

**ASSOCIATED
KEDIA GROUP**

Dreams Determination Dexterity

Associated Alcohols & Breweries Ltd.

Registered / Corporate Office :
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Indore - 452 008, (M.P.) India
Contact No. +91 731 4780400/490
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E-mail : info@aabl.in
CIN : L15520MP1989PLC049380

9th August 2022

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 507526	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 Scrip Code: ASALCBR
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Dear Sir/Madam,

Subject: Outcome of Board meeting held on 9th August 2022 – Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), we hereby submit the outcome of the meeting of the Board of Directors ("**Board**") of Associated Alcohols & Breweries Limited ("**AABL**" or "**the Company**") held on 9th August 2022. Based on the recommendations of the Audit Committee and the Committee of Independent Directors, the Board has considered and approved a Scheme of Amalgamation of AABL with and into Mount Everest Breweries Limited ("**MEBL**") and their respective Shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (the "**Scheme**").

The Scheme is subject to receipt of approvals of shareholders and creditors of the Companies involved and approval of other regulatory authorities as may be required, including BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and the National Company Law Tribunal, Indore Bench ("**NCLT**").

Please note that **Transaction Square LLP** has acted as the advisor to this Scheme.

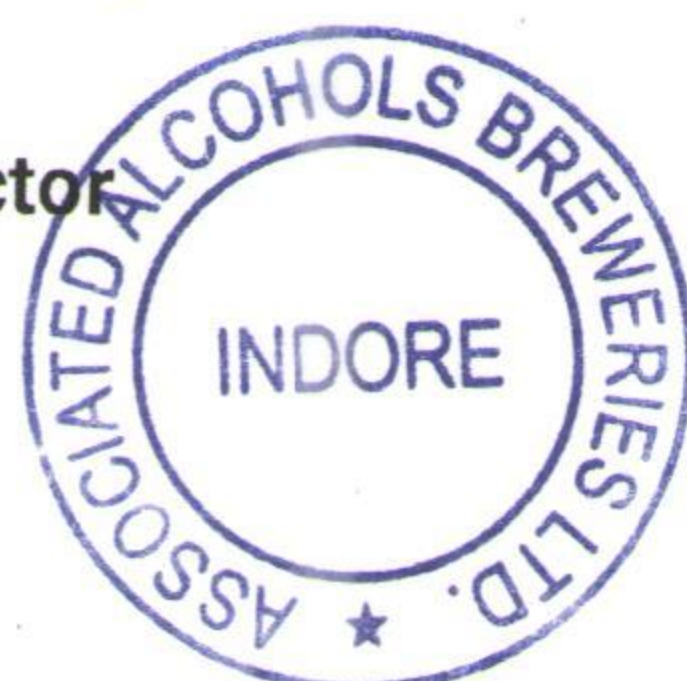
Please find **Annexure 1** containing details in the prescribed format as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to kindly take note of the same and please also take suitable action for dissemination of this information through your website at the earliest. In case you need any other information, please let us inform. Please note that the board meeting commenced at 12:15 p.m. and concluded at 1:00 p.m.

Thanking you,

For Associated Alcohols & Breweries Limited

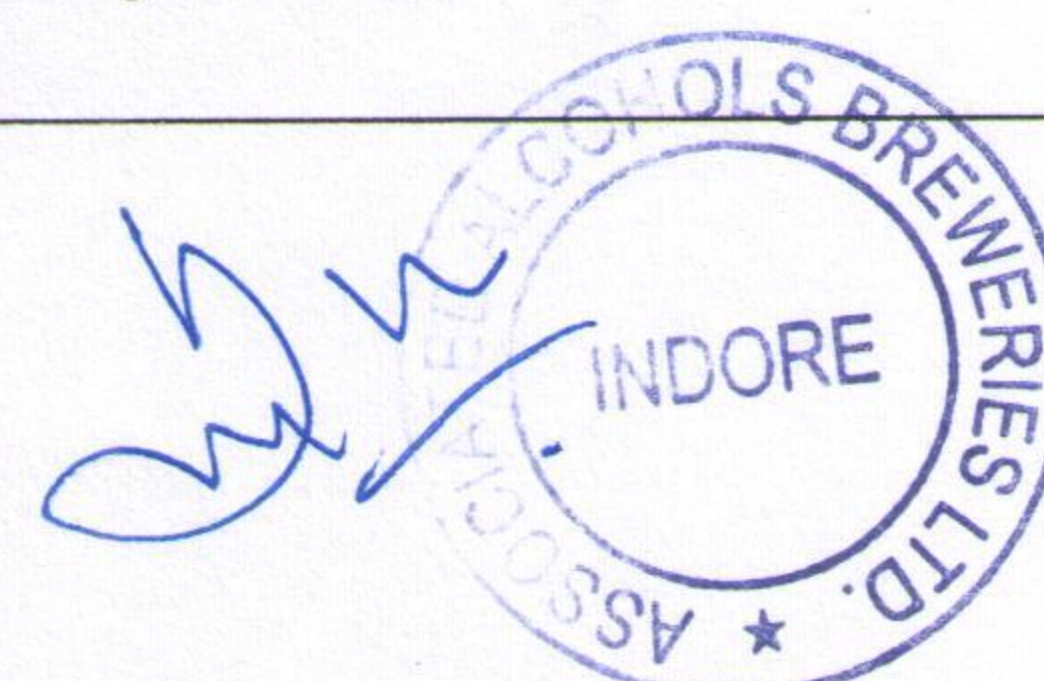

Tushar Bhandari
Whole Time Director
DIN: 03583114



Plant : Khodigram, Tehsil Barwaha, Distt. Khargone - 451 115 (M.P.)

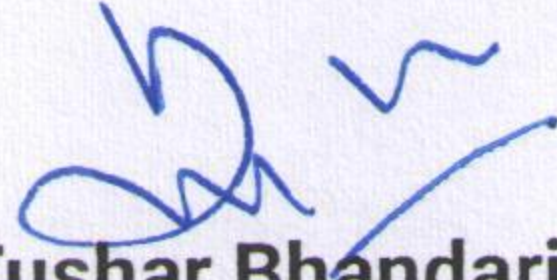
ANNEXURE 1**I. Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

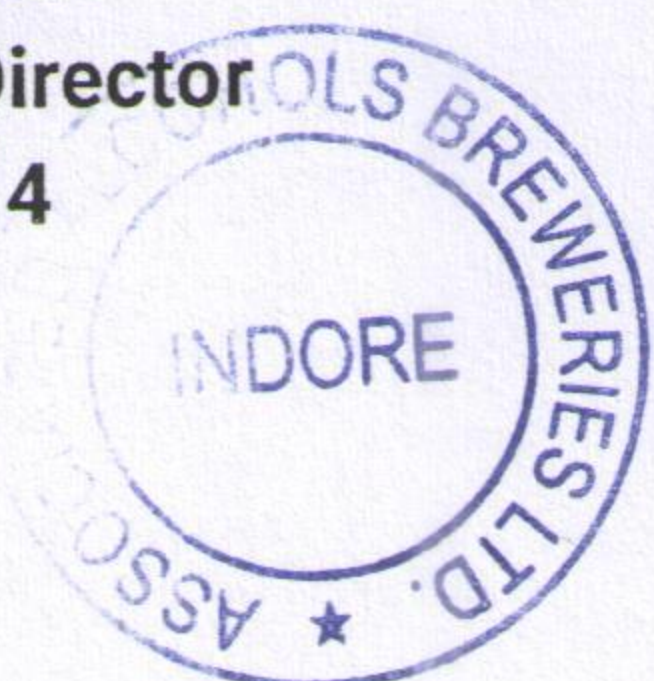
S.No.	Particulars	Details												
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover, etc.	<p>Pursuant to the Scheme of Amalgamation ("Scheme"), Associated Alcohols & Breweries Limited ("AABL") shall amalgamate with and into Mount Everest Breweries Limited ("MEBL") with effect from the Appointed Date (i.e., 1-Apr-2022).</p> <p>Set out below is the turnover and networth as on 30th June 2022 of the entities involved in the Scheme:</p> <p style="text-align: right;">(INR Crore)</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Particulars</th> <th>Net worth</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>AABL</td> <td>326.3</td> <td>186.1</td> </tr> <tr> <td>2</td> <td>MEBL</td> <td>108.4</td> <td>190.7</td> </tr> </tbody> </table>	S.No.	Particulars	Net worth	Turnover	1	AABL	326.3	186.1	2	MEBL	108.4	190.7
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1	AABL	326.3	186.1											
2	MEBL	108.4	190.7											
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	<p>Basis General Circular No. 30/2014 dated 17-July-2014 issued by the Ministry of Corporate Affairs ("MCA"), the proposed Scheme does not fall within the purview of related party transactions since the same is subject to the sanction of the National Company Law Tribunal ("NCLT") and hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted / applicable in the present case.</p> <p>However, under applicable SEBI regulations, the proposed Scheme will be a related party transaction. Further, the consideration, as set forth in the Scheme, will be discharged on an "arm's length basis".</p> <p>The share exchange ratio for the shares to be allotted to the shareholders of AABL by MEBL, is based on a valuation report provided by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets. Kunvarji Finstock Private Limited, a SEBI registered Category-I Merchant Banker, has also issued a fairness opinion, on the share exchange ratio. The aforementioned Valuation Report and Fairness Opinion have been duly considered by the Audit Committee, Committee of Independent Directors & the Board of Directors of AABL.</p>												
c)	Area of business of the entity(ies);	AABL is engaged in the business of manufacturing & trading of Rectified Spirit/Extra Neutral Alcohols (ENA), Indian Made Indian Liquor (Country Liquor), Indian Made Foreign Liquor and by products. AABL is a listed entity (at BSE and NSE) having registered office at Indore, Madhya Pradesh.												

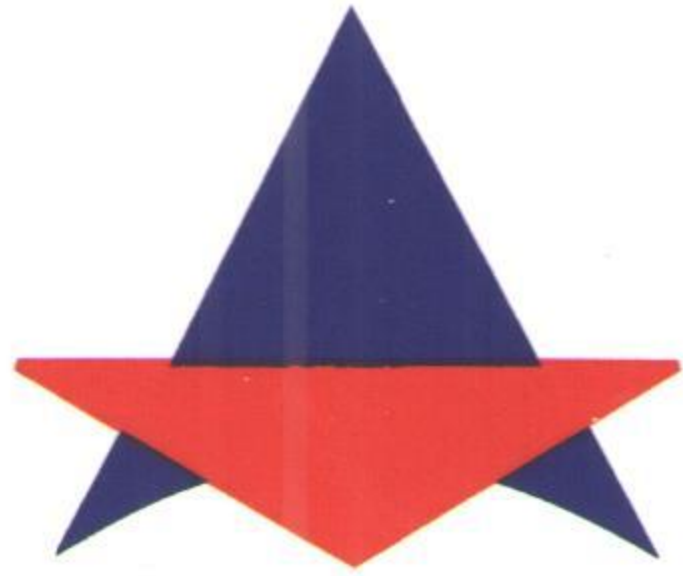


		MEBL is engaged in the business of manufacture and sale of beers (own brand and third-party brands). MEBL is an unlisted entity having registered office at Indore, Madhya Pradesh.																								
d)	Rationale for amalgamation:	The Scheme of Amalgamation of AABL with and into MEBL would, inter alia, have the following benefits: (i) Consolidation of both product segment (i.e., Spirit and Beer) into a single entity; (ii) Pooling of resources, creating better synergies, optimal utilization of resources and greater economies of scale; (iii) Creation of a larger asset and customer base; (iv) Create enhanced shareholder value pursuant to economies of scale and business efficiencies, which would be in the best interest of all its shareholders, creditors and all other stakeholders.																								
e)	in case of cash consideration – amount or otherwise share exchange ratio:	Following share exchange ratio has been determined for the allotment of the equity shares of MEBL having a face value of INR 10/- each to the shareholders of AABL as on the Record Date (as per the Scheme), in consideration for the amalgamation of AABL with and into MEBL: <i>“773 (Seven Hundred and Seventy-Three) equity shares of MEBL having a face value of INR 10/- (Rupees Ten only) each fully paid-up shall be issued for every 1,000 (One thousand) equity shares held in AABL having a face value of INR 10/- (Rupees Ten only) each fully paid-up”</i>																								
f)	Brief details of change in shareholding pattern (if any) of listed entity.	The brief details of the shareholding of the companies pre and post Scheme, as of 30 th June 2022, are as follows: AABL <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Before Scheme (as on 30th June 2022)</th> <th colspan="2">Post Scheme*</th> </tr> <tr> <th>No. of Equity Shares</th> <th>%</th> <th>No. of Equity Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>1,05,66,440</td> <td>58.45</td> <td>-</td> <td>-</td> </tr> <tr> <td>Public</td> <td>75,12,760</td> <td>41.55</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>1,80,79,200</td> <td>100</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>*AABL shall cease to exist upon the effectiveness of the Scheme as AABL shall be amalgamated with and into MEBL.</p>	Category	Before Scheme (as on 30 th June 2022)		Post Scheme*		No. of Equity Shares	%	No. of Equity Shares	%	Promoters	1,05,66,440	58.45	-	-	Public	75,12,760	41.55	-	-	Total	1,80,79,200	100	-	-
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For Associated Alcohols & Breweries Limited


Tushar Bhandari
Whole Time Director
DIN: 03583114





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PRESS RELEASE

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Associated Alcohols & Breweries Limited gets Board approval to merge with Mount Everest Breweries Limited

Indore, 9th August 2022: The Board of Directors of Associated Alcohols & Breweries Limited ('AABL') at its meeting held today considered and approved a scheme of amalgamation of AABL with and into Mount Everest Breweries Limited (MEBL), an Indore based entity, engaged inter-alia in manufacturing and sale of beers under own brands and third party brands ('merger' or 'scheme').

With the proposed merger, AABL will be able to transition from a B2B Company to a B2C Company, which would create an Alco-Beverage Supermarket entity housing Spirits and Beers together.

The scheme is now subject to the receipt of requisite approvals from statutory authorities and the respective shareholders and creditors of both the companies. After completion of the said merger, the merged entity will be a publicly listed company on National Stock Exchange of India Limited and BSE Limited in India.

Upon completion of merger, the shareholders of AABL will receive 773 equity shares of MEBL for every 1,000 equity shares of AABL.

Speaking about the proposed merger, Mr. Anand Kedia, AABL's Promoter said, "The proposed merger would enable integration of AABL and MEBL's business operations under a single entity umbrella which will result inter-alia in operational efficiencies, revenue and cost synergies (arising out of customers commonality), sales and supply chain opportunities through enhanced geographical reach with a wider variety of product offerings (Spirit and Beers), which will help in gaining market share, optimization of operational (including promotional) expenditure and simplification of overlapping infrastructure."

Speaking about the proposed merger, Mr. Prasann Kedia, AABL's Promoter said, "With deep understanding of the Alcoholic Beverage market across various economic cycles, this merger helps in realizing the potential of what AABL's business can achieve by transitioning from B2B Company to B2C Company by leveraging the distribution, manufacturing and customer base of MEBL. This merger is a step in the right direction for value creation for all the stakeholders."



Note:

The proposed amalgamation of the two companies is subject to receipt of requisite approvals from the statutory authorities including Securities Exchange and Board of India, National Stock Exchange of India Limited, BSE Limited, the National Company Law Tribunal (Indore Bench), and the respective shareholders and creditors of AABL and MEBL.

KEY HIGHLIGHTS OF THE MERGER

- Creation of Alco-Beverage Supermarket entity housing both Spirits (from AABL) and Beers (from MEBL), which will act as an enabler for future untapped growth opportunities.
- The merger of AABL with and into MEBL will enable consolidation of the business and operations of AABL into MEBL, which complement the business of AABL and which will provide substantial impetus to growth, reduce operational costs, increase operational efficiencies, manage working capital and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources of both the companies, thereby significantly contributing to business efficiency, future growth and maximizing shareholder value.
- The combination of AABL and MEBL is expected to achieve business synergies, given their relative strengths in alcoholic beverages manufacturing, respective distribution footprints across India and established brands. The combined entity will be well-positioned to meet the growing consumer demand.
- With inclusion of MEBL, a well-established company in the beer industry, the merged entity is expected to be able to better compete with the global players.

ABOUT ASSOCIATED ALCOHOLS & BREWERIES LIMITED (AABL):

AABL is one of the largest distillers in India with a state-of-the-art integrated alcoholic beverages manufacturing facility located in Central India near Indore, Madhya Pradesh. The Company manufactures premium Extra Neutral Alcohol (ENA)/ Rectified Spirit, IMIL (Country Liquor) and IMFL (Indian Made Foreign Liquor). AABL has diversified business segments, from manufacturing and supply of ENA to contract manufacturing for Diageo-USL, to manufacturing and marketing of licensed brands, as well as IMIL and 6 IMFL brands.

ABOUT MOUNT EVEREST BREWERIES LIMITED (MEBL):

MEBL was incorporated in 1999. MEBL is engaged in manufacture and sale of beers, consisting of own brands and third-party brands (contract manufacturing). MEBL's own brands include Le Mount, Mount's 6000 and STOK. MEBL operates a brewery based out of Indore, Madhya Pradesh, with an installed capacity of 10 lakh hectoliters (1.5 million cases per month).

Transaction Square LLP have acted as the transaction advisor to this transaction.

