

**Date: 09 August 2022**

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

**To,**  
**The Board of Directors,**  
**Mount Everest Breweries Limited,**  
4th Floor, BPK Star Tower, A.B. Road,  
Indore, Madhya Pradesh – 452008

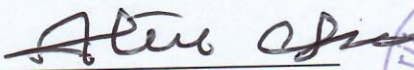
**Subject: Fairness opinion on the share exchange ratio recommended by Niranjan Kumar, Registered Valuer - Securities or Financial Assets for the proposed amalgamation of Associated Alcohol & Breweries Limited with Mount Everest Breweries Limited**

We refer to the engagement letter dated August 2, 2022 and discussions undertaken with the Management of Mount Everest Breweries Limited ("MEBL" or "Transferee Company") and Associated Alcohol & Breweries Limited ("AABL" or "Transferor Company") (hereinafter both of them together referred to as "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the share exchange ratio recommended by Niranjan Kumar, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated August 9, 2022 ("Valuation Date") in connection with the proposed amalgamation of Associated Alcohol & Breweries Limited with Mount Everest Breweries Limited (together MEBL and AABL are referred to as "Transacting Companies") (hereinafter referred to as "Proposed amalgamation").

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the share exchange ratio recommended by the Independent Valuer for the aforesaid Proposed amalgamation. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the Proposed Amalgamation and should not be used for any other purpose.

**For, Kunvarji Finstock Private Limited**

  
**Mr. Atul Chokshi**  
**Director (DIN: 00929553)**



**Place: Ahmedabad**

**Kunvarji Finstock Pvt. Ltd.**

Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051

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**FAIRNESS OPINION**

**IN THE MATTER OF SCHEME OF AMALGAMATION IN THE NATURE OF  
PROPOSED AMALGAMATION OF**

**ASSOCIATED ALCOHOL & BREWERIES LIMITED  
(TRANSFEROR COMPANY)**

**WITH**

**MOUNT EVEREST BREWERIES LIMITED (TRANSFeree COMPANY)**

**STRICTLY PRIVATE AND CONFIDENTIAL**

Prepared By:

**KUNVARJI**

SINCE 1960

*Driven By Knowledge*

**Kunvarji Finstock Private Limited**

**SEBI Registered Category I Merchant Banker**

**(Registration Number – INM000012564)**

Kunvarji, B-Wing, Siddhivinayak Towers,  
Nr. D.A.V. School, Off. S. G. Road, Makarba,

Ahmedabad-380051

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**1. BACKGROUND OF THE COMPANIES****ASSOCIATED ALCOHOL & BREWERIES LIMITED (TRANSFEROR COMPANY)**

Associated Alcohols & Breweries Limited ('AABL' or 'Transferor Company') was incorporated on 7 July 1989 and is primarily engaged in the business of manufacturing and trading of extra neutral alcohol (ENA), Indian-made Indian liquor (i.e., country liquor), Indian made foreign liquor, spirits, and hand sanitizer. AABL has an exclusive franchise agreement with Diageo – United Spirits Limited ('USL) to distil, blend, bottle, and market the alcohol brands. The equity shares of AABL are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The equity shareholding pattern of AABL as at 30 June, 2022 is set out below:

Category of Shareholder	Number of shares (FV - INR 10 each)	% shareholding
Promoter and Public Group	1,05,66,440	58.4%
Public	75,12,760	41.6%
<b>Total</b>	<b>1,80,79,200</b>	<b>100.00%</b>

**MOUNT EVEREST BREWERIES LIMITED (TRANSFEEE COMPANY)**

Mount Everest Breweries Limited ("MEBL" or "Transferee Company") was incorporated on 13 August, 1999 and is engaged in the business of manufacturing and sale of beer under four in-house brands namely Lemount, Mounts 6000, Dabang and Stok (recently launched in the premium category). Along with this MEBL is also engaged in the manufacturing of beer on a contract manufacturing basis for United Breweries Limited ('UBL') of its 'Kingfisher' strong brand. 2,06,11,027 equity shares of MEBL are outstanding as at the report date.

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**2. TRANSACTION OVERVIEW AND SCOPE OF SERVICES****Transaction Overview**

We understand that the Management of the Transacting Companies is contemplating a scheme of amalgamation, wherein they intend to amalgamate Associated Alcohol & Breweries Limited with Mount Everest Breweries Limited in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft scheme of amalgamation (hereinafter referred to as 'the Scheme').

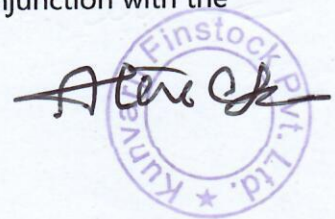
As a consideration for the proposed amalgamation, equity shareholders of AABL would be issued equity shares of MEBL. The equity shares to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors based on the share exchange ratio report prepared by the Independent Valuer appointed by them.

**Scope of Services**

Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share exchange ratio recommended by the Independent Valuer vide report dated 09 August 2022 for the proposed amalgamation of Transferor Company with Transferee Company.

In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide a fairness opinion on the share exchange ratio recommended by an Independent Valuer as at Valuation Date for the Proposed amalgamation.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the share exchange ratio arrived at for the purpose of the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

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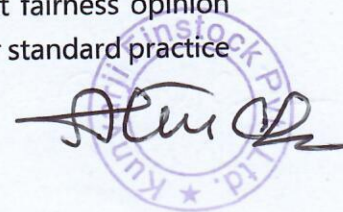


**3. SOURCES OF INFORMATION**

We have relied on the following information made available to us by the Management of the Transacting Companies/ obtained from the public domain for the purpose of this report:

- Signed share exchange ratio report issued and prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets dated 09 August 2022;
- Limited reviewed Interim financial statements for the three months period ended 30 June 2022 and unaudited financial statements for the three months period ended 30 June 2021 of MEBL;
- Audited financial statements for the financial year ended 31 March 2022 of MEBL;
- Limited reviewed financial statements for the three months period ended 30 June 2022 and audited financial statements for the financial year ended 31 March 2022 of AABL;
- Financial projections of MEBL from 01 April 2022 till 31 March 2028 which represent the management's best estimate of the projected future financial performance of the Transferee Company;
- Financial projections of AABL from 01 April 2022 to 31 March 2026 which represent the management's best estimate of the projected future financial performance of the Transferor Company;
- Draft scheme of amalgamation between the Transacting Companies pursuant to which proposed amalgamation is to be undertaken;
- Shareholding pattern of Transferee Company as at report date;
- Shareholding pattern of Transferor Company as at 30 June 2022;
- Publicly available market data, key trends, and valuation multiples of the comparable companies.
- Information provided by leading database sources and other publicly available information.
- We have also relied on various representations, information and explanations given by the Management.

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.

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**4. PROCEDURES ADOPTED**

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available in public domain.
- Discussions with the Management to understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance of the Companies.
- Undertook Industry Analysis: Research publicly available market data including economic factors and industry trends that may impact the opinion;
- Analysis of information shared by Management;
- Reviewed the draft scheme of amalgamation between the Transacting Companies pursuant to which the proposed amalgamation is to be undertaken;
- Reviewed signed share exchange ratio report issued and prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets dated 09 August 2022;
- Analysis of key trends and valuation multiples of the Comparable Companies using data available in the public domain and proprietary databases.
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.



*[Handwritten Signature]*

*[Circular Stamp: Kunvarji Finstock Pvt. Ltd.]*

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**5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date; (iii) Audited financial statements for the year ended 31 March 2022 and limited reviewed financial statements for the three month period ended June 30, 2022 of MEBL & AABL; and (iv) draft scheme of amalgamation.

A fairness opinion of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Companies and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take a buy or sell decision, for which specific opinion needs to be taken from expert advisors.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.

It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of facilitating companies to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 2017, or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020,

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as amended from time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.

The Report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

Certain terms of the proposed amalgamation are stated in our fairness opinion, however the detailed terms of the proposed amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

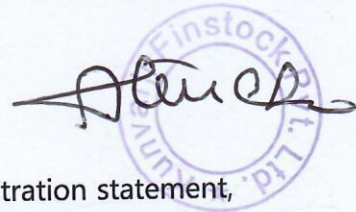
The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or

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document given to third parties, other than in connection with the proposed scheme of amalgamation, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of AABL will trade following the announcement of the proposed amalgamation and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the proposed amalgamation. Our opinion contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

## 5. OUR RECOMMENDATION

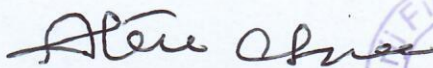
As stated in the Share Exchange Ratio Report dated August 9, 2022 prepared by Niranjn Kumar, Registered Valuer- Securities or Financial Assets, they have recommended the following:

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

The aforesaid amalgamation shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the Hon'ble National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the amalgamation are more fully set forth in the draft scheme of amalgamation. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation alters the Proposed Amalgamation.

Based on the information, data made available to us, to the best of our knowledge and belief, the Share exchange ratio as recommended by Niranjn Kumar, Registered Valuer- Securities or Financial Assets in relation to the proposed draft scheme of amalgamation is fair to the equity shareholders of MEBL and AABL in our opinion.

**For, Kunvarji Finstock Private Limited**



**Mr. Atul Chokshi**  
Director (DIN: 00929553)



**Date: August 9, 2022**

**Place: Ahmedabad**

**Kunvarji Finstock Pvt. Ltd.**

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