



UNITED BREWERIES LIMITED

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

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

(Approval of Scheme of Amalgamation)

Between

SCOTTISH AND NEWCASTLE INDIA PRIVATE LIMITED

And

UNITED BREWERIES LIMITED

Date : September 24, 2012

Day : Monday

Time : 11.00 a.m.

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

CONTENTS

Particulars	Page No.
Notice convening Meeting of the Equity Shareholders of United Breweries Limited pursuant to the directions of the Hon'ble High Court of Karnataka at Bangalore	1
Explanatory Statement under Section 393 of the Companies Act, 1956	2 – 12
Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956	13 – 25
Form of Proxy	27

**IN THE HIGH COURT OF KARNATAKA AT BANGALORE
(ORIGINAL JURISDICTION)**

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 103 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF UNITED BREWERIES LIMITED

AND

IN THE MATTER OF SCHEME OF AMALGAMATION BETWEEN SCOTTISH AND NEWCASTLE INDIA PRIVATE
LIMITED AND UNITED BREWERIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

COMPANY APPLICATION NO. 643 OF 2012

UNITED BREWERIES LIMITED

"UB Tower", UB City, 24, Vittal Mallya Road,
Bangalore - 560 001

..... Applicant / Transferee Company

NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS

To,

The Equity Shareholders of **UNITED BREWERIES LIMITED ("the Applicant Company")**

TAKE NOTICE that by an Order made on 17th August, 2012 in the above Company Application, the Hon'ble High Court of Karnataka at Bangalore has directed that a meeting of the Equity Shareholders of **UNITED BREWERIES LIMITED**, the Applicant Company be convened and held at **Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025 on Monday, the 24th day of September 2012 at 11.00 a.m.** for the purpose of considering and if thought fit, approving, with or without modification(s) the Scheme of Amalgamation between Scottish and Newcastle India Private Limited and United Breweries Limited.

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of the Equity Shareholders of the Applicant Company will be held at **Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025 on Monday, the 24th day of September 2012 at 11.00 a.m.** when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at "UB Tower", UB City, 24, Vittal Mallya Road, Bangalore 560 001 not later than 48 hours before the meeting.

The Hon'ble Court has appointed Dr. Vijay Mallya, Director of the Applicant Company and failing him, Mr. C Y Pal, Director of Applicant Company and failing him Mr. C L Jain, Director of the Applicant Company to be the Chairman of the meeting.

A copy each of the Scheme of Amalgamation, the Statement under Section 393 of the Companies Act, 1956, the Attendance Slip and Form of Proxy are enclosed.

Dated this the 22nd day of August 2012.

Registered Office:
"UB Tower", UB City,
24, Vittal Mallya Road,
Bangalore 560 001.

Sd/-
C Y PAL
(Chairman appointed for the meeting)

Note: All alterations made in the Form of Proxy should be initialed.

**IN THE HIGH COURT OF KARNATAKA AT BANGALORE
(ORIGINAL JURISDICTION)**

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 103

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IN THE MATTER OF UNITED BREWERIES LIMITED

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IN THE MATTER OF SCHEME OF AMALGAMATION BETWEEN SCOTTISH AND NEWCASTLE INDIA PRIVATE LIMITED AND UNITED BREWERIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

COMPANY APPLICATION NO. 643 OF 2012

UNITED BREWERIES LIMITED

"UB Tower", UB City,
24, Vittal Mallya Road,
Bangalore – 560 001

.....Applicant / Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. This is an explanatory statement accompanying the Notice convening the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors, as the case may be of **United Breweries Limited**, the Applicant Company, which have been convened pursuant to the directions of the Hon'ble High Court of Karnataka at Bangalore for the purposes of considering and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation ("Scheme" or "Scheme of Amalgamation") between Scottish and Newcastle India Private Limited ("SNIPL or the Transferor Company") and United Breweries Limited ("UBL" or "the Applicant Company" or "the Transferee Company") and their respective shareholders and creditors.
2. The Applicant Company was incorporated on 13th day of May 1999 under the provisions of the Companies Act, 1956 under the name and style of UB Infrastructure Projects Limited. The name of the company was changed to UB Beer Limited with effect from 31st day of July 2001. The name of the company was further changed to United Breweries Limited with effect from 7th day of August 2002.
3. The Registered office of the Applicant Company is situated at "UB Tower", UB City, 24, Vittal Mallya Road, Bangalore 560 001.
4. The details of the share capital of the Applicant Company as on 31st March, 2012 is as follows:

Particulars	Amount (Rs.)
Authorized Share Capital	
3,674,000,000 Equity Shares of Re.1 each fully paid up	3,674,000,000
58,600,000 3% Cumulative Redeemable Preference Shares of Rs.100 each fully paid- Series B	5,860,000,000
Total	9,534,000,000

Issued, Subscribed and Paid-up Share Capital	Amount (Rs.)
264,405,149 Equity Shares of Re.1 each fully paid up	264,405,149
7,407,000 3% Cumulative Redeemable Preference Shares of Rs.100 each fully paid- Series B	740,700,000
Total	1,005,105,149

Post 31st March 2012, there is no change in the authorized, issued, subscribed and paid up share capital of Transferee Company.

5. The Applicant Company is engaged in the business of manufacturing and sale of beer.
6. The main objects for which UBL has been established have been set out in its Memorandum of Association.
7. Summary of the audited financial statements of the Applicant Company for 3 years ended March 31, 2012, March 31, 2011 and March 31, 2010 is enclosed as **Annexure 1**. The financial results published by the Applicant Company for three months years ended June 30, 2012 is enclosed as **Annexure 2**.
8. SNIPL was incorporated on 19.09.2002 under the provisions of the Companies Act, 1956 as Scottish and Newcastle India Private Limited.
9. The Registered Office of SNIPL is situated at 'Trilegal', One Indiabulls Centre, 14th Floor, Tower One, Jupiter Mills, Elphinstone Road, Mumbai 400013.
10. As on 31st March 2012 the authorised, issued, subscribed and paid up share capital of SNIPL was as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
45,580,000 Equity Shares of Rs.10 each	455,800,000
Total	455,800,000
Issued, Subscribed and Paid-up Share Capital	
32,223,912 Equity Shares of Rs. 10 each	322,239,120
Total	322,239,120

Post 31st March 2012, there is no change in the authorized, issued, subscribed and paid up share capital of Transferor Company.

11. SNIPL was incorporated to provide technical consultancy for the manufacture, marketing and distribution of beer and allied products in India and to form a strategic partnership with United Breweries Limited. SNIPL now holds equity investment in UBL.
12. The main objects for which SNIPL has been established have been set out in its Memorandum of Association.
13. Summary of the audited financial statements of SNIPL for 3 years ended March 31, 2012, March 31, 2011 and March 31, 2010 is enclosed as **Annexure 3**.
14. The Scheme envisages amalgamation of SNIPL with UBL.
15. Rationale for the Scheme or Amalgamation

The circumstances that have necessitated the Scheme are as under:

- UBL and the promoters of UBL have undertaken corporate restructuring exercise to consolidate their beer businesses in India into UBL including consolidating and streamlining the promoter holding in UBL and, in continuance thereof, amalgamation of SNIPL into the UBL is the final part of the aforesaid corporate restructuring.
 - SNIPL and UBL had earlier formed a Joint Venture and invested in the share capital of Millennium Alcobev Private Limited (MAPL) in equal proportion. MAPL has since been amalgamated into UBL and the purpose for which the Joint Venture was formed has been achieved. SNIPL was primarily promoted for the purpose of providing technical consultancy for manufacture, marketing and distribution of beer and allied products and to form a strategic partnership with UBL through Foreign Investment Promotion Board approval. SNIPL now holds equity investment in UBL. The ongoing restructuring of various brewing entities of the group including MAPL and its subsidiary brewing companies by way of amalgamation into UBL has culminated in optimal administrative, management and synergy benefits and resulted in cost savings, pooling of managerial skills and utilization of valuable resources in UBL. The promoters of both UBL and SNIPL found it strategically necessary and expedient to amalgamate SNIPL also into UBL for enhancing technical synergies in manufacture, marketing and distribution of beer through Heineken which was the primary objective of SNIPL and also furthering administrative and management expertise.
16. Accordingly, the Board of Directors of the Applicant Company and SNIPL, in their respective Board Meetings held on February 07, 2012, approved the Scheme of Amalgamation.
17. For determining the fair exchange ratios 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:
- "8,489,270 fully paid up equity share of Re. 1 (Rupee One Only) each of UBL shall be issued and allotted against 32,223,912 voting equity shares of Rs. 10 (Rupees Ten Only) each held in SNIPL"
18. Ambit Corporate Finance Pvt. Ltd., in their capacity of a Category-I Merchant Banker, has provided its fairness opinion on the share exchange / swap ratio recommended by the independent valuers. The fairness opinion inter alia states as under:

QUOTE

- 5.1 We have reviewed the basis for determination of share exchange ratio along with the underlining assumptions therein.
- 5.2 On the basis of the foregoing points, we are of the opinion that the valuation exercise conducted by M/s. SSPA & Co. (Chartered Accountants) and M/s. Grant Thornton from a financial point of view is fair & reasonable for the proposed share exchange ratio for the proposed Merger of SNIPL into UBL which is as under:

8,489,270 (Eight Million Four Hundred Eighty Nine Thousand Two Hundred Seventy) equity shares of UBL of Re.1 each fully paid up for 32,223,912 (Thirty Two Million Two Hundred Twenty Three Thousand Nine Hundred Twelve) equity shares of SNIPL of Rs.10 each fully paid up.

UNQUOTE

The above fairness opinion is available for inspection.

19. The pre and post amalgamation Shareholding pattern of the Applicant Company shall be as under :

	CATEGORY	PRE AMALGAMATION (AS ON 30.06.2012)		POST AMALGAMATION	
		No. of shares held	% of holding	No. of shares held	% of holding
(A)	Shareholding of Promoters and Promoter Group				
(1)	Indian Promoters				
(a)	Individuals	21,353,620	8.08	21,353,620	8.08
(b)	Bodies Corporate	85,630,610	32.39	85,630,610	32.39
	Sub-Total (A)(1)	106984230	40.46	106984230	40.46
(2)	Foreign Promoters				
(a)	Bodies Corporate	90,850,440	34.36	90,850,440	34.36
	Sub-Total (A)(2)	90,850,440	34.36	90,850,440	34.36
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	197,834,670	74.82	197,834,670	74.82
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds/UTI	203,298	0.08	203,298	0.08
(b)	Financial Institutions/Banks	28,380	0.01	28,380	0.01
(c)	Central Government/State Government(s)	660	-	660	-
(d)	Insurance Companies	1,702,907	0.64	1,702,907	0.64
(e)	Foreign Institutional Investors	46,524,776	17.60	46,524,776	17.60
	Sub-Total (B)(1)	48460021	18.33	48460021	18.33
(2)	Non-Institutions				
(a)	Bodies Corporate	4,839,513	1.83	4,839,513	1.83
(b)	Individuals				
i.	Individual Shareholders holding nominal share capital up to Rs.1 lakh	11,586,867	4.38	11,586,867	4.38
ii.	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	709,673	0.27	709,673	0.27
(c)	Any other				
i.	Trusts	248,761	0.09	248,761	0.09
ii.	NRI	656,422	0.25	656,422	0.25
iii.	Clearing Member	64,542	0.02	64,542	0.02
iv.	Overseas Corporate Bodies	4,680	0.00	4,680	0.00
	Sub-Total (B)(2)	18,110,458	6.85	18,110,458	6.85
	Total Public Shareholding (B)=(B)(1)+(B)(2)	66,570,479	25.18	66,570,479	25.18
(C)	Shares held by Custodians and against which Depository Receipts have been issued.				
1	Promoter and Promoter Group	-	-	-	-
2	Public Shareholding	-	-	-	-
	Grand Total (A)+(B)+(C)	264,405,149	100.00	264,405,149	100.00

There will be no change in shareholding pattern of Equity and Preference shareholding Post Amalgamation.

20. Post amalgamation (expected) capital structure of the Applicant Company will be as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
4,129,800,000 equity shares of Rs. 1 each	4,129,800,000
58,600,000 preference shares of Rs. 100 each	5,860,000,000
Total	9,989,800,000
Issued, Subscribed and Paid-up Share Capital	
264,405,149 Equity Shares of Re.1 each fully paid up	264,405,149
7,407,000 3% Cumulative Redeemable Preference Shares of Rs.100 each fully paid- Series B	740,700,000
Total	1,005,105,149

21. The salient features of the Scheme are as follows:

- a) The Scheme shall come into effect from the Appointed Date mentioned herein but shall be operative from the Effective Date.
- b) "Appointed Date" means 1st day of April 2012 or such other date as may be approved by the High Court of Karnataka and High Court of judicature at Bombay respectively.
- c) "Effective Date" means the last of the dates on which the certified copies of the order of the Karnataka High Court and High Court of judicature at Bombay sanctioning the Scheme is filed with the Registrar of Companies at Bangalore and Mumbai respectively.

d) Consideration

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 SNIPL 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 SNIPL holding fully paid-up equity shares in SNIPL and whose names appear in the register of members of SNIPL, 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.:

"8,489,270 fully paid up equity share of Re. 1 (Rupee One Only) each of UBL shall be issued and allotted against 32,223,912 voting equity shares of Rs. 10 (Rupees Ten Only) each held in SNIPL."

- i. The New Equity Shares to be issued to the shareholders of SNIPL (as per sub-clause 6.1 of the Scheme) shall be subject to provisions of 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.
- ii. The New Equity Shares of UBL to be issued to the shareholders of SNIPL (as per sub-clause 6.1 of the Scheme) shall be listed on all the stock exchanges on which the shares of UBL are listed as on the Effective Date.
- iii. 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.

Other provisions of the Scheme

- e) Upon the Scheme becoming effective, SNIPL, the Transferor Company shall stand dissolved without any further act or deed or without being wound-up.
- f) Upon the Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs.455,800,000 and the Memorandum of Association and Articles of Association of the Transferee Company (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 the Transferee Company 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 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 the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.
- g) During the pendency of the Scheme and up to the Effective Date, in case the authorised share capital of Transferee Company has been enhanced, then, provisions of sub-clause 16.1 of the Scheme shall be applied to the authorized share capital so enhanced, and the quantum of shares and share capital stated in sub-clause 16.2 of the Scheme shall stand modified accordingly.
- h) The 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 the Transferor Company and the Transferee Company, which power shall be exercised reasonably in the best interests of the companies concerned.
- i) Notwithstanding anything to the contrary contained in the Scheme, if any part of the Scheme is found to be unworkable for any reason whatsoever, the same will not, subject to the decision of the respective Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of the Scheme.

Members and creditors are requested to read the entire text of the Scheme, annexed to this notice, to have a better understanding of the provisions thereof. As stated above, the aforesaid are only salient features of the Scheme.

22. The Scheme is subject to the sanction of the Hon'ble High Court of Karnataka and High Court of judicature at Bombay, approval of shareholders and creditors of UBL and SNIPL respectively and approval of other regulatory authorities such as, the Regional Director(s), Ministry / Department of Company Affairs and Official Liquidator(s).

23. The Applicant Company has received no objection to the Scheme of Amalgamation from Bombay Stock Exchange Limited, National Stock Exchange of India Limited and the Bangalore Stock Exchange Limited where the Equity Shares of the Applicant Company are listed. The proposed amalgamation has also been approved by the Competition Commission of India under Section 31 (1) of the Competition Act, 2002 vide order dated 20th March, 2012.
24. The Scheme would be implemented upon pronouncement of the Orders of the High Court of Karnataka and High Court of judicature at Bombay under provisions of Sections 391-394 of the Companies Act, 1956.
25. No investigation proceedings have been instituted or are pending under Section 235 to 250A of the Companies Act, 1956 in respect of the Applicant Company.
26. The rights and interests of the secured and unsecured creditors of the Applicant Company and SNIPL will not be prejudicially affected by the Scheme. The assets of UBL, post restructuring will exceed the liabilities and the consolidated / restructured UBL will continue to have a positive net worth. The rights and interests of the members and creditors of SNIPL and the Applicant 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.
27. In case the Scheme is not sanctioned by the High Court of Karnataka and High Court of judicature at Bombay or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not being obtained and / or the Scheme not being sanctioned by any of the High Courts 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 the Applicant Company shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.
28. The Directors of SNIPL and UBL may be deemed to be concerned and/or interested in the proposed Scheme to the extent of their shareholding in any of the above Companies or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the above Companies.
29. The extent of shareholding of the Directors of the Applicant Company in SNIPL and UBL either singly or jointly are as follows:

Sl. No.	Name of the Director	SNIPL	UBL
1.	Dr. Vijay Mallya	NIL	21353620
2.	Mr. Kalyan Ganguly	NIL	14690
3.	Mr. A K Ravi Nedungadi	NIL	NIL
4.	Mr. Guido de Boer	NIL	NIL
5.	Mr. Duco Reneiout Hooft Graafland	NIL	NIL
6.	Mr. Theodorus Antonious Fredericus de Rond	NIL	NIL
7.	Mr. C Y Pal	NIL	NIL
8.	Mr. Sunil K Alagh	NIL	4000
9.	Mr. C L Jain	NIL	NIL
10.	Ms. Kiran Mazumdar Shaw	NIL	NIL
11.	Mr. Madhav Bhatkuly	NIL	NIL
12.	Mr. Stephan Gerlich	NIL	NIL

30. The extent of shareholding of the Directors of SNIPL in SNIPL and UBL either singly or jointly are as follows:

SI. No.	Name of the Director	SNIPL	UBL
1.	Mr. Sridhar Gorthi	NIL	NIL
2.	Mr. Ernst Willem Arnold van de Weert	NIL	NIL
3.	Mr. Kenneth Choo Tay Sian	NIL	NIL
4.	Mr. Delano Melo Furtado	NIL	NIL

31. Inspection of the following documents may be had at the Registered Office of the Applicant Company on any working day (except Saturday) till September 21, 2012, between 9.30 a.m. to 5.30 p.m.

- (a) Order dated 17th day of August 2012 of the Hon'ble High Court of Karnataka at Bangalore, directing the convening of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company.
- (b) Scheme of Amalgamation.
- (c) Memorandum and Articles of Association of SNIPL and UBL.
- (d) The Audited Accounts of SNIPL and UBL for three previous financial years ended March 31, 2012, March 31, 2011 and March 31, 2010.
- (e) Valuation Report of Messrs Grant Thornton, India and Messrs SSPA & Co., independent valuers on the share exchange ratio.
- (f) Fairness Opinion issued by Ambit Corporate Finance Pvt. Ltd. on the reports of the independent valuation experts.
- (g) The letters of No Objection received from Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Bangalore Stock Exchange Limited.
- (h) Order of Competition Commission of India approving the proposed amalgamation.

There are no other material developments that would affect the financial statements of the Applicant Company after the balance sheet date.

This statement may be treated as an Explanatory Statement under Section 393 and such other applicable provisions, if any, of the Companies Act. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of the Applicant Company.

Sd/-

C Y PAL

(Chairman appointed for the meeting)

Dated this the 22nd day of August, 2012

Annexure 1

SUMMARY OF AUDITED FINANCIAL STATEMENTS OF UNITED BREWERIES LIMITED FOR PREVIOUS 3 YEARS ENDED MARCH 31, 2012

Balance Sheet

(Rs. in Lacs)

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Sources of Funds			
Shareholder's funds			
Equity share capital	2,644	2,545	2401
Preference share capital	7,407	24,690	24690
Capital pending allotment	-	92	-
Reserves and surplus	126,463	102,174	88,887
Loan funds			
Secured	77,280	40,532	49,603
Unsecured	11,033	37,762	17,530
Deferred Credit	-	-	-
Deferred Tax Liabilities	5,140	2,888	2163
Total	229,967	210,683	185,274
Application of Funds			
Fixed Assets	142,604	123,539	83,832
Investments	2,547	4,502	15,307
Interest in UBL Benefit Trust	-	14,294	-
Deferred Tax Assets	-	-	-
Net Current Assets	84,816	68,348	86,135
Miscellaneous Expenditure	-	-	-
Profit and Loss Account	-	-	-
Total	229,967	210,683	185,274

Statement of Profit & Loss

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
INCOME			
Sales & Services	362,769	301,321	199,745
Other Income	7,298	8,278	7,768
Total	370,067	309,599	207,513
EXPENDITURE			
Cost of Sales	181,604	179,587	121,716
Other Expenses	139,960	86,526	56,307
Interest	9,912	7,813	5,550
Deferred Revenue Expenses	-	-	-
Depreciation	14,866	13,051	8,827
Total	346,342	286,977	192,400
Net profit / (loss) before non recurring items and Taxation / Exceptional	23,725	22,622	15,113
Non-recurring Item / Exceptional	1,959	-	-
Profit / Loss for the year after non- recurring item and Before Taxation	21,766	22,622	15,113
Provision for taxation – Current	(4,925)	(4,765)	(4,984)
Fringe Benefit Tax	-	-	-
Minimum Alternate Tax (MAT)Deferred tax liability	(1,137)	4,762	-
	(3,060)	(7,890)	(432)
Profit / Loss for the year after Taxation	12,644	14,729	9,697
Dividend on Preference Shares @ 3%	(242)	(741)	(741)
Dividend on Equity Shares	(1,851)	(1,582)	(864)
Tax on dividend	(339)	(377)	(270)
Transfer to General Reserve	(1,500)	(1,500)	(1,000)
Loss brought forward from previous year	-	-	-
Balance carried to Balance Sheet	8,712	10,529	6,822

Annexure 2

FINANCIAL RESULTS OF UNITED BREWERIES LIMITED FOR THREE MONTHS ENDED JUNE 30, 2012

(Rs. in Lacs)

PARTICULARS		3 MONTHS ENDED JUNE 30, 2012
Income from operations		
(a)	Net sales/income from operations (net of excise duty)	122,582
(b)	Other operating income	-
Total income from operations (net)		122,582
Expenses		
(a)	Cost of materials consumed	50,760
(b)	Purchases of stock-in-trade	2,303
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	197
(d)	Employee benefits expense	4,870
(e)	Depreciation and amortization expense	3,764
(f)	Advertisement & Sales promotion	20,432
(g)	Selling & Distribution	14,143
(h)	Other expenses	10,961
Total expenses		107,430
Profit / (Loss) from operations before other income, finance costs and exceptional items		15,152
Other income		1,495
Profit / (Loss) from ordinary activities before finance costs and exceptional items		16,647
Finance costs		1,894
Profit / (Loss) from ordinary activities after finance costs but before exceptional items		14,753
Exceptional items		-
Profit / (Loss) from ordinary activities before tax		14,753
Tax expense		
	Current tax	2,988
	MAT credit (availed)/utilized	1,098
	Deferred tax charge/(writeback)	803
Net Profit / (Loss) from ordinary activities after tax		9,864
Extraordinary items (net of tax expense)		-
Net Profit / (Loss) for the period		9,864

Annexure 3

SUMMARY OF AUDITED FINANCIAL STATEMENTS OF SCOTTISH AND NEWCASTLE INDIA PRIVATE LIMITED FOR THE 3 YEARS ENDED MARCH 31, 2012

Balance Sheet

(Rupees in Lacs)

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Sources of Funds			
Shareholder's funds			
Equity share capital	3,222	4,558	2,279
Preference share capital	-	-	-
Reserves and surplus	19,848	37,107	38,837
Share Application money	-	-	1
Loan funds	-	-	-
Secured	-	-	-
Unsecured	-	-	-
Deferred Credit	-	-	-
Deferred Tax Liabilities	-	-	-
Total	23,070	41,665	41,117
Application of Funds			
Fixed Assets	-	-	-
Investments	22,683	22,683	18,573
Deferred Tax Assets	-	-	-
Net Current Assets	387	18,982	22,544
Miscellaneous Expenditure	-	-	-
Profit and Loss Account	-	-	-
Total	23,070	41,665	41,117

Profit & Loss Account

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
INCOME			
Sales	-	-	-
Other Income	625	925	893
Total	625	925	893
EXPENDITURE			
Cost of Sales	-	-	-
Other Expenses	336	64	41
Interest	2	6	10
Deferred Revenue Expenses	-	-	-
Depreciation	-	-	-
Total	338	70	51
Net profit / (loss) before non recurring Items and Taxation	287	855	842
Non recurring Item	-	-	-
Profit / Loss for the year after non recurring Item and Before Taxation	287	855	842
Provision for taxation – Current	186	305	303
Deferred tax credit	-	-	-
Profit / Loss for the year after Taxation	100	550	539
Loss brought forward from previous year	3920	3,371	2,832
Balance carried to Balance Sheet	3326	3,920	3371

SCHEME OF AMALGAMATION
BETWEEN
SCOTTISH AND NEWCASTLE INDIA PRIVATE LIMITED
AND
UNITED BREWERIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 103 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956

This Scheme of Amalgamation (“the Scheme”) is presented under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 for amalgamation of Scottish and Newcastle India Private Limited with United Breweries Limited.

Introduction

Transferor Company

Scottish and Newcastle India Private Limited or “SNIPL” is a company incorporated under the Companies Act, 1956 on 19th September, 2002 bearing corporate identification number U74999MH2002PTC137280 with its registered office at Trilegal, One Indiabulls Center, 14th Floor, Tower One, Jupiter Mills, Elphinstone Road, Mumbai 400 013. SNIPL was incorporated to provide technical consultancy for the manufacture, marketing and distribution of beer and allied products in India and to form a strategic partnership with United Breweries Limited.

Transferee Company

United Breweries Limited or “UBL” is a listed public limited company, incorporated under the Companies Act, 1956 on 13 May, 1999 with its registered office at 'UB Tower', UB City, 24, Vittal Mallya Road, Bangalore- 560 001, Karnataka whose equity shares are listed on the Bombay Stock Exchange, the National Stock Exchange and the Bangalore Stock Exchange. UBL is engaged in the business of the manufacturing and sale of beer in India.

Rationale for the Scheme

The circumstances that have necessitated the Scheme are as under:

- UBL and the promoters of UBL have undertaken corporate restructuring exercise to consolidate their beer businesses in India into UBL including consolidating and streamlining the promoter holding in UBL and, in continuance thereof, amalgamation of SNIPL into the UBL is the final part of the aforesaid corporate restructuring.
- SNIPL and United Breweries Limited (UBL) had earlier formed a Joint Venture and invested in the share capital of Millennium Alcobev Private Limited (MAPL) in equal proportion. MAPL has since been amalgamated into UBL and the purpose for which the Joint Venture was formed has been achieved. SNIPL was primarily promoted for the purpose of providing technical consultancy for manufacture, marketing and distribution of beer and allied products and to form a strategic partnership with UBL through Foreign

Investment Promotion Board approval. SNIPL now holds equity investment in UBL. The ongoing restructuring of various brewing entities of the group including MAPL and its subsidiary brewing companies by way of amalgamation into UBL has culminated in optimal administrative, management and synergy benefits and resulted in cost savings, pooling of managerial skills and utilization of valuable resources in UBL. The promoters of both UBL and SNIPL found it strategically necessary and expedient to amalgamate SNIPL also into UBL for enhancing technical synergies in manufacture, marketing and distribution of beer through Heineken which was the primary objective of SNIPL and also furthering administrative and management expertise.

1. **Definitions**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"Act" or "the Act" means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof.

"Appointed Date" means 1 April 2012, or such other date as may be approved by the High Courts.

"Effective Date" means the last date of the dates on which the certified copies of the order of the Hon'ble Bombay High Court and the Hon'ble High Court of Karnataka sanctioning the Scheme is filed with the Registrar of Companies at Mumbai and Bangalore respectively.

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.

"High Court(s)" or "the High Court(s)" means either the Hon'ble Bombay High Court or the Hon'ble High Court of Karnataka or both of these High Courts, as the case may be, or the National Company Law Tribunal, as applicable.

"New Equity Shares" shall have the meaning assigned to it in Clause 6.2.

"Record Date" means the date to be fixed by the Board of Directors of the Transferee Company for the purposes of issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme upon amalgamation of the Transferor Company into the Transferee Company.

"Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 20 of this Scheme as approved or directed by the Hon'ble Bombay High Court and/or the Hon'ble High Court of Karnataka or any other appropriate authority.

"Share Exchange Ratio" means the ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company under Clause 6.1;

"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.

"SNIPL" or "the Transferor Company" means Scottish and Newcastle India Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Trilegal, One Indiabulls Center, 14th Floor, Tower One, Jupiter Mills, Elphinstone Road, Mumbai 400 013.

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. In particular, wherever reference is made to the High Court(s) in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. SHARE CAPITAL

3.1 The share capital structure of the Transferor Company, as of 31 March, 2011 is as follows:

Authorised Share Capital	Issued Share Capital	Subscribed and Paid-up Share Capital
Rs.455,800,000/- (45,580,000 equity shares of Rs.10 each)	Rs.455,800,000/- (45,580,000 equity shares of Rs.10 each)	Rs.455,800,000/- (45,580,000 equity shares of Rs.10 each)

3.2 Pursuant to the capital reduction exercise undertaken by the Transferor Company and approved by the Hon'ble Bombay High Court by its order dated 29 July, 2011, the present share capital structure of the Transferor Company is as follows:

Authorised Share Capital	Issued Share Capital	Subscribed and Paid-up Share Capital
Rs.455,800,000/- (45,580,000 equity shares of Rs.10 each)	Rs.322,239,120/- (32,223,912 equity shares of Rs.10 each)	Rs.322,239,120/- (32,223,912 equity shares of Rs.10 each)

As of date, Heineken UK Limited (along with its nominee Scottish and Newcastle India Limited) holds 100% of the paid-up equity share capital of the Transferor Company.

3.3 The share capital structure of the Transferee Company, as of 31 March, 2011 is as follows:

Authorised Share Capital	Issued Share Capital	Subscribed and Paid-up Share Capital
Rs.8,534,000,000/- comprising 3,620,000,000 Equity Shares of Re.1 each and 49,140,000 Preference Shares of Rs.100 each)	Rs.2,723,544,938/- comprising 254,544,938 Equity Shares of Re.1 each, 3% 17,283,000 Cumulative Redeemable Preference Shares-Series A of Rs.100 each and 3% 7,407,000 Cumulative Redeemable Preference Shares-Series B of Rs.100 each. 9,150,633 Equity Shares of Re.1 each are pending allotment.	Rs.2,723,544,938/- comprising 254,544,938 Equity Shares of Re.1 each, 3% 17,283,000 Cumulative Redeemable Preference Shares-Series A of Rs.100 each and 3% 7,407,000 Cumulative Redeemable Preference Shares-Series B of Rs.100 each. 9,150,633 Equity Shares of Re.1 each are pending allotment.

Subsequent to March 31, 2011, the Transferee Company has allotted 9,860,211 Equity Shares of Re.1 each (145,902 Equity Shares on 14.11.2011; 9,004,731 Equity Shares on 08.12.2011 and 709,578 Equity Shares on 12.03.2012) upon amalgamation and has redeemed 17,283,000 Cumulative Redeemable Preference Shares-Series A of Rs.100 each. The share capital structure of the Transferee Company as on March 31, 2012 is as follows:

Authorised Share Capital	Issued Share Capital	Subscribed and Paid-up Share Capital
Rs.9,534,000,000/- comprising 3,674,000,000 Equity Shares of Re.1 each and 58,600,000 Preference Shares of Rs.100 each.	Rs.1,005,105,149/- comprising 264,405,149 Equity Shares of Re.1 each and 3% 7,407,000 Cumulative Redeemable Preference Shares-Series B of Rs.100 each.	Rs.1,005,105,149/- comprising 264,405,149 Equity Shares of Re.1 each and 3% 7,407,000 Cumulative Redeemable Preference Shares-Series B of Rs.100 each.

4. **TRANSFER AND VESTING OF SNIPL**

- 4.1 Upon this Scheme becoming effective and pursuant to the provisions contained in Section 394(2) of the Act and other provisions of applicable laws for the time being in force, the entire business and whole of the undertaking of the Transferor Company 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 the Transferor Company), registrations, permissions, investments, office equipments, vehicles, incentives if any, and contracts, agreements, consent, approvals or powers of every kind nature and description whatsoever and all deposits and or moneys paid or received by the Transferor Company in connection with or relating to the undertaking and all necessary records, files, papers, computer programs, drawings, manuals, data, catalogues, quotations, sales and advertising materials, customer pricing information, and other records in connection with or relating to the undertaking shall pursuant to the orders of the High Courts 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 the Transferee Company so as to become the properties and assets of the Transferee Company absolutely from the Appointed Date.
- 4.2 All the moveable assets including cash in hand of the Transferor Company 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 the Transferee Company on such handing over in pursuance of the provisions of Section 394 of the Act.
- 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) Transferee Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositor of Transferor Company 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 Transferee Company as the person entitled thereto, to the end and intent that the right of Transferor Company to recover or realise the same shall vest in Transferee Company.

b) Transferor Company 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 Transferee Company and that the right of Transferee Company to recover or realise the same is in substitution of the right of Transferor Company.

4.4 Upon the coming 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 the Transferor Company shall, without any further act or deed be and stand transferred to the Transferee Company to the extent that they are outstanding and on the same terms and conditions as applicable to the Transferor Company, and shall become the debts, liabilities, loans, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same and 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.

Provided that notwithstanding anything contained in any document, papers or writings executed by the Transferor Company, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company 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.

4.5 All statutory licences (including any licences issued by any state government(s) under any law), permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions or other licences and consents shall vest in and become available to Transferee Company 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 Transferor Company as the case may be, are concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions.

4.6 If and to the extent there are inter-corporate loans, deposits, receivables, payables or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of accounts and records of the Transferee Company if required, for such adjustments of debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter-corporate loans, deposits, receivables, payables or balances between the Transferor Company and the Transferee Company.

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

5. **CAPITAL STRUCTURE**

Upon the Scheme becoming effective, the Transferee Company shall account for the merger in its books with effect from Appointed Date as under:

- 5.1 The issued, subscribed and paid up equity share capital of the Transferee Company shall stand reduced by Rs.84,89,270 (Rupees Eighty-four lakhs, eighty-nine thousand, two hundred and seventy Only) and such reduction shall be effected by reducing 84,89,270 equity shares of Re. 1 (Rupee One Only) each, held by the Transferor Company, pursuant to merger of the Transferor Company into Transferee Company.
- 5.2 The reduction of the share capital specified in sub-clause 5.1 above shall be effected as an integral part of the Scheme itself, in accordance with the provisions of Section 100 -103 of the Act and the order of the Hon'ble High Court of Karnataka sanctioning the Scheme shall deemed to be also an Order under Section 102 of the Act for confirming the reduction and no separate procedure shall be followed under the Act. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital and the provision of Section 101 of the Act will not be applicable.
- 5.3 The Transferee Company will be exempted from adding the words "and reduced" to its name as the last words under section 102 of the Act.
- 5.4 On the Scheme becoming effective, the investment in the Transferee Company as appearing in the books of the Transferor Company shall stand cancelled.
6. **CONSIDERATION**
- 6.1 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 the Transferor Company in the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares of Re 1 each, credited as fully paid up, to the extent indicated below, to the shareholders of the Transferor Company holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company 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 the Transferee Company in the following proportion:
- "8,489,270 fully paid up equity share of Re. 1 (Rupee One Only) each of the Transferee Company shall be issued and allotted against 32,223,912 voting equity shares of Rs. 10 (Rupees Ten Only) each held in the Transferor Company."
- 6.2 Upon equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with sub-clause 6.1 (hereinafter referred to as "**New Equity Shares**"), the share certificates in relation to the shares held by the said shareholders in the Transferor Company 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.
- 6.3 In case of any shareholder of the Transferor Company being entitled to fractional shares as per the Share Exchange Ratio, the same shall be rounded off to the nearest whole number.
- 6.4 The New Equity Shares to be issued to the shareholders of the Transferor Company as per sub-clause 6.1 shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* with the existing equity shares of the Transferee Company in all respects including dividends.
- 6.5 In so far as the issue of New Equity Shares by the Transferee Company pursuant to this Scheme, each shareholder of the Transferor Company holding shares in physical form shall have the option, exercisable by

notice in writing by them to the Transferee Company on or before the Record Date, to receive, the New Equity Shares of the Transferee Company in dematerialised form in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the shareholders of the Transferor Company, the shares of the Transferee Company shall be issued to such members in physical form. The shareholders of the Transferor Company who exercise the option to receive the New Equity 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 the Transferee Company. It is only thereupon that the Transferee Company shall issue and directly credit the demat/dematerialised securities account of such member with the New Equity Shares of the Transferee Company. The physical share certificates representing the equity shares of the Transferor Company shall stand automatically and irrevocably cancelled on the issue of New Equity Shares by the Transferee Company in terms of this Scheme.

- 6.6 The New Equity Shares of the Transferee Company to be issued to the shareholders of the Transferor Company as per sub-clause 6.1 shall be listed on all the stock exchanges on which the shares of the Transferee Company are listed as on the Effective Date.
- 6.7 Transferee Company 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 Transferor Company under the Scheme.
- 6.8 The issue and allotment of New Equity Shares to the shareholders of the Transferor Company as per sub-clause 6.1, shall be deemed to be made in compliance with the procedure laid down under Section 81 (1A) and any other provisions of the Act.
- 6.9 Where equity shares of Transferee Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased shareholders of Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of Transferee Company.
- 6.10 In the event that the Transferee Company 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.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

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

- 7.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interests Method' of accounting as per Accounting Standard 14, one of the accounting standards notified under Section 211(3C) of the Companies Act, 1956.
- 7.2 The Transferee Company shall credit the aggregate face value of the New Equity Shares to be issued by it to the shareholders of the Transferor Company pursuant to Clause 6.1 of the Scheme to Share Capital Account in its books of account.

- 7.3 The inter-corporate deposits/loans and advances outstanding between the Transferee Company and the Transferor Company shall stand cancelled and there shall be no further obligation/outstanding in that behalf.
- 7.4 The investments of the Transferor Company in the equity share capital of the Transferee Company shall stand cancelled pursuant to the Scheme.
- 7.5 It is intended to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. In case of any differences in accounting policy between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company will prevail and the difference as on the Appointed Date will be quantified and such difference shall be adjusted to the Profit & Loss Account of the Transferee Company.
- 7.6 Any difference arising after recording the assets and liabilities of the Transferor Company as per sub-clause 7.1 above and after giving effect to sub-clauses 7.2, 7.3 and 7.4 above together with any all costs and expenses incurred as per Clause 22 in connection with the Scheme 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 shall be adjusted in the books of the Transferee Company in the following order.
- first out of the amount available in capital reserves account; and
 - then, out of the amount available in the securities premium account.

8. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

8.1 With effect from the Appointed Date and upto the Effective Date:

- (i) the Transferor Company 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 account of and in trust for the Transferee Company;
- (ii) all the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and deemed to be the profits or Income or expenditure or losses (as the case may be) of the Transferee Company;
- (iii) it is clarified that any advance tax paid/TDS credits/TDS certificates received by the Transferor Company shall be deemed to be the advance tax paid by/TDS credit/TDS certificate of the Transferee Company;
- (iv) the Transferor Company 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 the Transferee Company;
- (v) the Transferor Company 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 the Transferee Company;
- (vi) the Transferor Company shall not without the prior written consent of the Transferee Company, except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise; and

- (vii) The Transferee Company 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.

9. STAFF, WORKMEN & EMPLOYEES

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

9.2 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 the Transferor Company are concerned, on and from the Effective Date, Transferee Company shall stand substituted for the Transferor Company 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 the Transferor Company in relation to such Funds shall become those of Transferee Company. It is clarified that the services of such permanent employees of the Transferor Company will be treated as having been continuous and not interrupted for the purposes of such Funds.

10. LEGAL PROCEEDINGS

If any suit, appeal, legal or other proceeding of whatever nature by or against the Transferor Company 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 the Transferee Company, 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 the Transferor Company as if this Scheme had not been made. On and from Effective Date, the Transferee Company shall and may, if required, initiate any legal proceeding in relation to the Transferor Company in the same manner and to same extent as would or might have been initiated by the Transferor Company.

11. 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 the Transferor Company are party, or the benefit to which the Transferor Company are/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 the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto from inception. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations to which the Transferor Company 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, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Company and the Transferee Company as on the Effective Date shall stand cancelled.

12. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of undertaking of the Transferor Company pursuant to this Scheme and the continuance of proceedings by or against the Transferor Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

13. **DISSOLUTION OF TRANSFEROR COMPANY**

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

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

Upon the Scheme becoming effective, the resolutions of the Transferor Company as are considered necessary by the Board of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. 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 the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

15. **DIVIDEND**

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

15.2 In the event that the Transferee Company declares any dividend between the date of filing of the Scheme and the Record Date, then in such event, the shareholders of the Transferor Company who are entitled to receive the New Equity Shares of the Transferee Company pursuant to Clause 6.1 (the shareholders of Transferor Company) 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, the Transferee Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to the Transferor Company shareholders. The Board of the Transferee Company will declare the aforesaid reserved amount as dividend to the shareholders of the Transferor Company 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 the Transferee Company to the Transferor Company Shareholders in relation to such amount to be applied towards payment of such dividend.

15.3 The Transferor Company shall not make any declaration of dividend between the date of filing of this Scheme and the Effective Date. Until the Scheme becomes effective, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme will continue to enjoy their existing respective rights provided under their respective Articles of Association.

15.4 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 the Transferor Company and/or the Transferee Company 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 the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

16. COMBINATION OF AUTHORIZED CAPITAL

16.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs.455,800,000 and the Memorandum of Association and Articles of Association of the Transferee Company (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 the Transferee Company 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 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 the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

16.2 Pursuant to the Scheme becoming effective and consequent amalgamation of the Transferor Company into the Transferee Company, the authorized share capital of the Transferee Company will be as under:

Particulars	Amount (Rs.)
Authorized share capital	
4,129,800,000 equity shares of Rs. 1 each	4,129,800,000
58,600,000 preference shares of Rs. 100 each	5,860,000,000
Total	9,989,800,000

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

Clause V of the Memorandum of Association of the Transferee Company

The Authorised Share Capital of the Company is Rs.9,989,800,000 (Rupees Nine Billion Nine Hundred Eighty Nine Million and Eight Hundred Thousand only) divided into 4,129,800,000 (Four Billion One Hundred Twenty Nine Million and Eight Hundred Thousand only) Equity Shares of Re.1/- each and 58,600,000 (Fifty Eight Million Six Hundred Thousand) Preference Shares of Rs.100/- each.

Article 3 of the Articles of Association of the Transferee Company

The Authorised Share Capital of the Company is Rs.9,989,800,000 (Rupees Nine Billion Nine Hundred Eighty Nine Million and Eight Hundred Thousand only) divided into 4,129,800,000 (Four Billion One Hundred Twenty Nine Million and Eight Hundred Thousand only) Equity Shares of Re.1/- each and 58,600,000 (Fifty Eight Million Six Hundred Thousand) Preference Shares of Rs.100/- each.

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

17. APPLICATION TO HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall make applications/petitions under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Act to the High Courts or such other appropriate authority for sanction of this Scheme and for dissolution of the Transferor Company without winding-up under the provisions of law.

18. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

18.1 Upon the Scheme coming into effect, all taxes/cess/duties payable by or on behalf of the Transferor Company 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 the Transferee Company.

18.2 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its income-tax returns, other tax returns as may be applicable.

18.3 The Transferee Company is also expressly permitted to claim refunds, tax deduction in respect of nullifying of any transaction between or amongst the Transferor Company and Transferee Company.

18.4 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 the Transferor Company and the Transferee Company, which power shall be exercised reasonably in the best interests of the companies concerned.

18.5 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements to give effect to the amalgamation of the Transferor Company pursuant to the provisions of the Scheme.

19. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

The Scheme is conditional upon and subject to the following:

- (i) The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferee Company and Transferor Company as may be directed by the High Courts and/or any other competent authority and it being sanctioned by such High Courts and/or any other competent authorities, as may be applicable under Section 391 to 394 of the Act.
- (ii) All sanctions and approvals as may be required by law in respect of this Scheme being obtained.
- (iii) Certified or authenticated copies of the Order of the High Courts or such other competent authority, as may be applicable, sanctioning the Scheme being filed with the relevant Registrar of Companies.

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

20.1 On behalf of the Transferor Company and the Transferee Company, 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 High Court(s) 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.

20.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of the Transferor Company and the Transferee Company may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

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

21.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 19 not being obtained and/or the Scheme not being sanctioned by the any of the High Courts 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 will 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.

21.2 Notwithstanding anything to the contrary contained in this Scheme, if any part of this Scheme is found to be unworkable for any reason whatsoever, the same will not, subject to the decision of the respective Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

22. **COSTS, CHARGES & EXPENSES**

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

**IN THE HIGH COURT OF KARNATAKA AT BANGALORE
(ORIGINAL JURISDICTION)**

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 103 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF UNITED BREWERIES LIMITED

AND

IN THE MATTER OF SCHEME OF AMALGAMATION BETWEEN SCOTTISH AND NEWCASTLE INDIA PRIVATE
LIMITED AND UNITED BREWERIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

COMPANY APPLICATION NO. 643 OF 2012

UNITED BREWERIES LIMITED

"UB Tower", UB City,
24, Vittal Mallya Road,
Bangalore – 560 001

..... Applicant / Transferee Company

FORM OF PROXY

I/We, the undersigned Equity Shareholder(s) of the above Company, hereby appoint _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at **Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025 on Monday, the 24th day of September 2012 at 11.00 a.m.** for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation between Scottish and Newcastle India Private Limited and United Breweries Limited and their respective shareholders and creditors at such meeting and any adjournment thereof, to vote for me/us and in my/our name _____ (here, if for, insert "**for**", and if against, insert "**against**" and in the latter case, strike out the words below after 'Scheme of Amalgamation') the said Scheme of Amalgamation either with or without modification(s) as my/our proxy may approve.

* Strike out what is not necessary.

Dated this the _____ day of _____ 2012.

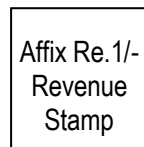
Signature : _____

Name : _____

Address : _____

Folio / DP & Client ID No. : _____

No. of Shares : _____



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 Applicant Company.
2. All alterations made in the form of Proxy should be initialed.

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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 Meeting of the Equity Shareholders of the Company, convened pursuant to the Order dated 17th August, 2012 of the High Court of Karnataka at **Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025 on Monday, the 24th day of September 2012 at 11.00 a.m.**

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

Signature : _____

Folio /D.P. & Client ID : _____

No. of Shares : _____

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,
4th Cross, Sampige Road,
Malleshwaram, Bangalore-560 003.
Ph: 91-80-23460815 –18 Fax: 23460819