the memorandum of association of the Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business of the Transferor Company, pursuant to the provisions of Section 13 of the Act, and other applicable provisions of the Act. Accordingly, the memorandum of association of the Transferee Company shall be altered and amended and necessary revisions shall be carried out. The following clause shall be substituted in place of Clause III of the memorandum of association of the Transferee Company and shall read as under:

*"3. To carry on the business of generation of power and electrical energy of all kinds and form all sources and of transmission and distribution thereof and to engage in development, creation, building and maintaining of infrastructures and allied activities and to act as owners, contractors, builders, sellers, lessors, hirers of projects, roads, bridges, dams, canals, drainages, tanks, ponds and other structures and to render consultancy and advisory services in connection of the above activities.*

*4. To set up by purchase or establish or otherwise an Ethanol Plant and thus to carry on in India or elsewhere the business to manufacture, produce, process, refine, buy, sale, distribute, trade and to market and supply ethyl alcohol / ethanol for sale to oil marketing companies or to any other companies as permitted to enable them to blend with petrol as per the Government of India Ethanol Blending Policy (Ethanol Blending Programme) and to make application and participate*



*in the tender process or any other sale process from time to time by the central government or the state government or to sale by any other mode as applicable or permitted or notified or to produce, supply, trade or market ethanol/ethyl alcohol related products to petroleum, petrochemical or other industry or to do all such act in general practice in relation to similar industry and trade of identical products and to do all such ancillary or incidental, including any commodity and things which can be conveniently used or manufactured or produced in conjunction with or in relation thereof to the attainment of this object including sale and supply of its byproducts."*

- 4.9.2. It is hereby clarified that for the purposes of this Clause 4.9. of the Scheme, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment, and no further act, instrument or deed by the Transferee Company or resolutions or actions under Section 13 of the Act and / or any other applicable provisions of the Act and rules and regulations framed thereunder, as may be applicable for the alteration of the memorandum of association of the Transferee Company, shall be required, and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 13 of the Act or any other applicable provisions of the Act, and rules and regulations framed thereunder, in relation to the same. Upon this Scheme coming into effect, the Transferee Company shall, if required, file the necessary documents/ intimations as per the provisions of Act with the RoC or any other applicable authority to record the aforesaid alteration of its memorandum of association in the manner set out in this Clause 4.9. of this Scheme.

#### **4.10. CHANGE IN NAME OF THE TRANSFEREE COMPANY**

Consequent to the amalgamation and upon the Scheme becoming effective, the name of the Transferee Company shall be changed from Mount Everest Breweries Limited to "Associated Alcohols & Breweries Limited" or any other name as approved by the Board of Directors of the Transferee Company. Clause I of the Memorandum of Association shall stand altered and substituted accordingly.

- 4.10.1. The change in the name of the Transferee Company shall be done as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting this amendment and that no further resolution(s) under Section 13 or any other applicable provisions of the Act would be required to be separately passed. The Transferee Company shall file requisite forms and take necessary steps to give effect to such change of name.

#### **4.11. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 4.11.1. Upon this Scheme coming into effect, the Transferor Company, without any further act, instrument or deed, stand dissolved without winding up.



**5. GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME**

**5.1. CONDITIONALITY OF THE SCHEME**

5.1.1. This Scheme is and shall be conditional upon and subject to:

- (i) the Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and secured and unsecured creditors of each of the Transferor Company and the Transferee Company, as may be directed by the Tribunal or any other competent authority, as may be applicable;
- (ii) the requisite consent, approval or permission of the Central Government, or any other statutory or regulatory authority, which by law may be necessary for the implementation of this scheme;
- (iii) being approved by the public shareholders through e-voting in terms of paragraph 10 of Part - I (A) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- (iv) the Scheme being sanctioned by the Tribunal under Section 230 to 232 and any other applicable provision of the Act;
- (v) filing of the certified copies of the orders of the Tribunal sanctioning this Scheme, by the Transferor Company and the Transferee Company, under the applicable provisions of the Act with the jurisdictional ROC; and
- (vi) All other sanctions, licenses and approvals as may be required by law in respect of this Scheme being obtained.

**5.2. APPLICATION TO THE TRIBUNAL**

5.2.1. The Transferor Company and the Transferee Company may, with all reasonable dispatch, make a joint application to the Tribunal under Sections 230 to 232 and other applicable provisions of the Act for the sanction of this Scheme and all matters ancillary or incidental thereto.



### 5.3. EFFECTIVENESS OF THE SCHEME

- 5.3.1. Upon the sanction of this Scheme and after the Scheme has become effective upon completion of the conditions listed in Clause 5.1 of this Part D, with effect from the Appointed Date, the amalgamation of the Transferor Company with and into the Transferee Company shall be deemed to have occurred in accordance with Section 2 (1B) of the Income-tax Act, 1961.

### 5.4. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 5.4.1. Each of the Transferor Company and the Transferee Company will be at liberty to apply to the Tribunal from time to time for necessary directions in matters relating to this Scheme or any terms thereof, in terms of the Act.
- 5.4.2. Each of the Transferor Company and the Transferee Company, through their respective Board of Directors, may assent to any modifications / amendments to the respective Part of this Scheme and/ or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Each of the Transferor Company and the Transferee Company, through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme and/or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.
- 5.4.3. The Board of Directors of the Transferor Company and the Transferee Company, respectively shall be entitled to revoke, cancel and declare the Scheme or any part thereof to be of no effect and/or to withdraw the Scheme or any part thereof and respective applications / petitions filed with the Tribunal if such Boards are of view that the coming into effect of the Scheme or of any part thereof, in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all / any of the Companies or in case any condition or alteration imposed by the Tribunal or any other authority or entity is not on terms acceptable to them.

### 5.5. EFFECT OF NON-RECEIPT OF APPROVALS

- 5.5.1. In the event this Scheme is not being sanctioned by (i) the Tribunal or such other competent authority before which this Scheme is presented for approval (ii) requisite majorities of members,



creditors of the relevant Transferor Company or the Transferee Company, the part not sanctioned shall stand revoked, cancelled and be of no effect, save and except in respect of any further act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided for in the Scheme or as may otherwise arise in law.

- 5.5.2. If any provision of this Scheme is ruled invalid or illegal by the Tribunal, or unenforceable under present or future laws, then it is the intention of the parties to this Scheme that such portion shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such portion shall cause this Scheme to become materially adverse to any party, in which case the parties, through their respective Board of Directors may either decide to revoke the Scheme or may attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such portion.

#### **5.6. COSTS, CHARGES AND EXPENSES**

- 5.6.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto on or prior to the Effective Date shall be borne by the respective Parties.

- 5.6.2. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto after the Effective Date shall be borne by the Transferee Company.

#### **5.7. SEVERABILITY OF ANY PART OF THE SCHEME**

- 5.7.1. If any part of the Scheme is ruled invalid or illegal by any Court/Tribunal of competent jurisdiction, or unenforceable under present or future laws, or cannot be given effect to due to regulatory or other reasons, then it is the intention of the parties that, at the discretion of the parties, such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any party, in which case each of the Transferor Company and the Transferee Company, (acting through their respective Boards of Directors) shall attempt to bring about a modification in the Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.



5.7.2. Notwithstanding the above, any revocation, cancellation or ineffectiveness of any part of the Scheme, either individually or collectively, shall not affect the effectiveness of the other part of the Scheme.

#### **5.8. VALIDITY OF EXISTING RESOLUTIONS**

5.8.1. Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if such resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under the resolutions passed by the Board of Directors and/or shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### **5.9. REPEAL AND SAVINGS**

5.9.1. The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by any of the Transferor Company or the Transferee Company on or before the Appointed Date and after the Appointed Date until the Effective Date.

#### **5.10. REMOVAL OF DIFFICULTIES**

5.10.1. The Transferor Company and the Transferee Company through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of the Tribunal or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the amalgamation contemplated in this Scheme and/or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.





**5.11. PROPERTY IN TRUST**

5.11.1. Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Transferor Company are transferred, vested, recorded effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license asset approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authority and till such time as may be mutually agreed by the Transferor Company and Transferee Company, the Transferor Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as may be, in trust for and on behalf of the Transferee Company respectively.

**5.12. BINDING EFFECT**

5.12.1. Upon the Scheme becoming effective, the same shall be binding on the Companies, Governmental Authority and all concerned parties without any further act, deed, matter or thing.



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