

July07, 2006

McDowell Scheme of Arrangement for amalgamation

McDowell & Company Limited had proposed a Composite Scheme of Arrangement for amalgamation of Shaw Wallace Distilleries Limited, Herbertsons Limited and six other operating companies with McDowell & Company Limited and demerger of the investment business of the Company into McDowell India Spirits Ltd. Necessary applications have already been filed into the High Courts of Karnataka and Bombay. In fact, the application filed by McDowell & Company Limited before the High Court of Karnataka at Bangalore has already been allowed by the High Court of Karnataka as per its order dated 23-6-2006. The Composite Scheme of Arrangement becomes effective only from the date the other petitions filed before the Karnataka High Court and Bombay High Court are allowed by the respective High Courts.

In addition to the Composite Scheme of Arrangement, referred to hereinabove, McDowell & Company Limited had proposed a Scheme of Amalgamation, under which its non-operative overseas wholly owned subsidiaries viz., Asian Opportunities and Investments Limited in Mauritius and Zelinka Limited in Cyprus, were to merge with McDowell & Company Limited. Due to business needs, the Board of Directors of the Company have decided to withdraw the said Scheme of Amalgamation. The Hon'ble High Court of Karnataka has, by its order dated 7-7-2006, permitted such withdrawal of the Scheme of Amalgamation.

However, the Composite Scheme of Arrangement, referred to in para-1 hereinabove, is not being withdrawn and necessary steps are being taken to complete the said Composite Scheme of Arrangement at the earliest.

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