



# **UNITED BREWERIES LIMITED**

Registered Office: "UB TOWER", UB CITY, 24, VITTAL MALLYA ROAD, BANGALORE – 560 001.

## **NOTICE CONVENING EXTRAORDINARY GENERAL MEETING**

Date : 27<sup>th</sup> July, 2011

Day : Wednesday

Time : 10.30 a.m.

Venue : Good Shepherd Auditorium  
Opp. St. Joseph's Pre-university College  
Residency Road, Bangalore-560 025.

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## NOTICE CONVENING EXTRA ORDINARY GENERAL MEETING

**NOTICE** is hereby given that an Extra Ordinary General Meeting of the Equity Shareholders of **UNITED BREWERIES LIMITED**, will be held on **Wednesday, July 27, 2011** at **10.30 a.m.** at **Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025** to transact the following business:

### **SPECIAL BUSINESS:**

1. **Approval to the Scheme of Amalgamation between 'MILLENNIUM BEER INDUSTRIES LIMITED' and 'UNITED BREWERIES LIMITED' and their respective shareholders and creditors.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**RESOLVED** that pursuant to the provisions contained in Section 17, Section 18 and such other applicable provisions, if any, of the Sick Industrial Companies (Special Provisions) Act, 1985 (**SICA**) and subject to the sanction of the Hon'ble Board for Industrial and Financial Reconstruction (**BIFR**) and/or such other authority(ies), as the case may be, the Modified Rehabilitation Scheme containing the **Scheme of Amalgamation** (the "**Scheme**") between 'MILLENNIUM BEER INDUSTRIES LIMITED (**MBIL**)' and 'UNITED BREWERIES LIMITED (**UBL**)' and their respective shareholders and creditors as the case may be, a copy of which laid before the meeting and duly initialed by the Chairman for the purpose of identification, be and is hereby approved, subject to such alterations, conditions and modifications, if any, as may be prescribed or directed by the Hon'ble BIFR or such other authority(ies) while sanctioning the Scheme.

Further **RESOLVED** that pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (as amended from time to time) and the provisions in Memorandum and Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall be deemed to include any Committee of Directors constituted by the Board) to issue and allot Equity Shares in the Company to the eligible shareholders of Millennium Beer Industries Limited in terms of the Scheme.

Further **RESOLVED** that the new Equity Shares to be issued and allotted in the manner aforesaid shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

Further **RESOLVED** that for the purpose of giving effect to aforementioned resolutions, the Board or any Committee thereof be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable, appropriate or expedient and to settle any questions, doubts or difficulties that may arise in connection with or in implementation of the Scheme and to do all such acts, deeds and things necessary for carrying into effect the terms of the Scheme and to delegate all or any of the powers conferred to such Director(s) and/or Officer(s) of the Company as it may deem fit.

2. **Approval to the Scheme of Amalgamation between 'UNITED MILLENNIUM BREWERIES LIMITED' and 'UNITED BREWERIES LIMITED' and their respective shareholders and creditors.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**RESOLVED** that pursuant to the provisions contained in Section 17, Section 18 and such other applicable provisions, if any, the Sick Industrial Companies (Special Provisions) Act, 1985, (**SICA**) and subject to the sanction of the Hon'ble Board for Industrial and Financial Reconstruction (**BIFR**) or such other authority(ies), as the case may be, the Rehabilitation Scheme containing the **Scheme of Amalgamation** (the "**Scheme**") between 'UNITED MILLENNIUM BREWERIES LIMITED (**UMBL**)' and 'UNITED BREWERIES LIMITED' (**UBL**) and their respective shareholders and creditors as the case may be, a copy of which laid before the meeting and duly initialed by the Chairman for the purpose of identification, be and is hereby approved, subject to such alterations, conditions and modifications, if any, as may be prescribed or directed by the Hon'ble BIFR or such other authority(ies) while sanctioning the Scheme.

Further **RESOLVED** that for the purpose of giving effect to aforementioned resolution the Board of Directors or any Committee thereof be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable, appropriate or expedient and to settle any questions, doubts or difficulties that may arise in connection with or in implementation of the Scheme and to do all such acts, deeds and things necessary for carrying into effect the terms of the Scheme and to delegate all or any of the powers conferred to such Director(s) and/or Officer(s) of the Company as it may deem fit.

3. **Approval to the Scheme of Amalgamation between 'UB Ajanta BREWERIES PRIVATE LIMITED' and 'UNITED BREWERIES LIMITED' and their respective shareholders and creditors.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**RESOLVED** that pursuant to the provisions contained in Section 17, Section 18 and such other applicable provisions, if any, the Sick Industrial Companies (Special Provisions) Act, 1985 (**SICA**) and subject to the sanction of the Hon'ble Board for Industrial and Financial Reconstruction (**BIFR**) or such other authority(ies), as the case may be, the Draft Rehabilitation Scheme containing **Scheme of Amalgamation** (the "**Scheme**") between 'UBAjanta BREWERIES PRIVATE LIMITED (**UB AJANTA**)' and 'UNITED BREWERIES LIMITED' (**UBL**) and their respective shareholders and creditors as the case may be, a copy of which laid before the meeting and duly initialed by the Chairman for the purpose of identification, be and is hereby approved, subject to such alterations, conditions and modifications, if any, as may be prescribed or directed by the Hon'ble BIFR or such other authority(ies) while sanctioning the Scheme.

Further **RESOLVED** that pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (as amended from times to time) and enabling provisions in Memorandum and Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall be deemed to include any Committee of Directors constituted by the Board) to issue and allot Equity Shares in the Company to the eligible shareholders of UB Ajanta Breweries Private Limited in terms of the Scheme.

Further **RESOLVED** that the new Equity Shares to be issued and allotted in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

Further **RESOLVED** that for the purpose of giving effect to aforementioned resolutions, the Board or any Committee thereof be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable, appropriate or expedient and to settle any questions, doubts or difficulties that may arise in connection with or in implementation of the Scheme and to do all such acts, deeds and things necessary for carrying into effect the terms of the Scheme and to delegate all or any of the powers conferred to such Director(s) and/or Officer(s) of the Company as it may deem fit.

By order of the Board,

Place: Bangalore  
Date: July 1, 2011

**GOVIND IYENGAR**  
Company Secretary

**NOTES:**

1. **Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this Notice.
3. The Scheme between MBIL and UBL and their respective shareholders and creditors is annexed hereto and forms part of this Notice.
4. The Scheme between UMBL and UBL and their respective shareholders and creditors is annexed hereto and forms part of this Notice.
5. The Scheme between UB Ajanta and UBL and their respective shareholders and creditors is annexed hereto and forms part of this Notice.
6. Members are requested to:
  - (a) bring their copy of Notice to the meeting;
  - (b) bring the **Attendance Slip sent herewith, duly filled in;**
  - (c) bring their **Folio Number / DP and Client ID,** and
  - (d) **avoid being accompanied by non-members and children.**
7. **Members are requested to read the entire text of the Schemes annexed to this notice in order to have a better understanding of the provisions thereof. The Explanatory Statement contains only the salient features of the Scheme.**
8. Inspection of the following documents may be had at the Registered Office of the Company on any working day (except Saturday) till Tuesday, July 26, 2011, between 11.00 a.m. and 4.00 p.m.
  - (i) Rehabilitation Scheme of MBIL, UMBL and UB Ajanta.
  - (ii) Memorandum and Articles of Association of MBIL, UMBL and UB Ajanta.
  - (iii) Shareholding Pattern of UBL pre and post allotment of shares pursuant to the Scheme.
  - (iv) Audited accounts of MBIL for three previous financial years ended March 31, 2010, March 31, 2009 and March 31, 2008.
  - (v) Valuation Reports of M/s Grant Thornton, India and SSPA & Co., independent valuers on the share exchange ratio.
  - (vi) Fairness opinions issued by Ambit Corporate Finance Pte. Ltd. on the valuation reports.
9. **MEMBERS MAY KINDLY NOTE THAT NO GIFTS SHALL BE DISTRIBUTED AT THE MEETING.**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **ITEM NO. 1:**

1. MBIL is in the business of manufacture and sale of beer and presently manufactures beer under its various brand names and brands belonging to UBL under the respective contracts.
2. The Equity Shares of MBIL are listed on the Stock Exchanges at Bombay and Delhi. MBIL was a subsidiary of Millennium Alcobev Private Limited (MAPL). Post amalgamation of MAPL into UBL with effect from March 10, 2011, MBIL has now become a subsidiary of UBL, by virtue of which UBL holds 88.95% Equity Shares and 100% Preference Shares (81.08% directly and 18.92% through its wholly owned subsidiary UMBL).
3. MBIL was declared a sick industrial company within the meaning of Section 3(1)(o) of SICA, by the Hon'ble Board for Industrial and Financial Reconstruction on July 13, 2006. The Hon'ble BIFR directed MBIL to formulate and submit a rehabilitation scheme under Section 17(2) of SICA. The Scheme of Rehabilitation of MBIL was sanctioned by the Hon'ble BIFR on January 02, 2008. MBIL substantially implemented the Scheme of Rehabilitation. MBIL then filed a Modified Draft Rehabilitation Scheme (MDRS / the Scheme) envisaging its amalgamation with UBL with the Hon'ble BIFR on November 30, 2010 for its approval. The Scheme is a modified version of the rehabilitation scheme of MBIL sanctioned by the Hon'ble BIFR on January 02, 2008. The Scheme does not envisage any relief / concession from any Government body, financial institutions, creditors, stakeholders, shareholders etc. except to the extent the same are available in accordance with the prevailing laws/ policies/ guidelines/ schemes as may be applicable to a sick Transferor Company and a healthy Transferee Company for the time being in force.
4. Rationale for the Scheme
  - MBIL is engaged in manufacture and sale of beer. The operations of MBIL are synergized with that of UBL. In order to derive further operational benefits, there is a need to consolidate the operations / activities of these companies to be carried out by a single entity so as to derive optimal administrative, management and synergy benefits and consequently achieve cost savings, pooling of managerial skills and utilization of valuable resources by carrying out operations in a single entity.
  - To facilitate revival of the existing business carried on by MBIL upon its amalgamation into UBL.

The main benefits inter alia, arising out of the Scheme are as under:

- The amalgamation will enable creation of a larger entity and derive optimal management and synergy benefits. The proposed Scheme is expected to result in business synergies besides economies in cost by combining all the functions, related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise.
- The Scheme will enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher profitability and enhancing shareholders' value.
- The Scheme will enable the brewing business to be carried out more conveniently and advantageously in manner that will enhance the shareholder value.

- The Scheme will enable UBL to employ its resources optimally and derive higher economic benefits in its business.
  - The Scheme will enable consolidation of assets and revenues in the combined entity and also achieve significant administrative efficiency.
5. For determining the fair exchange ratio for the purpose of the Scheme of Amalgamation, the Board of Directors of the respective companies had appointed Messrs Grant Thornton India and Messrs SSPA & Co., as independent valuers. Based on their recommendations, the share exchange / swap ratio is decided as under:
- “1 (one) fully paid-up Equity Share of UBL of Re.1 (Rupee one) each for every 12 (twelve) fully paid-up Equity Shares of MBIL of Re.1 (Rupee one) each.”
6. Ambit Corporate Finance Pvt. Ltd., in their capacity of a Category-I Merchant Banker, have provided their fairness opinion on the share exchange / swap ratio recommended by the independent valuers.
7. In MBIL 88.95% Equity Shares are held by UBL and 11.05% Equity Shares are held by public shareholders. Upon amalgamation of MBIL into UBL, the Equity Shares held by UBL in MBIL shall get cancelled and Equity Shares of UBL will be allotted to the eligible public shareholders of MBIL as per the share exchange ratio mentioned in the Scheme. These shares shall rank pari-passu with the existing Equity Shares of UBL in all respects including right to dividend and will be listed on the Stock Exchanges where Equity Shares of UBL are presently listed. Approval of the Members is sought under Section 81(1A) of the Companies Act, 1956 for allotment of Equity Shares of UBL to the public shareholders of MBIL holding Equity Shares of MBIL as on the record date to be fixed in this regard.
8. The Scheme is subject to the approval of the Hon'ble BIFR.
9. The Scheme shall be effective upon filing of the certified copies of the order of the Hon'ble BIFR with the Registrar of Companies, Karnataka by UBL and MBIL.
10. Upon the Scheme becoming effective, UBL shall bear and pay all costs, charges, expenses, taxes including duties, levies, etc., in connection with the Scheme.
11. The rights and interest of the members of the Company will not be prejudicially affected by the Scheme.
12. The secured and unsecured creditors of the Company will not be affected by the Scheme as the assets of the Company, post amalgamation will exceed the liabilities and the Company, will continue to have a positive net worth. Further the rights and interests of the members and creditors of the Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor are their rights sought to be modified in any manner.
13. The Directors of the Company may be deemed to be concerned and/or interested in the proposed Resolution to the extent of their shareholding in the company(ies) or to the extent the said Director is a Director/member of the company(ies).

Your Directors recommend the above Resolution for your approval.



## ITEM NO. 2:

1. UMBL is in the business of manufacture and sale of beer and presently manufactures beer brands belonging to UBL under the respective contracts.
2. UMBL was a wholly owned subsidiary of MAPL. Post amalgamation of MAPL into UBL with effect from March 10, 2011, UMBL has now become a wholly owned subsidiary of UBL.
3. UMBL is a sick industrial company within the meaning of Section (3)(1)(o) of SICA. Based on the audited accounts as on March 31, 2010, UMBL filed a reference with the Hon'ble BIFR on August 17, 2010 under Section 15(1) of SICA reporting erosion of its net worth. UMBL was declared a sick industrial company by the Hon'ble BIFR on November 16, 2010. The Hon'ble BIFR directed UMBL to formulate and submit a rehabilitation scheme under Section 17(2) of SICA. UMBL filed the Draft Rehabilitation Scheme (DRS / the 'Scheme') envisaging its amalgamation with UBL with the Hon'ble BIFR on December 23, 2010. The Scheme filed by UMBL does not envisage any relief / concession from any Government body, financial institutions, creditors, stakeholders, shareholders etc. except to the extent the same are available in accordance with the prevailing laws/ policies/ guidelines/ schemes as may be applicable to a sick Transferor Company and a healthy Transferee Company for the time being in force.

#### 4. Rationale for the Scheme

- The operations of UMBL are synergized with that of UBL. In order to derive further operational benefits, there is a need to consolidate the operations of these companies to be carried out by a single entity so as to derive optimal administrative, management and synergy benefits and consequently achieve cost savings, pooling of managerial skills and utilization of valuable resources by carrying out operations in a single entity.
- To facilitate revival of UMBL.

The main benefits inter alia, arising out of the Scheme are as under:

- The amalgamation will enable creation of a larger entity and derive optimal management and synergy benefits. The proposed Scheme is expected to result in business synergies besides economies in cost by combining all the functions, related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise.
  - The Scheme will enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher profitability and enhancing shareholders' value.
  - The Scheme will enable the brewing business to be carried out more conveniently and advantageously in a manner that will enhance the Shareholder value.
  - The Scheme will enable UBL to employ its resources optimally and derive higher economic benefits in its business.
  - The Scheme will enable consolidation of assets and revenues in the combined entity and also achieve significant administrative efficiency.
5. For determining the fair exchange ratio for the purpose of the Scheme of Amalgamation, the Board of Directors of the respective companies had appointed Messrs Grant Thornton India and



Messrs SSPA & Co., as independent valuers. Based on their recommendations, the share exchange / swap ratio is decided as under:

“3 (three) fully paid-up Equity Shares of UBL of Re.1 (Rupee one) each for every 37 (thirty seven) fully paid-up Equity Shares of UMBL of Rs.10 (Rupees ten) each.”

However, since UMBL has become a wholly owned subsidiary of UBL, no Equity Shares of UBL will be issued in lieu of shares of UMBL, in terms of the Scheme. The Equity Shares held by UBL in UMBL shall stand cancelled and shall be deemed to have been cancelled without any further act or deed, upon the Scheme becoming effective.

6. Ambit Corporate Finance Pvt. Ltd., in their capacity of a Category-I Merchant Banker, have provided their fairness opinion on the above share exchange / swap ratio recommended by the independent valuers.
7. The Scheme is subject to the approval of the Hon'ble BIFR.
8. The Scheme shall be effective upon filing of the certified copies of the order of the Hon'ble BIFR with the Registrar of Companies, Karnataka by UBL and UMBL.
9. Upon the Scheme becoming effective, UBL shall bear and pay all costs, charges, expenses, taxes including duties, levies, etc., in connection with the Scheme.
10. The rights and interest of the members of the Company will not be prejudicially affected by the Scheme.
11. The secured and unsecured creditors of the Company will not be affected by the Scheme as the assets of the Company, post amalgamation will exceed the liabilities and the Company, will continue to have a positive net worth. Further the rights and interests of the members and creditors of the Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor are their rights sought to be modified in any manner.
12. The Directors of the Company may be deemed to be concerned and/or interested in the proposed Resolution to the extent of their shareholding in the company(ies) or to the extent the said Director is a Director/member of the company(ies).

Your Directors recommend the above Resolution for your approval.

**ITEM NO. 3:**

1. UB Ajanta is in the business of manufacture and sale of beer. UB Ajanta is a joint venture between Heineken International B.V. and UB Overseas Limited each holding half of its Share Capital. UBL has entered into a management agreement with UB Ajanta in February 2010, and presently its operations are being managed by UBL. UB Ajanta presently manufactures its own brands of beer and also various brands of UBL.
2. UB Ajanta is a sick industrial company within the meaning of Section 3(1)(o) of SICA. UB Ajanta has filed a reference with the Hon'ble BIFR under Section 15(1) of SICA reporting erosion of its net worth and for determination of the measures which shall be adopted for rehabilitation of UB Ajanta. UB Ajanta has prepared a Draft Rehabilitation Scheme envisaging its amalgamation with UBL

and their respective shareholders and creditors, as the case may be, and the Draft Rehabilitation Scheme does not envisage any relief and concessions from any Government body, financial institutions, creditors, stakeholders, shareholders etc. except to the extent the same are available in accordance with the prevailing laws/ policies/ guidelines/ schemes as may be applicable to a sick Transferor Company and a healthy Transferee Company for the time being in force.

### 3. Rationale for the Scheme

- UB Ajanta is engaged in manufacture and sale of beer and the operations of UB Ajanta are synergized with that of UBL. In order to derive further operational benefits, there is a need to consolidate the operations of these companies to be carried out by a single entity so as to derive optimal administrative, management and synergy benefits and consequently achieve cost savings, pooling of managerial skills and utilization of valuable resources by carrying out operations in a single entity.
- To facilitate revival of UB Ajanta.

The main benefits inter alia, arising out of the Scheme are as under:

- The amalgamation will enable creation of a larger entity and derive optimal management and synergy benefits. The proposed Scheme is expected to result in business synergies besides economies in cost by combining all the functions, related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise.
- The Scheme will enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher profitability and enhancing shareholders' value.
- The Scheme will enable the brewing business to be carried out more conveniently and advantageously in a manner that will enhance the Shareholder value.
- The Scheme will enable UBL to employ its resources optimally and derive higher economic benefits in its business.
- The Scheme will enable consolidation of assets and revenues in the combined entity and also achieve significant administrative efficiency.

### 4. For determining the fair exchange ratio for the purpose of the Scheme of Amalgamation, the Board of Directors of the respective companies had appointed Messrs Grant Thornton India and Messrs SSPA & Co., as independent valuers. Based on their recommendations, the share exchange / swap ratio is decided as under:

“1 (One) fully paid Equity Share of UBL of Re. 1 (Rupee One) each for every 135 (One Hundred and Thirty Five) fully paid Equity Shares of UB Ajanta of Rs.10 (Rupees Ten) each.”

“1 (One) fully paid Equity Share of UBL of Re. 1 (Rupee One) each for every 135 (One Hundred and Thirty Five) fully paid Preference Shares of UB Ajanta of Rs.10 (Rupees Ten) each.”

“2 (Two) fully paid Equity Share of UBL of Re. 1 (Rupee One) each for every 27 (Twenty Seven) fully paid Preference Shares of UB Ajanta of Rs.100 (Rupees Hundred) each.”

5. Ambit Corporate Finance Pvt. Ltd., in their capacity of a Category-I Merchant Banker, have provided their fairness opinion on the above share exchange / swap ratio recommended by the independent valuers.
6. In UB Ajanta, Heineken International B.V. and UB Overseas Limited, (foreign companies) hold 50% each of the Equity and Preference Shares. Upon amalgamation of UB Ajanta into UBL, Equity Share of Re.1 each of UBL will be allotted to these companies as per the share exchange ratio mentioned in the Scheme. These shares shall rank pari-passu with the existing Equity Shares of UBL in all respects including right to dividend and will be listed on the Stock Exchanges where Equity Shares of UBL are presently listed. Both Heineken International B.V. and UB Overseas Limited shall deem to be a part of 'Promoter Group' of UBL. Approval of the Members is sought under Section 81(1A) of the Companies Act, 1956 for allotment of Equity Shares of UBL to these companies.
7. The Scheme is subject to the approval of the Hon'ble BIFR.
8. The Scheme shall be effective upon filing of the certified copies of the order of the Hon'ble BIFR with the Registrar of Companies, Karnataka by UBL and with the Registrar of Companies, Maharashtra by UB Ajanta.
9. Upon the Scheme becoming effective, UBL shall bear and pay all costs, charges, expenses, taxes including duties, levies, etc., in connection with the Scheme.
10. The rights and interest of the members of the Company will not be prejudicially affected by the Scheme.
11. The secured and unsecured creditors of the Company will not be affected by the Scheme as the assets of the Company, post amalgamation will exceed the liabilities and the Company, will continue to have a positive net worth. Further the rights and interests of the members and creditors of the Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor are their rights sought to be modified in any manner.
12. The Directors of the Company may be deemed to be concerned and/or interested in the proposed Resolution to the extent of their shareholding in the company(ies) or to the extent the said Director is a Director/member of the company(ies).

Your Directors recommend the above Resolution for your approval.

By order of the Board,

Place: Bangalore  
Date: July 1, 2011

**GOVIND IYENGAR**  
Company Secretary

**SCHEME OF AMALGAMATION**  
**BETWEEN**  
**MILLENNIUM BEER INDUSTRIES LIMITED**  
**AND**  
**UNITED BREWERIES LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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This Scheme of Amalgamation (“the Scheme”) is presented for amalgamation of Millennium Beer Industries Limited with United Breweries Limited.

**Background**

Millennium Beer Industries Limited (“MBIL”) is a company engaged in manufacture and sale of beer and has been declared as a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (“SICA”) by the Board of Industrial and Financial Reconstruction (“BIFR”).

Rationale for the Scheme

The circumstances that have necessitated the Scheme are as under:

- MBIL is engaged in manufacture and sale of beer and the operations of MBIL are synergized with that of UBL. In order to derive further operational benefits, there is a need to consolidate the operations of these companies to be carried out by a single entity so as to derive optimal administrative, management and synergy benefits and consequently achieve cost savings, pooling of managerial skills and utilization of valuable resources by carrying out operations in a single entity.
- To facilitate revival of the existing business carried on by MBIL upon its getting into United Breweries Limited.

**Objectives of the Scheme**

The main benefits inter alia, arising out of the Scheme are as under:

- The Amalgamation will enable creation of a larger entity and derive optimal management and synergy benefits. The proposed Scheme is expected to result in business synergies besides economies in cost by combining all the functions, related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise.
- The Scheme will enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher profitability and enhancing shareholders’ value.
- The Scheme will enable the brewing business to be carried out more conveniently and advantageously in a manner that will enhance the Shareholder value.
- The Scheme will enable UBL to employ its resources optimally and derive higher economic benefits in its business.
- Scheme will enable consolidation of assets and revenues in the combined entity and also achieve significant administrative efficiency.

## 1. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** means the 1<sup>st</sup> day of April 2010 or such other date as may be approved by the BIFR.
- 1.3 **“BIFR”** means the Board for Industrial and Financial Reconstruction constituted under Section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985 and any other statutory authority constituted in this regard.
- 1.4 **“Effective Date”** means the date of filing of the certified copies of the BIFR order with the Registrar of Companies at Bangalore.  

Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall mean the Effective Date.
- 1.5 **“MBIL” or “the Transferor Company”** means Millennium Beer Industries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 'UB Tower', UB City, 24, Vittal Mallya Road, Bangalore, Karnataka – 560 001.
- 1.6 **“Operating Agency”** means Operating Agency appointed by the BIFR.
- 1.7 **“Record Date”** means the date to be fixed by the Board of Directors of UBL for the purposes of issue and allotment of Equity Shares of UBL to the shareholders of MBIL, under the Scheme upon amalgamation of MBIL into UBL.
- 1.8 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 19 of this Scheme as submitted to the BIFR or any other statutory forum.
- 1.9 **“Share Exchange Ratio”** means the ratio in which Equity Shares of the UBL are to be issued and allotted to the shareholders of MBIL under sub-clause 5.1;
- 1.10 **“SICA”** means Sick Industrial Companies (Special Provisions) Act, 1985 or any statutory modification, re-enactment or amendment thereof.
- 1.11 **“UBL” or “the Transferee Company”** means United Breweries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 'UB Tower', UB City, 24, Vittal Mallya Road, Bangalore, Karnataka – 560 001.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date.

### 3. SHARE CAPITAL

3.1 The share capital of MBIL as at March 31, 2010 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
60,000,000 Equity Shares of Re. 1 each	60,000,000
19,000,000 Preference Shares of Rs.100 each	1,900,000,000
<b>Total</b>	<b>1,960,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
54,799,938 Equity Shares of Re. 1 each fully paid	54,799,938
18,500,000, 1% Non Convertible Cumulative Redeemable Preference Shares of Rs.100 each	1,850,000,000
<b>Total</b>	<b>1,904,799,938</b>

Subsequent to March 31, 2010, and up to the date of approval of this Scheme by the Board of Directors of MBIL, there has been no change in the share capital of MBIL.

3.2 The share capital of UBL as at March 31, 2010 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
300,000,000 Equity Shares of Re. 1 each	300,000,000
25,000,000 preference shares of Rs. 100 each	2,500,000,000
<b>Total</b>	<b>2,800,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
240,048,255 Equity Shares of Re. 1 each fully paid up	240,048,255
17,283,000 3% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid – Series A	1,728,300,000
7,407,000 3% Cumulative Redeemable Preference Shares of Rs.100 each fully paid – Series B	740,700,000
<b>Total</b>	<b>2,709,048,255</b>

Subsequent to March 31, 2010, and up to the date of approval of this Scheme by the Board of UBL, there has been no change in the share capital of UBL.

### 4. TRANSFER AND VESTING OF MBIL

4.1 Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of MBIL (including but not limited to breweries owned by MBIL described in Schedule 1 hereto) as a going concern including all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets (whether movable or immovable, tangible or intangible, corporeal or incorporeal of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and / or in the control of or vested in or granted in favour of or enjoyed by MBIL) including industrial and other licences (including those issued by any state government), permits, quotas, approvals, import entitlements, excise licence (including state excise licences) and registrations, lease, tenancy rights in relation to office and residential properties, permissions, investments, buildings, plant and machinery, office equipments, vehicles, incentives if any, and all other rights, title, interests, labels and brand registrations,

copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, contracts, agreements, consent, approvals or powers of every kind nature and description whatsoever and all deposits and or moneys paid or received by MBIL in connection with or relating to the undertaking and all necessary records, files, papers, engineering and process information, computer programs, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the undertaking shall under the provisions of this Scheme and pursuant to the order of BIFR sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in UBL so as to become the properties and assets of UBL absolutely.

- 4.2 All the moveable assets including cash in hand of MBIL capable of being passed by manual delivery or by endorsement shall, at the option of the board of directors of UBL, be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to UBL on such handing over.
- 4.3 In respect of any assets, other than those referred to in sub-clause 4.2 above including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, at the option of the board of directors of UBL and to the extent possible, be followed:
  - a) UBL shall give notice in such form as it may deem fit and proper to each party, debtor or depositor of MBIL as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of UBL as the person entitled thereto, to the end and intent that the right of MBIL to recover or realise the same shall vest in UBL.
  - b) MBIL may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme coming into effect, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to the account of UBL and that the right of UBL to recover or realise the same is in substitution of the right of MBIL.
- 4.4 Upon the coming into effect of this Scheme, and with effect from the Appointed Date all debts, liabilities, duties and obligations of any kind, nature or description (including contingent liabilities) of MBIL shall, without any further act or deed be and stand transferred to UBL to the extent that they are outstanding and on the same terms and conditions as applicable to MBIL, and shall become the debts, liabilities, loans, duties and obligations of UBL which shall meet, discharge and satisfy the same and further 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 any of the liabilities which have arisen in order to give effect to the provisions of this clause.
- 4.5 Provided that notwithstanding anything contained in any document, papers or writings executed by MBIL, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to MBIL which shall vest in UBL by virtue of the Scheme and UBL shall not be obliged to create any further, or additional security therefore as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.
- 4.6 All statutory licences (including any licences issued by any state governments under any law), permissions, approvals or consents to carry on the operations of MBIL shall stand vested in or transferred to UBL without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of UBL upon the vesting and transfer of the undertaking of MBIL pursuant to this Scheme. The benefit of all statutory and regulatory permissions, including factory licences, environmental approvals and consents, VAT registrations or other licences and consents shall vest in and become available to UBL pursuant to this Scheme.



In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by MBIL as the case may be, are concerned, the same shall vest with and be available to UBL on the same terms and conditions.

- 4.7 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between MBIL and UBL shall be considered as intra-party transactions for all purposes from the Appointed Date.

## **5. CONSIDERATION**

- 5.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the entire business and whole of the undertaking of MBIL in UBL, UBL shall, without any application or deed, issue and allot Equity Shares, credited as fully paid up, to the extent indicated below, to the shareholders of MBIL holding fully paid-up Equity Shares in MBIL and whose names appear in the register of members of MBIL, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of UBL in the following proportion viz.:

“1 (one) fully paid up Equity Share of Re.1 each of UBL shall be issued and allotted for every 12 (twelve) Equity Shares of Re.1 each held in MBIL.”

Provided no shares of UBL shall be issued in lieu of shares (both Equity and Preference) of MBIL held by UBL (if any) on the Record Date and such shares of MBIL shall stand cancelled and shall be deemed to have been cancelled without any further act or deed.

- 5.2 Upon Equity Shares being issued and allotted by UBL to the shareholders of MBIL in accordance with sub-clause 5.1 (hereinafter referred to as “New Equity Shares”), shares and share certificates held by the said shareholders in MBIL shall be deemed to have been cancelled and extinguished without any further act or deed on behalf of the shareholders and be of no effect on and from such issue and allotment.
- 5.3 In case of any shareholder of MBIL being entitled to fractional shares as per the Share Exchange Ratio, the same shall be rounded off to the nearest whole number.
- 5.4 The New Equity Shares to be issued to the shareholders of MBIL as per sub-clause 5.1 shall be subject to the Memorandum and Articles of Association of UBL and shall rank *pari passu* with the existing Equity Shares of UBL in all respects including dividends.
- 5.5 In so far as the issue of Equity Shares by UBL pursuant to this Scheme, each of the shareholders of the MBIL holding shares in physical form shall have the option, exercisable by notice in writing by them to UBL on or before the Record Date, to receive, the Equity Shares of UBL either in certificate form or in dematerialised form, in lieu of their shares in MBIL in accordance with the terms hereof. In the event that such notice has not been received by UBL in respect of any of the members of MBIL, the shares of UBL shall be issued to such members in physical form. Those of the members of MBIL who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to UBL. It is only thereupon that UBL shall issue and directly credit the demat/dematerialised securities account of such member with the Equity Shares of UBL. The physical share certificates representing the Equity Shares of MBIL shall stand automatically and irrevocably cancelled on the issue of Equity Shares by UBL in terms of this Scheme.
- 5.6 The New Equity Shares of UBL to be issued to the shareholders of MBIL as per sub-clause 5.1 shall be listed on all the stock exchanges on which the shares of UBL are listed as on the Effective Date.
- 5.7 UBL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the shareholders of MBIL under the Scheme and listing thereof.

- 5.8 The issue and allotment of New Equity Shares to the shareholders of MBIL as per sub-clause 5.1, shall be deemed to be made in compliance with the procedure laid down under Section 81 (1A) and any other provisions of the Act.
- 5.9 Where Equity Shares of UBL are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased shareholders of MBIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of UBL.
- 5.10 In the event that UBL restructures its Equity Share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

## **6. ACCOUNTING TREATMENT IN THE BOOKS OF UBL**

On Scheme becoming effective, UBL shall account for amalgamation of MBIL with UBL in its books of account with effect from the Appointed Date as under:

- 6.1 UBL shall, record all the assets and liabilities of MBIL vested in it pursuant to this Scheme, at their respective carrying amount as appearing in the books of MBIL on the Appointed Date.
- 6.2 Shares of MBIL, held by UBL if any shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 6.3 UBL shall credit the aggregate face value of the Equity Shares of UBL issued by it to the shareholders of MBIL pursuant to sub-clause 5.1 of the Scheme to Share Capital Account.
- 6.4 The inter-corporate investments, inter-corporate deposits / loans and advances outstanding between UBL and MBIL will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 6.5 It is intended to ensure that the financial statements of UBL reflect the financial position on the basis of consistent accounting policy. In case of any differences in accounting policy between UBL and MBIL, the accounting policies followed by UBL will prevail and the difference as on the Appointed Date will be quantified and such difference along with any difference arising after recording the assets and liabilities of MBIL as per sub-clause 6.1 above and after giving effect to sub-clauses 6.2, 6.3 and 6.4 above together with any all costs and expenses incurred as per Clause 21 in connection with the Scheme or any other scheme of arrangement/ amalgamation and to put it into operation, including expenses in connection with excise and label re-registrations, all advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and expenses and any other expenses or charges attributable to the implementation of the Scheme together with balance in Profit & Loss Account of MBIL shall be adjusted to Capital Reserve Account in the books of UBL to the extent available and thereafter be adjusted to the General Reserve Account in the books of UBL.

## **7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE**

- 7.1 With effect from the Appointed Date and upto the Effective Date,
  - i) MBIL shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business and undertaking for and on behalf of and in trust for UBL;
  - ii) All the profits or income accruing or arising to MBIL or expenditure or losses incurred by MBIL shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of UBL;
  - iii) It is clarified that any advance tax paid / TDS credits / TDS certificates received by MBIL shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of UBL.

- iv) MBIL shall carry on its business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, invest in shares, etc, alienate, charge, mortgage/ encumber or otherwise deal with the significant assets or any part thereof except in the ordinary course of business without the prior written consent of UBL;
- v) MBIL shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of UBL;
- vi) MBIL shall not without the prior written consent of UBL, except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.
- vii) For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent MBIL to issue new Equity Shares during the pendency of the Scheme until the Effective Date provided that the issue of new Equity Shares do not result in alteration of aggregate number of New Equity Shares issued pursuant to Scheme.
- viii) UBL may issue or allot any further securities during the pendency of the Scheme until the Effective Date provided that such issue of new securities does not result in alteration of the Share Exchange Ratio.
- ix) UBL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) under any law for such consents, approvals and sanctions, which UBL may require to carry on the business of MBIL.

## **8. STAFF, WORKMEN & EMPLOYEES**

- 8.1 On the Scheme becoming operative, all staff, workmen and employees of MBIL shall stand transferred to and become the employees of UBL, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with UBL shall not be less favourable than those applicable to them with reference to MBIL immediately preceding the transfer.
- 8.2 As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of MBIL is concerned, on and from the Effective Date, UBL shall stand substituted for MBIL for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is the aim and intent that all the rights, duties, powers and obligations of MBIL in relation to such Funds shall become those of UBL. It is clarified that the services of such permanent employees of MBIL will be treated as having been continuous and not interrupted for the purposes of such Funds.

## **9. LEGAL PROCEEDINGS**

- 9.1 If any suit, appeal, legal or other proceeding of whatever nature by or against MBIL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal, legal or other proceedings may be continued, prosecuted and enforced by or against UBL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against MBIL as if this Scheme had not been made. On and from Effective Date, UBL shall and may, if required, initiate any legal proceeding in relation to MBIL in the same manner and to same extent as would or might have been initiated by MBIL.

## **10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements for tenancies, arrangements and other instruments of whatsoever nature to which MBIL is party, or the benefit to which MBIL is/may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of UBL and may be enforced as fully and effectively as if instead of MBIL, UBL had been a party or beneficiary thereto from inception. UBL shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations to which MBIL will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, UBL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of MBIL and to implement or carry out all formalities required on the part of MBIL to give effect to the provisions of this Scheme.

## **11. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of undertaking of MBIL pursuant to this Scheme, and the continuance of proceedings by or against MBIL under Clause 9 above shall not affect any transaction or proceedings already concluded by MBIL on or after the Appointed Date till the Effective Date, to the end and intent that UBL accepts and adopts all acts, deeds and things done and executed by MBIL in respect thereto as done and executed on behalf of UBL.

## **12. INCENTIVES**

- 12.1 Upon coming into effect of the Scheme, entitlement of MBIL, if any, to various benefits under incentive schemes and other amnesty schemes and policies shall be vested in and become available to UBL and all benefits, entitlements, and incentives of any nature whatsoever including sales tax/ VAT concession and stamp duty concession shall be claimed by UBL and these shall relate back to the Appointed Date and as if UBL was entitled to all benefits under such incentive schemes and / or policies, subject to continued compliances by UBL of all terms and conditions subject to which the benefit under the incentive schemes and other amnesty schemes, etc. were made available to MBIL.

## **13. DISSOLUTION OF MBIL**

On the Scheme becoming effective, MBIL shall stand dissolved without any further act or deed or without being wound-up.

## **14. VALIDITY OF EXISTING RESOLUTIONS, ETC**

Upon the coming into effect of the Scheme, the resolutions of MBIL as are considered necessary by the Board of Directors of UBL which are validly subsisting be considered as resolutions of UBL. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of UBL, shall be added to the limits, if any, under the like resolutions passed by UBL.

## **15. DIVIDEND**

For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent UBL from declaring and paying dividends, whether interim or final, to its Equity Shareholders as on the respective record date for the purpose of dividend.

In the event that UBL declares any dividend between the date of filing of the Scheme and the Record Date, then in such event, the shareholders of MBIL who are entitled to receive shares

of UBL pursuant to Clause 5 shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, UBL shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to the shareholders of MBIL. The Board of Directors of UBL will declare the aforesaid reserved amount as dividend to the shareholders of MBIL after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by UBL to the shareholders of MBIL in relation to such amount to be applied towards payment of such dividend.

MBIL shall not make any declaration of dividend between the date of filing of this Scheme and the Effective Date. Until the coming into effect of this Scheme, the holders of Equity Shares of MBIL and UBL shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective Articles of Association.

It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of MBIL and/or UBL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of MBIL and UBL and subject, wherever necessary, to the approval of the shareholders of MBIL and UBL, respectively.

## 16. COMBINATION OF AUTHORISED CAPITAL

- 16.1 Upon this Scheme becoming effective, the authorized share capital of UBL shall automatically stand increased without any further act, instrument or deed on the part of UBL including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of MBIL amounting to Rs.1,960,000,000 (Rupees one thousand nine hundred sixty million) and the Memorandum of Association and Articles of Association of UBL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and no further resolution(s) under Sections 16, 31, 94 and 394 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of MBIL shall be utilized and applied to the increased authorized share capital of UBL and there would be no requirement for any further payment of stamp duty and/or fee by UBL for increase in the authorized share capital to that extent.
- 16.2 Pursuant to the Scheme becoming effective and consequent amalgamation of MBIL into UBL, the authorized share capital of UBL will be as under (based on the authorized share capital of UBL as on March 31, 2010):

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
360,000,000 Equity Shares of Re.1/- each	360,000,000
44,000,000 Preference Shares of Rs.100 each	4,400,000,000
<b>TOTAL</b>	<b>4,760,000,000</b>

Clause V of the Memorandum of Association and Article 3 of the Articles of Association of UBL shall stand substituted by virtue of the Scheme to read as follows:

### **Clause V of the Memorandum of Association of UBL–**

”The Authorised Share Capital of the Company is Rs. 4,760,000,000 (Rupees four thousand seven hundred sixty million) divided into 360,000,000 (three hundred sixty million) Equity Shares of Re.1/- each and 44,000,000 (forty four million) Preference Shares of Rs.100/- each.”



### **Article 3 of the Articles of Association of UBL–**

”The Authorised Share Capital of the Company is Rs. 4,760,000,000 (Rupees four thousand seven hundred sixty million) divided into 360,000,000 (three hundred sixty million) Equity Shares of Re.1/- each and 44,000,000 (forty four million) Preference Shares of Rs.100/- each.”

- 16.3 During the pendency of the Scheme and up to the Effective Date, in case the authorised share capital of UBL has been enhanced, then, provisions of Clause 16.1 above shall be applied to the authorized share capital so enhanced, and the quantum of shares and share capital stated in Clause 16.2 above shall stand modified accordingly.

### **17. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW**

- 17.1 Upon the Scheme coming into effect, all taxes / cess / duties payable by or on behalf of MBIL upto the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities and including the right of carry forward of accumulated losses, if any, shall, for all purposes, be treated as the tax / cess / duty, liabilities or refunds, claims and accumulated losses of UBL.
- 17.2 Upon the Scheme becoming effective, UBL is expressly permitted to revise its income-tax returns, sales tax/ VAT returns, excise & CENVAT returns, state excise returns, service tax returns, other tax returns, and to restore as input credit of service tax adjusted earlier or claim refunds / credits.
- 17.3 UBL is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit (including state excise credit), tax deduction in respect of nullifying of any transaction between or amongst MBIL and Transferee Company.
- 17.4 In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, and / or credit if any under the relevant state excise laws, as are prevalent on the Effective Date, the unutilised credits relating to excise duties paid on inputs / capital goods / input services lying in the accounts of the undertaking of MBIL shall be permitted to be transferred to the credit of UBL, as if all such unutilised credits were lying to the account of UBL. UBL shall accordingly be entitled to set off all such unutilised credits against the excise duty / service tax payable by it.
- 17.5 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under the tax laws, including section 2(1B) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of MBIL and / or UBL, as the case may be, which power shall be exercised reasonably in the best interests of the companies concerned.
- 17.6 Upon the Scheme becoming effective, UBL is expressly permitted to revise its financial statements to give effect to the amalgamation of MBIL pursuant to the provisions of the Scheme.

### **18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

The Scheme is conditional upon and subject to the following:

- (i) Sanction of the Scheme by the BIFR.
- (ii) Scheme of amalgamation between Associated Breweries and Distilleries Limited and Millennium Alcobev Private Limited and Empee Breweries Limited and United Breweries Limited and their respective shareholders and creditors becoming effective.
- (iii) The certified or authenticated copies of the BIFR order referred to in the Scheme being filed with the Registrar of Companies at Bangalore by UBL.

## **19. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 19.1 On behalf of MBIL and UBL, the Board of Directors of respective companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the BIFR or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 19.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of UBL may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

## **20. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and / or the Scheme not being sanctioned by BIFR or such other competent authority and / or the order or orders not being passed as aforesaid, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and each company herein shall bear its respective cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

Notwithstanding anything to the contrary contained in this Scheme, if any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of MBIL and UBL, affect the validity or implementation of the other provisions of this Scheme.

## **21. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of MBIL and UBL arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto, shall be borne by UBL.

## **22. SANCTION OF THE SCHEME**

The sanction of this Scheme by the BIFR will be considered as intimation to shareholders, creditors, debtors, employees and other concerned about the provisions of the Scheme to the extent they relate to such person / body / authority.



**SCHEDULE 1****List of trademarks / trade names owned by MBIL**

Trade Mark Regn./Appl No.	Trade Mark	Class	Date of Registration	Valid Till	Remarks
1214120	Sandpiper	32	14.07.2003	13.07.2013	Registered
1214116	Sandpiper	33	—	—	Pending Registration
1269008	Sandpiper Bird	32	26.02.2004	25.02.2014	Registered
1269010	Sandpiper Bird	33	26.02.2004	25.02.2014	Registered
1269001	Sandpiper Bird	16	26.02.2004	25.02.2014	Registered
1269011	Sandpiper Bird	42	26.02.2004	25.02.2014	Registered
1268999	Sandpiper Azaad Panchee	16	26.02.2004	25.02.2014	Registered
1269002	Sandpiper Azaad Panchee	32	26.02.2004	25.02.2014	Registered
1269004	Sandpiper Azaad Panchee	33	—	—	Pending Registration
1269003	Sandpiper Azaad Panchee	42	26.02.2004	25.02.2014	Registered
1269006	Azaad panchee	32	—	—	Pending Registration
1269005	Azaad panchee	33	26.02.2004	25.02.2014	Registered
1269000	Azaad panchee	16	26.02.2004	25.02.2014	Registered
1269007	Azaad panchee	42	—	—	Pending Registration
1214118	Turbo	32	14.07.2003	13.07.2013	Registered
1214117	Turbo	33	14.07.2003	13.07.2013	Registered
915536	Zingaro	32	03.04.2000	02.04.2010	Registered
915535	Zingaro	33	—	—	Pending Registration
915533	Zingaro	25	—	—	Pending Registration
915534	Zingaro	16	—	—	Pending Registration
1313691	Guru Lager Beer (Label)	32	—	—	Pending Registration
1313692	Guru	32	—	—	Pending Registration
1214119	Golden Glow	32	14.07.2003	13.07.2013	Registered
1214115	Golden Glow	33	14.07.2003	13.07.2013	Registered
1214113	Snow Berg	32	14.07.2003	13.07.2013	Registered
1214114	Snow Berg	33	14.07.2003	13.07.2013	Registered

**SCHEDULE 2****Breweries owned by MBIL**

Sr. No.	Name and Address of the Brewery
1	Millennium Beer Industries Limited Village Joniawas, Dharuhera, District Rewari – 122106, Haryana
2	Millennium Beer Industries Limited Plot L-10, MIDC, Waluj Industrial Area, Aurangabad – 431136, Maharashtra.

**SCHEME OF AMALGAMATION**  
**BETWEEN**  
**UNITED MILLENNIUM BREWERIES LIMITED**  
**AND**  
**UNITED BREWERIES LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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This Scheme of Amalgamation (“the Scheme”) is presented for amalgamation of United Millennium Breweries Limited with United Breweries Limited.

**Background**

United Millennium Breweries Limited (“UMBL”) is a company engaged in manufacture of beer and has been declared as a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (“SICA”) by the Board of Industrial and Financial Reconstruction (“BIFR”)

**Rationale for the Scheme**

The circumstances that have necessitated the Scheme are as under:

- UMBL is engaged in manufacture and sale of beer and the operations of UMBL are synergized with that of UBL. In order to derive further operational benefits, there is a need to consolidate the operations of these companies to be carried out by a single entity so as to derive optimal administrative, management and synergy benefits and consequently achieve cost savings, pooling of managerial skills and utilization of valuable resources by carrying out operations in a single entity.
- To facilitate revival of UMBL.

**Objectives of the Scheme**

The main benefits inter alia, arising out of the Scheme are as under:

- The Amalgamation will enable creation of a larger entity and derive optimal management and synergy benefits. The proposed Scheme is expected to result in business synergies besides economies in cost by combining all the functions, related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise.
- The Scheme will enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher profitability and enhancing shareholders’ value.
- The Scheme will enable the brewing business to be carried out more conveniently and advantageously in a manner that will enhance the Shareholder value.
- The Scheme will enable UBL to employ its resources optimally and derive higher economic benefits in its business.
- Scheme will enable consolidation of assets and revenues in the combined entity and also achieve significant administrative efficiency.

## 1. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** means the 1st day of April 2010 or such other date as may be approved by the BIFR.
- 1.3 **“BIFR”** means the Board for Industrial and Financial Reconstruction constituted under Section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985 and any other statutory authority constituted in this regard.
- 1.4 **“Effective Date”** means the date of filing of the certified copies of the BIFR order with the Registrar of Companies of Karnataka at Bangalore.  
  
Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall mean the Effective Date.
- 1.5 **“Operating Agency”** means Operating Agency appointed by the BIFR.
- 1.6 **“Record Date”** means the date to be fixed by the Board of Directors of UBL for the purposes of issue and allotment of Equity Shares of UBL to the shareholders of UMBL, under the Scheme upon amalgamation of UMBL into UBL.
- 1.7 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 19 of this Scheme as submitted to the BIFR or any other statutory forum.
- 1.8 **“Share Exchange Ratio”** means the ratio in which Equity Shares of the UBL are to be issued and allotted to the shareholders of UMBL under sub-clause 5.1;
- 1.9 **“SICA”** means Sick Industrial Companies (Special Provisions) Act, 1985 or any statutory modification, re-enactment or amendment thereof.
- 1.10 **“UBL” or “the Transferee Company”** means United Breweries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at ‘UB Tower, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka – 560 001.
- 1.11 **“UMBL” or “the Transferor Company”** means United Millennium Breweries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at ‘UB Tower, UB City, 24, Vittal Mallya Road, Bangalore – 560 001’

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The share capital of UMBL as at March 31, 2010 is as under:

<b>Authorised</b>	<b>Amount (Rs.)</b>
20,000,000 Equity Shares of Rs.10 each	200,000,000
<b>Issued, Subscribed and Paid-up</b>	
20,000,000 Equity Shares of Rs.10 each fully paid	200,000,000

Subsequent to March 31, 2010, and up to the date of approval of this Scheme by the Board of Directors of UMBL, there has been no change in the share capital of UMBL.

3.2 The share capital of UBL as at March 31, 2010 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>	
300,000,000 Equity Shares of Re. 1 each	300,000,000
25,000,000 preference shares of Rs. 100 each	2,500,000,000
<b>Total</b>	<b>2,800,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
240,048,255 Equity Shares of Re. 1 each fully paid up	240,048,255
17,283,000 3% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid – Series A	1,728,300,000
7,407,000 3% Cumulative Redeemable Preference Shares of Rs.100 each fully paid – Series B	740,700,000
<b>Total</b>	<b>2,709,048,255</b>

Subsequent to March 31, 2010, and up to the date of approval of this Scheme by the Board of UBL, there has been no change in the share capital of UBL.

#### **4. TRANSFER AND VESTING OF UMBL**

4.1 Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of UMBL (including but not limited to the brewery owned by UMBL described in Schedule 1 hereto) as a going concern including all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets (whether movable or immovable, tangible or intangible, corporeal or incorporeal of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and / or in the control of or vested in or granted in favour of or enjoyed by UMBL) including industrial and other licences (including those issued by any state government), permits, quotas, approvals, import entitlements, excise licence (including state excise licences) and registrations, lease, tenancy rights in relation to office and residential properties, permissions, investments, buildings, plant and machinery, office equipments, vehicles, incentives if any, and all other rights, title, interests, labels and brand registrations, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, contracts, agreements, consent, approvals or powers of every kind nature and description whatsoever and all deposits and/ or moneys paid or received by UMBL in connection with or relating to the undertaking and all necessary records, files, papers, engineering and process information, computer programs, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information,

customer pricing information, and other records in connection with or relating to the undertaking shall under the provisions of this Scheme and pursuant to the order of BIFR sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in UBL so as to become the properties and assets of UBL absolutely.

- 4.2 All the moveable assets including cash in hand of UMBL capable of being passed by manual delivery or by endorsement shall, at the option of the Board of Directors of UBL be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to UBL on such handing over.
- 4.3 In respect of any assets, other than those referred to in sub-clause 4.2 above including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, at the option of the Board of Directors of UBL and to the extent possible, be followed:
- a) UBL shall give notice in such form as it may deem fit and proper to each party, debtor or depositor of UMBL as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of UBL as the person entitled thereto, to the end and intent that the right of UMBL to recover or realise the same shall vest in UBL.
  - b) UMBL may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme coming into effect, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to the account of UBL and that the right of UBL to recover or realise the same is in substitution of the right of UMBL.
- 4.4 Upon the coming into effect of this Scheme, and with effect from the Appointed Date all debts, liabilities, duties and obligations of any kind, nature or description (including contingent liabilities) of UMBL shall, without any further act or deed be and stand transferred to UBL to the extent that they are outstanding and on the same terms and conditions as applicable to UMBL, and shall become the debts, liabilities, loans, duties and obligations of UBL which shall meet, discharge and satisfy the same and further 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 any of the liabilities which have arisen in order to give effect to the provisions of this clause.
- 4.5 Provided that notwithstanding anything contained in any document, papers or writings executed by UMBL, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to UMBL which shall vest in UBL by virtue of the Scheme and UBL shall not be obliged to create any further, or additional security therefore as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.
- 4.6 All statutory licences (including any licences issued by any state governments under any law), permissions, approvals or consents to carry on the operations of UMBL shall stand vested in or transferred to UBL without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of UBL upon the vesting and transfer of the undertaking of UMBL pursuant to this Scheme. The benefit of all statutory and regulatory permissions, including factory licences, environmental approvals and consents, VAT registrations or other licences and consents shall vest in and become available to UBL pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by UMBL as the case may be, are concerned, the same shall vest with and be available to UBL on the same terms and conditions.

- 4.7 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between UMBL and UBL shall be considered as intra-party transactions for all purposes from the Appointed Date.

## **5. CONSIDERATION**

- 5.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the entire business and whole of the undertaking of UMBL in UBL, UBL shall, without any application or deed, issue and allot Equity Shares, credited as fully paid up, to the extent indicated below, to the shareholders of UMBL holding fully paid-up Equity Shares in UMBL and whose names appear in the register of members of UMBL, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of UBL in the following proportion viz.:

“03 (Three) fully paid up Equity Shares of Re. 1 each of UBL shall be issued and allotted for every 37 (Thirty Seven) Equity Shares of Rs. 10 each held in UMBL.”

Provided no shares of UBL shall be issued in lieu of shares of UMBL held by UBL (if any) on the Record Date and such shares of UMBL shall stand cancelled and shall be deemed to have been cancelled without any further act or deed.

- 5.2 Upon Equity Shares being issued and allotted by UBL to the shareholders of UMBL in accordance with sub-clause 5.1 (hereinafter referred to as “New Equity Shares”) above, shares and share certificates held by the said shareholders in UMBL shall be deemed to have been cancelled and extinguished without any further act or deed on behalf of the shareholders and be of no effect on and from such issue and allotment.
- 5.3 In case of any shareholder of UMBL being entitled to fractional shares as per the Share Exchange Ratio, the same shall be rounded off to the nearest whole number.
- 5.4 The New Equity Shares to be issued to the shareholders of UMBL as per sub-clause 5.1 shall be subject to the Memorandum and Articles of Association of UBL and shall rank pari passu with the existing Equity Shares of UBL in all respects including dividends.
- 5.5 In so far as the issue of Equity Shares by UBL pursuant to this Scheme, each of the shareholders of the UMBL holding shares in physical form shall have the option, exercisable by notice in writing by them to UBL on or before the Record Date, to receive, the Equity Shares of UBL either in certificate form or in dematerialised form, in lieu of their shares in UMBL in accordance with the terms hereof. In the event that such notice has not been received by UBL in respect of any of the members of UMBL, the shares of UBL shall be issued to such members in physical form. Those of the members of UMBL who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to UBL. It is only thereupon that UBL shall issue and directly credit the demat/dematerialised securities account of such member with the Equity Shares of UBL. The physical share certificates representing the Equity Shares of UBL shall stand automatically and irrevocably cancelled on the issue of Equity Shares by UBL in terms of this Scheme.’
- 5.6 The New Equity Shares of UBL to be issued to the shareholders of UMBL as per sub-clause 5.1 shall be listed on all the stock exchanges on which the shares of UBL are listed as on the Effective Date.
- 5.7 UBL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the shareholders of UMBL under the Scheme and listing thereof.



- 5.8 The issue and allotment of New Equity Shares to the shareholders of UMBL as per sub-clause 5.1, shall be deemed to be made in compliance with the procedure laid down under Section 81 (1A) and any other provisions of the Act.
- 5.9 Where Equity Shares of UBL are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased shareholders of UMBL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of UBL.
- 5.10 In the event that UBL restructures its Equity Share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

## **6 ACCOUNTING TREATMENT IN THE BOOKS OF UBL**

On Scheme becoming effective, UBL shall account for amalgamation of UMBL with UBL in its books of account with effect from the Appointed Date as under:

- 6.1 UBL shall, record all the assets and liabilities of UMBL vested in it pursuant to this Scheme, at their respective carrying amount as appearing in the books of UMBL on the Appointed Date.
- 6.2 Shares of UMBL held by UBL (if any) shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 6.3 UBL shall credit the aggregate face value of the Equity Shares of UBL issued by it to the shareholders of UMBL pursuant to sub-clause 5.1 of the Scheme to Share Capital Account.
- 6.4 The inter-corporate investments, inter-corporate deposits / loans and advances outstanding between UBL and UMBL will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 6.5 It is intended to ensure that the financial statements of UBL reflect the financial position on the basis of consistent accounting policy. In case of any differences in accounting policy between UBL and UMBL, the accounting policies followed by UBL will prevail and the difference as on the Appointed Date will be quantified and such difference along with any difference arising on recording the assets and liabilities of UMBL as per sub-clause 6.1 above and after giving effect to sub-clauses 6.2, 6.3 and 6.4 above together with any all costs and expenses incurred as per Clause 21 in connection with the Scheme or any other scheme of arrangement/amalgamation and to put it into operation, including expenses in connection with excise and label re-registrations, all advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and expenses and any other expenses or charges attributable to the implementation of the Scheme together with balance in Profit & Loss Account of UMBL shall be adjusted to Capital Reserve Account in the books of UBL to the extent available and thereafter be adjusted to the General Reserve Account in the books of UBL.

## **7 TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE**

- 7.1 With effect from the Appointed Date and up to the Effective Date,
  - i) UMBL shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business and undertaking for and on behalf of and in trust for UBL;
  - ii) All the profits or income accruing or arising to UMBL or expenditure or losses incurred by UMBL shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of UBL;
  - iii) It is clarified that any advance tax paid / TDS credits / TDS certificates received by UMBL shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of UBL.



- iv) UMBL shall carry on its business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, invest in shares, etc, alienate, charge, mortgage/ encumber or otherwise deal with the significant assets or any part thereof except in the ordinary course of business without the prior written consent of UBL;
- v) UMBL shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of UBL; and
- vi) UMBL shall not without the prior written consent of UBL, except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.
- vii) For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent UMBL to issue new Equity Shares during the pendency of the Scheme until the Effective Date provided that the issue of new Equity Shares do not result in alteration of aggregate number of New Equity Shares issued pursuant to Scheme.
- viii) UBL may issue or allot any further securities during the pendency of the Scheme until the Effective Date provided that such issue of new securities does not result in alteration of the Share Exchange Ratio.
- ix) UBL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) under any law for such consents, approvals and sanctions, which UBL may require to carry on the business of UMBL.

## **8. STAFF, WORKMEN & EMPLOYEES**

- 8.1 On the Scheme becoming operative, all staff, workmen and employees of UMBL shall stand transferred to and become the employees of UBL, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with UBL shall not be less favorable than those applicable to them with reference to UMBL immediately preceding the transfer.
- 8.2 As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of UMBL is concerned, on and from the Effective Date, UBL shall stand substituted for UMBL for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is the aim and intent that all the rights, duties, powers and obligations of UMBL in relation to such Funds shall become those of UBL. It is clarified that the services of such permanent employees of UMBL will be treated as having been continuous and not interrupted for the purposes of such Funds.

## **9. LEGAL PROCEEDINGS**

- 9.1 If any suit, appeal, legal or other proceeding of whatever nature by or against UMBL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal, legal or other proceedings may be continued, prosecuted and enforced by or against UBL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against UMBL as if this Scheme had not been made. On and from Effective Date, UBL shall and may, if required, initiate any legal proceeding in relation to UMBL in the same manner and to same extent as would or might have been initiated by UMBL.

**10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements for tenancies, arrangements and other instruments of whatsoever nature to which UMBL is party, or the benefit to which UMBL is/may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favor of UBL and may be enforced as fully and effectively as if instead of UMBL, UBL had been a party or beneficiary thereto from inception. UBL shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or notations to which UMBL will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, UBL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of UMBL and to implement or carry out all formalities required on the part of UMBL to give effect to the provisions of this Scheme.

**11. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of undertaking of UMBL pursuant to this Scheme, and the continuance of proceedings by or against UMBL under Clause 9 above shall not affect any transaction or proceedings already concluded by UMBL on or after the Appointed Date till the Effective Date, to the end and intent that UBL accepts and adopts all acts, deeds and things done and executed by UMBL in respect thereto as done and executed on behalf of UBL.

**12. INCENTIVES**

Upon coming into effect of the Scheme, entitlement of UMBL, if any, to various benefits under incentive schemes and other amnesty schemes and policies shall be vested in and become available to UBL and all benefits, entitlements, and incentives of any nature whatsoever including sales tax/ VAT concession and stamp duty concession shall be claimed by UBL and these shall relate back to the Appointed Date and as if UBL was entitled to all benefits under such incentive schemes and / or policies, subject to continued compliances by UBL of all terms and conditions subject to which the benefit under the incentive schemes and other amnesty schemes, etc. were made available to UMBL.

**13. DISSOLUTION OF UMBL**

On the Scheme becoming effective, UMBL shall stand dissolved without any further act or deed or without being wound-up.

**14. VALIDITY OF EXISTING RESOLUTIONS, ETC**

Upon the coming into effect of the Scheme, the resolutions of UMBL as are considered necessary by the Board of Directors of UBL which are validly subsisting be considered as resolutions of UBL. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of UBL, shall be added to the limits, if any, under the like resolutions passed by UBL.

**15. DIVIDEND**

For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent UBL from declaring and paying dividends, whether interim or final, to its Equity Shareholders as on the respective record date for the purpose of dividend.

In the event that UBL declares any dividend between the date of filing of the Scheme and the Record Date, then in such event, the shareholders of UMBL who are entitled to receive shares of UBL pursuant to Clauses 5 shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, UBL shall, at the time of declaration of dividend to its shareholders as aforesaid,

reserve the amount required for payment of dividend to the shareholders of UMBL. The Board of Directors of UBL will declare the aforesaid reserved amount as dividend to the shareholders of UMBL after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by UBL to the shareholders of UMBL in relation to such amount to be applied towards payment of such dividend.

UMBL shall not make any declaration of dividend between the date of filing of this Scheme and the Effective Date. Until the coming into effect of this Scheme, the holders of Equity Shares of UMBL and UBL shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective Articles of Association.

It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of UMBL and/or UBL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of UMBL and UBL and subject, wherever necessary, to the approval of the shareholders of UMBL and UBL, respectively.

## 16. COMBINATION OF AUTHORISED CAPITAL

- 16.1 Upon this Scheme becoming effective, the authorized share capital of UBL shall automatically stand increased without any further act, instrument or deed on the part of UBL including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of UMBL amounting to Rs.200,000,000 (Rupees two hundred million) and the Memorandum of Association and Articles of Association of UBL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of UBL to the Scheme, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of UMBL shall be utilized and applied to the increased authorized share capital of UBL and there would be no requirement for any further payment of stamp duty and/or fee by UBL for increase in the authorized share capital to that extent.
- 16.2 Pursuant to the Scheme becoming effective and consequent amalgamation of UMBL into UBL, the authorized share capital of UBL will be as under (based on the authorized share capital of UBL as on March 31, 2010):

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
500,000,000 Equity Shares of Re.1/- each	500,000,000
25,000,000 Preference Shares of Rs.100 each	2,500,000,000
<b>TOTAL</b>	<b>3,000,000,000</b>

It is clarified that the approval of the members of UBL to the Scheme shall be deemed to be their consent / approval also to the amendment of the Memorandum of Association of UBL as may be required under the Act, and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of UBL shall stand substituted by virtue of the Scheme to read as follows:

### Clause V of the Memorandum of Association of UBL–

”The Authorized Share Capital of the Company is Rs. 3,000,000,000 (Rupees three thousand million) divided into 500,000,000 (five hundred million) Equity Shares of Re.1/- each and 25,000,000 (twenty five million) Preference Shares of Rs.100/- each.”

### **Article 3 of the Articles of Association of UBL–**

”The Authorized Share Capital of the Company is Rs. 3,000,000,000 (Rupees three thousand million) divided into 500,000,000 (five hundred million) Equity Shares of Re.1/- each and 25,000,000 (twenty five million) Preference Shares of Rs.100/- each.”

- 16.3 During the pendency of the Scheme and up to the Effective Date, in case the authorized share capital of UBL has been enhanced, then, provisions of Clause 16.1 above shall be applied to the authorized share capital so enhanced, and the quantum of shares and share capital stated in Clause 16.2 above shall stand modified accordingly.

### **17. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW**

- 17.1 Upon the Scheme coming into effect, all taxes / cess / duties payable by or on behalf of UMBL upto the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities and including the right of carry forward of accumulated losses, if any, shall, for all purposes, be treated as the tax / cess / duty, liabilities or refunds, claims and accumulated losses of UBL.
- 17.2 Upon the Scheme becoming effective, UBL is expressly permitted to revise its income-tax returns, sales tax/ VAT returns, excise & CENVAT returns, state excise returns, service tax returns, other tax returns, and to restore as input credit of service tax adjusted earlier or claim refunds / credits.
- 17.3 UBL is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit (including state excise credit), tax deduction in respect of nullifying of any transaction between or amongst UMBL and Transferee Company.
- 17.4 In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, and / or credit if any under the relevant state excise laws, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs / capital goods / input services lying in the accounts of the undertaking of UMBL shall be permitted to be transferred to the credit of UBL, as if all such unutilized credits were lying to the account of UBL. UBL shall accordingly be entitled to set off all such unutilized credits against the excise duty / service tax payable by it.
- 17.5 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under the tax laws, including section 2(1B) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of UMBL and / or UBL, as the case may be, which power shall be exercised reasonably in the best interests of the companies concerned.
- 17.6 Upon the Scheme becoming effective, UBL is expressly permitted to revise its financial statements to give effect to the amalgamation of UMBL pursuant to the provisions of the Scheme.

### **18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

The Scheme is conditional upon and subject to the following:

- (i) The Scheme being approved, with or without modification(s), by a special resolution passed by the shareholders of UBL as required under Sick Industrial Companies (Special Provisions) Act, 1985.
- (ii) Sanction of the Scheme by the BIFR.

- (iii) Scheme of amalgamation between Associated Breweries and Distilleries Limited and Millennium Alcobev Private Limited and Empee Breweries Limited and United Breweries Limited and their respective shareholders and creditors becoming effective.
- (iv) The certified or authenticated copies of the BIFR order referred to in the Scheme being filed with the Registrar of Companies at Bangalore by UBL.

**19. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 19.1 On behalf of UMBL and UBL, the Board of Directors of respective companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the BIFR or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 19.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of UBL may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

**20. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and / or the Scheme not being sanctioned by BIFR or such other competent authority and / or the order or orders not being passed as aforesaid, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and each company herein shall bear its respective cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

Notwithstanding anything to the contrary contained in this Scheme, if any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of UMBL and UBL, affect the validity or implementation of the other provisions of this Scheme.

**21. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of UMBL and UBL arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto, shall be borne by UBL.

**22. SANCTION OF THE SCHEME**

The sanction of this Scheme by the BIFR will be considered as intimation to shareholders, creditors, debtors, employees and other concerned about the provisions of the Scheme to the extent they relate to such person / body / authority.

**SCHEDULE 1  
Breweries owned by UMBL**

Sr. No.	Name and Address of the Brewery
1	United Millennium Breweries Limited Bantupally Village, J R Puram (PO), Ranasthalam (Mandal), Srikakulam District – 532407, Andhra Pradesh.

**SCHEME OF AMALGAMATION  
BETWEEN  
UB AJANTA BREWERIES PRIVATE LIMITED  
AND  
UNITED BREWERIES LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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This Scheme of Amalgamation (“the Scheme”) is presented for amalgamation of UB Ajanta Breweries Private Limited [Formerly Asia Pacific Breweries (Aurangabad) Private Limited] with United Breweries Limited.

**Background**

UB Ajanta Breweries Private Limited [Formerly Asia Pacific Breweries (Aurangabad) Private Limited] (“UBAB”) is a company engaged in manufacture of beer and is a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (“SICA”).

**Rationale for the Scheme**

The circumstances that have necessitated or justified the proposed Scheme are as under:

- UBAB is engaged in manufacture and sale of beer and the operations of UBAB are synergized with that of UBL. In order to derive further operational benefits, there is a need to consolidate the operations of these companies to be carried out by a single entity so as to derive optimal administrative, management and synergy benefits and consequently achieve cost savings, pooling of managerial skills and utilization of valuable resources by carrying out operations in a single entity.
- To facilitate revival of UBAB

**Objectives of the Scheme**

The main benefits inter alia, arising out of the Scheme is as under:

- The Amalgamation is expected to create a larger entity and derive optimal management and synergy benefits. The proposed Scheme is expected to result in business synergies besides economies in cost by combining all the functions, related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise.
- The Scheme is expected to enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher profitability and enhancing shareholders’ value.
- The Scheme will enable the brewing business to be carried out more conveniently and advantageously in a manner that will enhance the Shareholder value.
- The Scheme will enable UBL to employ its resources optimally and derive higher economic benefits in its business.
- The Scheme will enable consolidation of assets and revenues in the combined entity and also achieve significant administrative efficiency.



## 1. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** means the 1st day of April 2010 or such other date as may be approved by the BIFR.
- 1.3 **“BIFR”** means the Board for Industrial and Financial Reconstruction constituted under Section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985 and any other statutory authority constituted in this regard.
- 1.4 **“Effective Date”** means the date of filing of the certified copies of the BIFR order with the Registrar of Companies at Bangalore.

Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall mean the Effective Date.

- 1.5 **“Operating Agency”** means Operating Agency appointed by the BIFR.
- 1.6 **“Record Date”** means the date to be fixed by the Board of Directors of UBL for the purposes of issue and allotment of Equity Shares of UBL to the shareholders of UBAB, under the Scheme upon amalgamation of UBAB into UBL.
- 1.7 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 19 of this Scheme as submitted to the BIFR or any other statutory forum.
- 1.8 **“Share Exchange Ratio”** means the ratio in which Equity Shares of the UBL are to be issued and allotted to the shareholders of UBAB under sub-clause 5.1;
- 1.9 **“SICA”** means Sick Industrial Companies (Special Provisions) Act, 1985 or any statutory modification, re-enactment or amendment thereof.
- 1.10 **“UBL” or “the Transferee Company”** means United Breweries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at ‘UB Tower’, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka – 560 001.
- 1.11 **“UBAB” or “the Transferor Company”** means UB Ajanta Breweries Private Limited [Formerly Asia Pacific Breweries (Aurangabad) Private Limited], a company incorporated under the Companies Act, 1956 and having its Registered Office at Plot Nos H-8 to H-11 & H-3 (Part), M.I.D.C Industrial Area, Waluj, Aurangabad – 431 136.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date.



### 3. SHARE CAPITAL

3.1 The share capital of UBAB as at March 31, 2010 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Capital</b>	
54,00,000 Equity Shares of Rs. 10 each	5,40,00,000
22,00,000 preference shares of Rs.10 each	2,20,00,000
92,40,000 preference shares of Rs.100 each	92,40,00,000
<b>Total</b>	<b>1,00,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
5,400,000 Equity Shares of Rs. 10 each fully paid	5,40,00,000
425,000 12% Fully Convertible Cumulative preference shares of Rs.100 each fully paid up	4,25,00,000
535,000 12% Fully Convertible Non Cumulative preference shares of Rs.100 each fully paid up	5,35,00,000
2,200,000 12% Fully Convertible Non Cumulative preference share of Rs.10 each fully paid up	2,20,00,000
7,859,300 0% Fully Convertible Non Cumulative preference shares of Rs.100 each fully paid up	78,59,30,000
<b>Total</b>	<b>957,930,000</b>

Subsequent to March 31, 2010, and up to the date of approval of this Scheme by the Board of Directors of UBAB, there has been no change in the share capital of UBAB.

3.2 The share capital of UBL as at March 31, 2010 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised Capital</b>	
300,000,000 Equity Shares of Re. 1 each	300,000,000
25,000,000 preference shares of Rs. 100 each	2,500,000,000
<b>Total</b>	<b>2,800,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
240,048,255 Equity Shares of Re. 1 each fully paid up	240,048,255
17,283,000 3% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid – Series A	1,728,300,000
7,407,000 3% Cumulative Redeemable Preference Shares of Rs.100 each fully paid – Series B	740,700,000
<b>Total</b>	<b>2,709,048,255</b>

Subsequent to March 31, 2010 and upto date of approval of this Scheme by the Board of Directors of UBL, there has been no change in the share capital of UBL.

#### **4. TRANSFER AND VESTING OF UBAB**

- 4.1 Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of UBAB (including but not limited to breweries owned by UBAB described in Schedule 1 hereto) as a going concern including all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets (whether movable or immovable, tangible or intangible, corporeal or incorporeal of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and / or in the control of or vested in or granted in favour of or enjoyed by UBAB) including industrial and other licences (including those issued by any state government), permits, quotas, approvals, import entitlements, excise licences (including state excise licences) and registrations, lease, tenancy rights in relation to office and residential properties, permissions, investments, buildings, plant and machinery, office equipments, vehicles, incentives if any, and all other rights, title, interests, labels and brand registrations, copyrights, patents, trademarks, trade names (including but not limited to that described in Schedule 2 hereto) and other industrial or intellectual property rights of any nature whatsoever, contracts, agreements, consent, approvals or powers of every kind nature and description whatsoever and all deposits and or moneys paid or received by UBAB in connection with or relating to the undertaking and all necessary records, files, papers, engineering and process information, computer programs, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the undertaking shall under the provisions of this Scheme and pursuant to the order of BIFR sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in UBL so as to become the properties and assets of UBL absolutely and shall be appropriately mutated, registered or recorded by the statutory authorities concerned therewith in favour of UBL.
- 4.2 All the moveable assets including cash in hand of UBAB capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to UBL on such handing over.
- 4.3 In respect of any assets, other than those referred to in sub-clause 4.2 above including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:
- a) UBL shall give notice in such form as it may deem fit and proper to each party, debtor or deposittee of UBAB as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of UBL as the person entitled thereto, to the end and intent that the right of UBAB to recover or realise the same shall vest in UBL.
  - b) UBAB may, if required, give notice in such form as it may deem fit and proper to each person, debtor or deposittee that pursuant to the Scheme coming into effect, the said person, debtor or deposittee should pay the debt, loan or advance or make good the same or hold the same to the account of UBL and that the right of UBL to recover or realise the same is in substitution of the right of UBAB.
- 4.4 Upon the coming into effect of this Scheme, and with effect from the Appointed Date all debts, liabilities, duties and obligations of any kind, nature or description (including contingent liabilities) of UBAB shall, without any further act or deed be and stand transferred to UBL to the extent that they are outstanding and on the same terms and conditions as applicable to UBAB, and shall become the debts, liabilities, loans, duties and obligations of UBL which shall meet, discharge

and satisfy the same and further 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 any of the liabilities which have arisen in order to give effect to the provisions of this clause.

- 4.5 Provided that notwithstanding anything contained in any document, papers or writings executed by UBAB, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to UBAB which shall vest in UBL by virtue of the Scheme and UBL shall not be obliged to create any further, or additional security therefore as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.
- 4.6 All statutory licences (including any licences issued by any state governments under any law), permissions, approvals or consents to carry on the operations of UBAB shall stand vested in or transferred to UBL without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of UBL upon the vesting and transfer of the undertaking of UBAB pursuant to this Scheme. The benefit of all statutory and regulatory permissions, including factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to UBL pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by UBAB as the case may be, are concerned, the same shall vest with and be available to UBL on the same terms and conditions.
- 4.7 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between UBAB and UBL shall be considered as intra-party transactions for all purposes from the Appointed Date.

## **5. CONSIDERATION**

- 5.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the entire business and whole of the undertaking of UBAB in UBL, UBL shall, without any application or deed, issue and allot Equity Shares, credited as fully paid up, to the extent indicated below, to the shareholders of UBAB holding shares in UBAB and whose names appear in the register of members of UBAB, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of UBL in the following proportion viz.:
  - “1 (One) fully paid Equity Share of UBL of Re. 1 (Rupee One) each for every 135 (One Hundred and Thirty Five) fully paid Equity Shares of UBAB of Rs.10 (Rupees Ten) each.”
  - “1 (One) fully paid Equity Share of UBL of Re. 1 (Rupee One) each for every 135 (One Hundred and Thirty Five) fully paid preference shares of UBAB of Rs.10 (Rupees Ten) each.”
  - “2 (Two) fully paid Equity Share of UBL of Re. 1 (Rupee One) each for every 27 (Twenty Seven) fully paid preference shares of UBAB of Rs.100 (Rupees Hundred) each.”
- 5.2 Upon Equity Shares being issued and allotted by UBL to the shareholders of UBAB in accordance with sub-clause 5.1 (hereinafter referred to as “New Equity Shares”), shares and share certificates held by the said shareholders in UBAB shall be deemed to have been cancelled and extinguished without any further act or deed on behalf of the shareholders and be of no effect on and from such issue and allotment.
- 5.3 In case of any shareholder of UBAB being entitled to fractional shares as per the Share Exchange Ratio, the same shall be rounded off to the nearest whole number.
- 5.4 The New Equity Shares to be issued to the shareholders of UBAB as per sub-clause 5.1 shall be subject to the Memorandum and Articles of Association of UBL and shall rank pari passu with the existing Equity Shares of UBL in all respects including dividends.

- 5.5 In so far as the issue of Equity Shares by UBL pursuant to this Scheme, each of the shareholders of the UBAB holding shares in physical form shall have the option, exercisable by notice in writing by them to UBL on or before the Record Date, to receive, the Equity Shares of UBL either in certificate form or in dematerialised form, in lieu of their shares in UBAB in accordance with the terms hereof. In the event that such notice has not been received by UBL in respect of any of the members of UBAB, the shares of UBL shall be issued to such members in physical form. Those of the members of UBAB who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to UBL. It is only thereupon that UBL shall issue and directly credit the demat/ dematerialised securities account of such member with the Equity Shares of UBL. The physical share certificates representing the Equity Shares of UBL shall stand automatically and irrevocably cancelled on the issue of Equity Shares by UBL in terms of this Scheme.
- 5.6 The New Equity Shares of UBL to be issued to the shareholders of UBAB as per sub-clause 5.1 shall be listed on all the stock exchanges on which the shares of UBL are listed as on the Effective Date.
- 5.7 UBL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the shareholders of UBAB under the Scheme and listing thereof.
- 5.8 The issue and allotment of New Equity Shares to the shareholders of UBAB as per sub-clause 5.1, shall be deemed to be made in compliance with the procedure laid down under Section 81 (1A) and any other provisions of the Act.
- 5.9 Where Equity Shares of UBL are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased shareholders of UBAB, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of UBL.
- 5.10 In the event that UBL restructures its Equity Share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

## **6. ACCOUNTING TREATMENT IN THE BOOKS OF UBL**

On Scheme becoming effective, UBL shall account for amalgamation of UBAB with UBL in its books of account with effect from the Appointed Date as under:

- 6.1 UBL shall, record all the assets and liabilities of UBAB vested in it pursuant to this Scheme, at their respective carrying amount as appearing in the books of UBAB on the Appointed Date.
- 6.2 UBL shall credit the aggregate face value of the Equity Shares of UBL issued by it to the shareholders of UBAB pursuant to sub-clause 5.1 of the Scheme to Share Capital Account.
- 6.3 The inter-corporate investments, inter-corporate deposits / loans and advances outstanding between UBL and UBAB will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 6.4 It is intended to ensure that the financial statements of UBL reflect the financial position on the basis of consistent accounting policy. In case of any differences in accounting policy between UBL and UBAB, the accounting policies followed by UBL will prevail and the difference as on the Appointed Date will be quantified and such difference along with any difference arising on recording the assets and liabilities of UBAB as per sub-clause 6.1 above and after giving effect to sub-clauses 6.2 and 6.3 above together with any all costs and expenses incurred as per Clause 21 in connection with the Scheme or any other scheme of arrangement/ amalgamation and to

put it into operation, including expenses in connection with excise and label re-registrations, all advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and expenses and any other expenses or charges attributable to the implementation of the Scheme together with balance in Profit & Loss Account of UBAB shall be adjusted to Capital Reserve Account in the books of UBL to the extent available thereafter be adjusted to the General Reserve Account in the books of UBL.

## **7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE**

7.1 With effect from the Appointed Date and upto the Effective Date,

- i) UBAB shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business and undertaking for and on behalf of and in trust for UBL;
- ii) All the profits or income accruing or arising to UBAB or expenditure or losses incurred by UBAB shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of UBL;
- iii) It is clarified that any advance tax paid / TDS credits / TDS certificates received by UBAB shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of UBL.
- iv) UBAB shall carry on its business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, invest in shares, etc, alienate, charge, mortgage/ encumber or otherwise deal with the significant assets or any part thereof except in the ordinary course of business without the prior written consent of UBL;
- v) UBAB shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of UBL; and
- vi) UBAB shall not without the prior written consent of UBL, except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.
- vii) For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent UBAB to issue new Equity Shares during the pendency of the Scheme until the Effective Date provided that the issue of new Equity Shares do not result in alteration of aggregate number of New Equity Shares issued pursuant to Scheme.
- viii) UBL may issue or allot any further securities during the pendency of the Scheme until the Effective Date provided that such issue of new securities does not result in alteration of the Share Exchange Ratio.
- ix) UBL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) under any law for such consents, approvals and sanctions, which UBL may require to carry on the business of UBAB.

## **8. STAFF, WORKMEN & EMPLOYEES**

8.1 On the Scheme becoming operative, all staff, workmen and employees of UBAB shall stand transferred to and become the employees of UBL, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with UBL shall not be less favourable than those applicable to them with reference to UBAB immediately preceding the transfer.



8.2 As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of UBAB is concerned, on and from the Effective Date, UBL shall stand substituted for UBAB for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is the aim and intent that all the rights, duties, powers and obligations of UBAB in relation to such Funds shall become those of UBL. It is clarified that the services of such permanent employees of UBAB will be treated as having been continuous and not interrupted for the purposes of such Funds.

## **9. LEGAL PROCEEDINGS**

If any suit, appeal, legal or other proceeding of whatever nature by or against UBAB is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal, legal or other proceedings may be continued, prosecuted and enforced by or against UBL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against UBAB as if this Scheme had not been made. On and from Effective Date, UBL shall and may, if required, initiate any legal proceeding in relation to UBAB in the same manner and to same extent as would or might have been initiated by UBAB.

## **10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements for tenancies, arrangements and other instruments of whatsoever nature to which UBAB is party, or the benefit to which UBAB is/may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of UBL and may be enforced as fully and effectively as if instead of UBAB, UBL had been a party or beneficiary thereto from inception. UBL shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations to which UBAB will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, UBL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of UBAB and to implement or carry out all formalities required on the part of UBAB to give effect to the provisions of this Scheme.

## **11. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of undertaking of UBAB pursuant to this Scheme, and the continuance of proceedings by or against UBAB under Clause 9 above shall not affect any transaction or proceedings already concluded by UBAB on or after the Appointed Date till the Effective Date, to the end and intent that UBL accepts and adopts all acts, deeds and things done and executed by UBAB in respect thereto as done and executed on behalf of UBL.

## **12. INCENTIVES**

UBAB and UBL will be eligible to avail relief and concessions from Central / State Government and Other Authorities to the extent the same are available in accordance with the prevailing laws / policies / guidelines / schemes as may be applicable to a Sick Transferor Company and a healthy Transferee Company for the time being in force, including the reliefs and concessions as are available in accordance with a Scheme sanctioned under the Sick Companies (Special Provisions) Act, 1985 and pursuant to this Scheme it is declared that upon coming into effect of the Scheme, the benefits under all of such schemes (including rehabilitation scheme) and policies shall be vested in and become available to UBL and all benefits, entitlements, and incentives of any nature whatsoever including sales tax concession and stamp duty concession



shall be claimed by UBL and these shall relate back to the Appointed Date and as if UBL was entitled to all benefits under such incentive schemes and / or policies, subject to continued compliances by UBL of all terms and conditions subject to which the benefit under the incentive schemes and other amnesty schemes, etc. were made available to UBAB.

**13. DISSOLUTION OF UBAB**

On the Scheme becoming effective, UBAB shall stand dissolved without any further act or deed or without being wound-up.

**14. VALIDITY OF EXISTING RESOLUTIONS, ETC**

Upon the coming into effect of the Scheme, the resolutions of UBAB as are considered necessary by the Board of Directors of UBL which are validly subsisting be considered as resolutions of UBL. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of UBL, shall be added to the limits, if any, under the like resolutions passed by UBL.

**15. DIVIDEND**

For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent UBL from declaring and paying dividends, whether interim or final, to its Equity Shareholders as on the respective record date for the purpose of dividend.

In the event that UBL declares any dividend between the date of filing of the Scheme and the Record Date, then in such event, the shareholders of UBAB who are entitled to receive shares of UBL pursuant to Clause 5 shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, UBL shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to the shareholders of UBAB. The Board of Directors of UBL will declare the aforesaid reserved amount as dividend to the shareholders of UBAB after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by UBL to the shareholders of UBAB in relation to such amount to be applied towards payment of such dividend.

UBAB shall not make any declaration of dividend between the date of filing of this Scheme and the Effective Date. Until the coming into effect of this Scheme, the holders of Equity Shares of UBAB and UBL shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective Articles of Association.

It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of UBAB and/or UBL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of UBAB and UBL and subject, wherever necessary, to the approval of the shareholders of UBAB and UBL, respectively.

**16. COMBINATION OF AUTHORISED CAPITAL**

- 16.1 Upon this Scheme becoming effective, the authorized share capital of UBL shall automatically stand increased without any further act, instrument or deed on the part of UBL including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of UBAB amounting to 1,000,000,000 and the Memorandum of Association and Articles of Association of

UBL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of UBL to the Scheme, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of UBAB shall be utilized and applied to the increased authorized share capital of UBL and there would be no requirement for any further payment of stamp duty and/or fee by UBL for increase in the authorized share capital to that extent.

- 16.2 Pursuant to the Scheme becoming effective and consequent amalgamation of UBAB into UBL, the authorized share capital of UBL will be as under (based on the authorized share capital of UBL as on March 31, 2010).

<b>Particulars</b>	<b>Amount (Rs)</b>
<b>Authorized share capital</b>	
354,000,000 Equity shares of Re. 1/- each	354,000,000
34,460,000 Preference Shares of Rs.100/- each	3,446,000,000
<b>TOTAL</b>	<b>3,800,000,000</b>

It is clarified that the approval of the members of UBL to the Scheme shall be deemed to be their consent / approval also to the amendment of the Memorandum of Association of UBL as may be required under the Act, and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of UBL shall stand substituted by virtue of the Scheme to read as follows:

**Clause V of the Memorandum of Association of UBL –**

The Authorised Share Capital of the Company is Rs. 3,800,000,000 (Rupees three thousand eight hundred million) divided into 354,000,000 (three hundred fifty four million) Equity Shares of Re.1/- each and 34,460,000 (thirty four million four hundred sixty thousand) Preference Shares of Rs.100/- each.

**Article 3 of the Articles of Association of UBL –**

The Authorised Share Capital of the Company is Rs. 3,800,000,000 (Rupees three thousand eight hundred million) divided into 354,000,000 (three hundred fifty four million) Equity Shares of Re.1/- each and 34,460,000 (thirty four million four hundred sixty thousand) Preference Shares of Rs.100/- each.

- 16.3 During the pendency of the Scheme and up to the Effective Date, in case the authorised share capital of UBL has been enhanced, then, provisions of Clause 16.1 above shall be applied to the authorized share capital so enhanced, and the quantum of shares and share capital stated in Clause 16.2 above shall stand modified accordingly.

**17. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW**

- 17.1 Upon the Scheme coming into effect, all taxes / cess / duties payable by or on behalf of UBAB upto the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities and including the right of carry forward of accumulated losses, if any, shall, for all purposes, be treated as the tax / cess / duty, liabilities or refunds, claims and accumulated losses of UBL.
- 17.2 Upon the Scheme becoming effective, UBL is expressly permitted to revise its income-tax returns, sales tax returns, excise & CENVAT returns, state excise returns, service tax returns, other tax returns, and to restore as input credit of service tax adjusted earlier or claim refunds / credits.

- 17.3 UBL is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit (including state excise credit), tax deduction in respect of nullifying of any transaction between or amongst UBAB and Transferee Company.
- 17.4 In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, and / or credit if any under the relevant state excise laws, as are prevalent on the Effective Date, the unutilised credits relating to excise duties paid on inputs / capital goods / input services lying in the accounts of the undertaking of UBAB shall be permitted to be transferred to the credit of UBL, as if all such unutilised credits were lying to the account of UBL. UBL shall accordingly be entitled to set off all such unutilised credits against the excise duty / service tax payable by it.
- 17.5 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under the tax laws, including section 2(1B) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of UBAB and / or UBL, as the case may be, which power shall be exercised reasonably in the best interests of the companies concerned.
- 17.6 Upon the Scheme becoming effective, UBL is expressly permitted to revise its financial statements to give effect to the amalgamation of UBAB pursuant to the provisions of the Scheme.

## **18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

The Scheme is conditional upon and subject to the following:

- i) The Scheme being approved, with or without modification(s), by a special resolution passed by the shareholders of UBL as required under Sick Industrial Companies (Special Provisions) Act, 1985.
- ii) Sanction of the Scheme by the BIFR.
- iii) The certified or authenticated copies of the BIFR order referred to in the Scheme being filed with the Registrar of Companies at Bangalore by UBL and the Registrar of Companies, Maharashtra by UBAB.

## **19. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 19.1 On behalf of UBAB and UBL, the Board of Directors of respective companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the BIFR or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 19.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of UBL may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

## **20. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and / or the Scheme not being sanctioned by BIFR or such other competent

authority and / or the order or orders not being passed as aforesaid, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and each company herein shall bear its respective cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

Notwithstanding anything to the contrary contained in this Scheme, if any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of UBAB and UBL, affect the validity or implementation of the other provisions of this Scheme.

## 21. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of UBAB and UBL arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto, shall be borne by UBL.

## 22. SANCTION OF THE SCHEME

The sanction of this Scheme by the BIFR will be considered as intimation to shareholders, creditors, debtors, employees and other concerned about the provisions of the Scheme to the extent they relate to such person / body / authority.

### SCHEDULE 1

#### Breweries owned by UBAB

Sr. No.	Name and Address of the Brewery
1.	Plot Nos. H-8 to H-11 & H-3 (Part), M.I.D.C. Industrial Area, Waluj, Aurangabad - 431 136, MAHARASHTRA

### SCHEDULE 2

#### List of trademarks / trade names owned by UBAB

Trade Mark Regn. / Appl. No.	Trademark	Class	Remarks
526410	CANNON 10000	32	Registered
1256020	CANNON 10000 SUPER STRONG	32	Registered
272447	ARLEM	32	Registered
272448B	PILSNER ARLEM	32	Registered
398793B	ARLEM	32	Registered
308171	CANNON	32	Registered
382134	COROMANDEL	32	Registered

# UNITED BREWERIES LIMITED

Registered Office: "UB TOWER", UB CITY, 24, VITTAL MALLYA ROAD, BANGALORE - 560 001.

## FORM OF PROXY

I (We), the undersigned Equity Shareholder(s) of UNITED BREWERIES LIMITED, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the Extraordinary General Meeting of the Equity Shareholders of the Company to be held at **Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore - 560 025** on **Wednesday, the 27<sup>th</sup> day of July 2011** at **10.30 a.m.** and any adjournment(s) thereof, to vote for me/us and in my/our name.

Dated this the \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Folio / DP & Client ID No. : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

Affix Re.1/-  
Revenue  
Stamp

Signature across the stamp

### Notes:

1. The Proxy must be deposited at the Registered Office of the Applicant Company at "UB Tower," UB City, 24, Vittal Mallya Road, Bangalore - 560 001 at least 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.
2. All alterations made in the form of Proxy should be initialed.

# UNITED BREWERIES LIMITED

Registered Office: "UB TOWER", UB CITY, 24, VITTAL MALLYA ROAD, BANGALORE - 560 001.

## ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

I hereby record my presence at the Extraordinary General Meeting of the Equity Shareholders of the Company, convened at **Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore - 560 025** on **Wednesday, the 27<sup>th</sup> day of July 2011** at **10.30 a.m.**

Name and Address of Equity Shareholder: \_\_\_\_\_  
**(IN BLOCK LETTERS)** \_\_\_\_\_

Folio No. / DP ID / Client ID: \_\_\_\_\_

No. of Shares: \_\_\_\_\_

Signature: \_\_\_\_\_

\_\_\_\_\_  
Name of the Proxy **(IN BLOCK LETTERS)**

\_\_\_\_\_  
Signature

**NOTE:** Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

**BOOK – POST**

**TO:**

*If undelivered please return to:*

**INTEGRATED ENTERPRISES (INDIA) LIMITED**

Unit: UNITED BREWERIES LIMITED

No. 30, Ramana Residency,

4<sup>th</sup> Cross, Sampige Road,

Malleswaram, Bangalore-560 003.

Ph: 91-80-23460815 –18 Fax: 23460819