



AGRIBIO SPIRITS

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF AGRIBIO SPIRITS LIMITED (FORMERLY KNOWN AS BEEKAY NIRYAT LIMITED) RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF AGRIBIOTECH INDUSTRIES LIMITED (ABIL OR TRANSFEROR COMPANY) WITH AGRIBIO SPIRITS LIMITED (ASL OR TRANSFEREE COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER AT ITS MEETING HELD ON TUESDAY, 31ST DECEMBER, 2024 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 111, SIGNATURE TOWER, DC-2 LAL KOTHI SCHEME, TONK ROAD, JAIPUR - 302015, RAJASTHAN AT 3.00 P.M.

MEMBERS PRESENT IN THE MEETING:

1. Mr. Kamal Kishor Sharma
2. Mr. Nitin Ghanshyam Hotchandani

IN ATTENDANCE:

1. Ms. Versha Goyal Company Secretary
2. Mr. Gaurav Somani Chief Financial Officer

1. BACKGROUND

- 1.1 A meeting of the Independent Director Committee of the Company was held on 31st December, 2024, to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Scheme of Amalgamation between Agribiotech Industries Limited (ABIL or Transferor Company) with Agribio Spirits Limited (ASL or Transferee Company or the Company) and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and Rules framed thereunder ("Scheme"), and thereby dissolution of Agribiotech Industries Limited.
- 1.2 Agribiotech Industries Limited having CIN: U15511RJ2004PLC019885, is an unlisted public limited company, incorporated on 11th November, 2004 under the Act, and having its registered office at 111, Signature Tower, DC-2, Lal Kothi Scheme, Tonk Road Jaipur, Rajasthan-302015. It is engaged in the business of manufacturing and selling of Extra Neutral Alcohol (Spirit for Liquor and Bottling of liquor under various brands), Rectified Spirit, Country Liquor, Rajasthan Made liquor and Indian Made Liquor.
- 1.3 Agribio Spirits Limited having CIN: L11010RJ1975PLC045573, is a public limited company having its equity shares listed on BSE Limited, incorporated on 6th June, 1975 under the Act, and having its registered office at 111, Signature Tower, DC-2, Lal Kothi Scheme, Tonk Road Jaipur, Rajasthan-302015. The Company has recently changed its object clause to engage in the business of alcohols / liquor. The Transferee Company holds 29.76% in the share capital of Transferor Company.
- 1.4 In terms of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Scheme Circular"), a report from the Independent Director Committee ("Committee") recommending the draft Scheme is required, taking into consideration, inter alia, that the Scheme is not detrimental to the shareholders of the Company.





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1.5 The following documents were placed before the Committee for its consideration:

- i) Draft Scheme of Amalgamation duly initialed by the Company Secretary of the Company for the purpose of identification;
- ii) Valuation Report 30th December, 2024 M/s. Payal Gada & Co., Chartered Accountants, Registered Valuer, describing inter alia the methodology adopted by them in arriving at the share valuation including the share entitlement ratio and setting out the details of computation of fair entitlement ratios for the proposed amalgamation ("Valuation Report")
- iii) Fairness Opinion dated 31st December, 2024 issued by Swaraj Shares and Securities Private Limited, a SEBI Registered Merchant Banker, providing its opinion on the fairness of the Valuation Report and the Share Entitlement Ratio.
- iv) Certificate dated 31st December, 2024, of R P Khandelwal & Associates, Chartered Accountants, the Statutory Auditors of the Company confirming that the accounting treatment in the draft Scheme is in accordance with the applicable accounting standards notified under Section 133 of the Companies Act, 2013 and other accounting principles generally in India.

2. SALIENT FEATURES OF THE PROPOSED SCHEME:

The Committee discussed and noted the salient features of the proposed Scheme, the rationale of proposed Scheme, and the impact of the proposed Scheme on the shareholders of the Company:

2.1 In terms of the Scheme, upon the Scheme becoming effective, the Transferee Company will issue shares to the shareholders of the Transferor Company in the ratio:

"Eighty-Five (85) fully paid-up Equity Shares of Rs. 10/- each of the Transferee Company shall be issued and allotted for every one Hundred (100) fully paid-up Equity Shares of Rs. 10/- each held in the Transferor Company." ("Share Entitlement Ratio")

AND

"Ninety-Seven (97) 0.01% fully paid-up Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10/- each at a redemption price of Rupees One Hundred Twenty-Six and paise Twenty only (Rs 126.20) per share of the Transferee Company shall be issued and allotted for every one Hundred (100) fully paid-up Equity Shares of Rs. 10/- each held in the Transferor Company." ("Share Entitlement Ratio")

2.2 The equity shares issued by the Transferee Company will be listed and admitted to trading on the Stock Exchange in compliance with SEBI Scheme circular and other relevant provisions as applicable. The NCRPS shall not be listed on any Stock Exchanges.





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2.3 The terms of the Non-Convertible Redeemable Preference Shares as set out in scheme.

2.4 The Appointed Date in respect of the Scheme shall be 1st October, 2024 or such other date as the National Company Law Tribunal, Jaipur Bench ("NCLT") may direct or fix.

2.5 The Scheme is and shall be subject to certain conditions precedent therein, including:

- Obtaining no-objection/ observation letter from the Stock Exchange in relation to the Scheme under Regulation 37 of the LODR.
- The approval of the Scheme by the requisite majority of the respective members and/ or creditors and such class of persons of the Transferor Company and the Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the relevant Adjudicating Body in this respect.
- The approval of the shareholders of Transferor Company and Transferee Company through e-voting and/or other mode as may be required under any applicable law and the SEBI circular, after disclosure of all material facts in the explanatory statement (including the applicable information pertaining to the Transferor Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations) or notice or proposal accompanying resolution to be passed sent to the shareholders. The Scheme is conditional upon being approved by the public shareholders of the Transferee Company through e-voting in terms of Part - I(A) - (10)(a) and (10)(b) of SEBI Master Circular No. SEBI/HO/CFD/POD -2 /P/ CIR / 2023/93 dated June 20, 2023 and the Scheme shall be acted upon only if votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.
- Sanction of the relevant Adjudicating Body, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee Company.
- The necessary certified copies order under Sections 230 to 232 of the Act, and other applicable provisions of Act are duly filed with the Registrar of Companies, Rajasthan Jaipur.
- All other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

3. RATIONALE OF THE PROPOSED SCHEME:

The Committee noted the rationale of the Scheme, which inter-alia is as follows:

- i. ASL holds 29.76% in ABIL and both ABIL and ASL are under the same management with common promoters, it is proposed to integrate the respective business activities of both entities in a single entity. This will enable following:





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- a) ABIL is primarily engaged in the business inter alia manufacturing, selling and trading in alcohol / liquor. ASL has recently changed its object clause to engage in the business of alcohols / liquor. Thus, the Transferor Company and the Transferee Company are engaged in similar business. Hence, the amalgamation of Transferor Company into Transferee Company shall provide an opportunity to the Scheme entities to better consolidate their assets and utilize the same more efficiently which will be in the interest of all stakeholders.
- b) The integration of ABIL's liquor business into ASL will result into the inorganic acquisition of business of liquor under a single entity thus the Transferee company will have off the rack manufacturing set up as well as foray into a marketing through Government agency M/s Rajasthan State Ganganagar Sugar mills Ltd. Thus, the combined entity can deal into Neutral Alcohol (Spirit for Liquor and Bottling of liquor under various brands), Rectified Spirit and Country Liquor of various brands.
- c) The Shareholders of the Transferee Company will directly participate in the assets / business / profits of the Transferor Company and are expected to benefit from business expansion, reduced finance cost, improved profitability and additional resources to fund business growth.
- d) Simplify group and business structure and achieve operational synergies;
- e) Focused and holistic approach of the management towards combined business operations and integration of business operations would enable the Transferee Company to provide significant impetus to its growth;
- f) The combined entity on the back of its financial stability is likely to attract more opportunities for organic and inorganic growth viz. partnerships, acquisitions and market expansion thereby enhancing financial prospects. It will also strengthen the transferee company's market presence in the liquor production industry.
- g) The amalgamation will result *inter alia* in focused management attention, operational efficiencies, revenue and cost synergies including from commonality of customers, sales and supply chain opportunities through enhanced geographical reach with a wider variety of product offerings which will help in gaining market share, optimization of capital, operational (including promotion) expenditure, leveraging sales and distribution network and simplification of overlapping infrastructure.
- h) Create value for stakeholders, including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, innovations in technology and expanded market reach with increased growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies, amongst others;
- i) Upon merger, the combined entity would have improved financial health and better ability to also raise finances with the larger asset base and customer network to boost its future growth.





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- j) Reduced operational costs due to combined efforts, eliminating duplication of administrative work, communications / coordination efforts across the group entities, multiplicity of legal and regulatory compliances thereby ensuring optimum utilization of available resources and integrated management focus which will enable a structured, sharper and better management focusing on holistic growth of the businesses;
- ii. There is no likelihood that any shareholder or creditor or employee of ABIL and ASL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

4. SCHEME NOT DETRIMENTAL TO THE SHAREHOLDERS:

The ID Committee discussed and deliberated upon the rationale and salient features of the Scheme, including as below:

- (i) Upon the Scheme becoming effective, the Transferee Company will issue shares to the shareholders of the Transferor Company in the ratio:

"Eighty-Five (85) fully paid-up Equity Shares of Rs. 10/- each of the Transferee Company shall be issued and allotted for every one Hundred (100) fully paid-up Equity Shares of Rs. 10/- each held in the Transferor Company." ("Share Entitlement Ratio")

AND

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- (ii) The Equity shares issued by Transferee Company will be listed on the Stock Exchange. The New Equity Shares to be issued and allotted shall rank *pari passu* in all respects with existing equity shares of the Transferee Company, including in respect of dividends, if any that may be declared by the Transferee Company, on or after the Effective Date.
- (iii) There will be no detrimental impact on the shareholders of the Company due to the proposed Scheme, given all shareholders of the Company shall, upon the effectiveness of the Scheme be issued with Equity Shares and Non-Convertible Redeemable Preference Shares by Transferee Company in the ratio set above.





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- (iv) The merger will simplify the group structure, eliminate overlapping administrative efforts, and allow for a focused and integrated management approach. This will lead to higher profitability, operational synergies, and long-term growth opportunities, ultimately benefiting all stakeholders, including shareholders, creditors, employees, and customers.
- (v) The Scheme has the advantages set out in Clause 3 above.

On the basis of the above, the ID Committee concluded that the Scheme is not detrimental to the shareholders of the Company.

5. RECOMMENDATION OF THE INDEPENDENT DIRECTORS' COMMITTEE:

The ID Committee, after due deliberations and due consideration of all the terms of the draft Scheme, the above rationale, the Valuation Report, the Fairness Opinion, Certificate issued by the Statutory Auditor and the specific points mentioned above including that the Scheme is not detrimental to the shareholders of the Company, approves and recommends the draft Scheme for favourable consideration and approval by the Board of Directors of the Company, Stock Exchange, and other appropriate authorities.

By order of the Independent Directors' Committee
For Agribio Spirits Limited
(Formerly known as Beekay Niryat Limited)

Nitin Ghanshyam Hotchandani
Chairman of the Committee



Place: Jaipur

Date: 31.12.2024