DIAGEO
INDIA

United Spirits Limited

Registered Office:
'UB Tower'
#24, Vittal Mallya Road,
Bengaluru – 560 001
Tel: +91 80 4544 8000
Fax: +91 80 3985 6862
www.diageoindia.com

12th February 2021

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051, India
Scrip Code: MCDOWELL-N

Dear Sirs,

Subject: Disclosure of additional information in relation to the Draft Scheme of Amalgamation and Arrangement amongst Pioneer Distilleries Limited and United Spirits Limited (the *Company*) and their respective shareholders and creditors (the *Scheme*)

In response to your email dated 10th February 2021, we are uploading herewith the following additional information submitted by the Company, after filing the Scheme with the stock exchanges, till the date of receipt of the observation letter bearing ref. no. DCS/AMAL/JR/R37/1818/2020-21 issued by BSE Limited (***BSE***) on 21 October 2020 and the observation letter bearing ref. no. NSE/LIST/22715_III issued by National Stock Exchange of India Limited (***NSE***) dated 22 October 2020. The same has already been emailed to you on 14th November 2020 and was resent on 27th November 2020:

Serial No.	Particulars
1	Response from the Company dated 17th January 2020 to NSE to their queries dated 1st January 2020
2	Response from the Company dated 24th January 2020 to BSE to their queries dated 26th December 2019
3	Response from the Company dated 24th January 2020 to NSE to their queries dated 22nd January 2020
4	Response from the Company dated 4th February 2020 to BSE to their queries dated 28th January 2020
5	Response from the Company dated 4th February 2020 to NSE to their queries dated 29th January 2020

6	Response from the Company dated 28th February 2020 to BSE to their queries dated 18th February 2020
7	Response from the Company dated 28th February 2020 to NSE to their queries dated 18th February 2020
8	Response from the Company dated 17th March 2020 to NSE to their queries dated 12th March 2020
9	Response from the Company dated 4th May 2020 to BSE to their queries dated 27th April 2020
10	Response from the Company dated 8th May 2020 to NSE to their queries dated 5th May 2020
11	Response from the Company dated 13th October 2020 to SEBI to their queries
12	Response from the Company dated 16th October 2020 to SEBI to their queries

This is for your information and records.

Thank you,

For United Spirits Limited

MITAL ARVIND SANGHVI

Digitally signed by MITAL ARVIND SANGHVI
Date: 2021.02.12 21:42:26 +05'30'

Mital Sanghvi
Company Secretary

Encl: as above

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United Spirits Limited

Registered Office:
UB Tower
#24 Vittal Mallya Road
Bengaluru 560 001

Tel: +91 80 2221 0705
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www.diageoindia.com

January 17, 2020

To,
Mr. Mehul Vasaiya
Deputy Manager,
National Stock Exchange of India Ltd.,
Mumbai – 400 061

Dear Sir,

Subject: Response to your letter dated January 1, 2020

Ref: NSE/LIST/22715

This is with reference to your letter dated January 1, 2020 seeking further details/documents on our application for Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited, responses are provided below:

1. Shareholding pattern in accordance with Regulation 31 (1) of the SEBI (LODR) Regulations, 2015 - for pre and post scheme of arrangement of all the companies involved in the scheme. (Landscape mode & additionally provide a separate document without PAN) –

   (Kindly provide Shareholding pattern in accordance with Regulation 31 (1) of the SEBI (LODR) Regulations, 2015 - for pre and post scheme of arrangement of all the companies involved in the scheme.)

   Response – Pre and post scheme of arrangement of all the companies involved in the scheme as per Reg 31 is enclosed as Annexure - 1

2. Pre & Post Scheme Net worth of all the Companies involved in the Scheme. Companies are required to submit Certificate from Statutory Auditors / Practicing Chartered Accountants / Practicing Company Secretary. –

   (Kindly explain difference between Pre-Scheme Net worth shown in audited financials and in Net worth Certificate of Pioneer Distilleries Limited)

   Response – In the financial statement, the net worth was calculated by including the securities premium in accordance with Schedule III of the Companies Act, 2013, whereas the format of net worth certificate as per NSE excludes securities premium. Hence, the difference is appearing between the net worth figure as shown in the financial statement and the Net Worth Certificate issued by the Chartered Accountant.

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3. Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure E. –

   (Kindly rectify point no. 18, net worth of the company, if net worth of Pioneer Distilleries Limited is getting rectified based on observation on Net Worth certificate.)

   Response – As there is no change in the net worth, no rectification is required in point no.18 of Annexure 12 (Brief particulars of the Company)

4. *Further request you to upload all the above documents on NEAPS interface under "Application Attachment Grid" along with documents submitted by you through mail on our previous observation letter.*

   Response – Uploaded on NEAPS under "Application Attachment Grid" along with the documents submitted to you

   Thanking you,

   For **United Spirits Limited**

   V Ramachandran
   Company Secretary

   Enclosed as above

Pre-Amalgamation Shareholding Pattern of United Spirits Limited (Transferee Company) [with PAN]

Company Name	United Spirits Limited
Class of Security	Equity Shares
Scrip Code	532432
NSE Symbol	MCDOWELL-N
Share Holding Pattern Filed under	Reg. 31(1)
As on	30-Sep-2019

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No



Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
A	Promoter & Promoter Group	8	412410600	0	0	412410600	56.76	412410600	412410600	56.76	0	56.76	0		9972335	2.42	412410600
B	Public	108834	314228115	0	0	314228115	43.24	314228115	314228115	43.24	0	43.24	0		-	-	308998428
C	Non Promoter-Non Public	0	0	0	0	0	-	0	0	0	0	-	0		-	-	0
C1	Shares underlying DRs	0	0	0	0	0	-	0	0	0	0	-	0		-	-	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0		-	-	0
	Total	108842	726638715	0	0	726638715	100	726638715	726638715	100	0	100	0		9972335	1.37	721409028

United Spirits Limited

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Indian		0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
a	Individuals/Hindu undivided Family		1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0		0	0	62550
	Vijay Mallya	AENPM6247A	1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0		0	0	62550
b	Central Government/ State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
c	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
d	Any Other (specify)		6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0		9972335	90.86	10975805
	Bodies Corporate		6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0		9972335	187.94	10975805
	Rossi and Associates Private Limited	AABCR7636M	1	175560	0	0	175560	0.02	175560	175560	0.02	0	0.02	0		0	0	175560

United Spirits Limited Bengalore

	United Breweries Holdings Limited	AAACU2307D	1	5568895	0	0	5568895	0.77	5568895	5568895	0.77	0	0.77	0	4897335	87.94	5568895
	Kingfisher Finvest India Limited	AABCV9224B	1	5075000	0	0	5075000	0.7	5075000	5075000	0.7	0	0.7	0	5075000	100	5075000
	Vittal Investments Private Limited	AAACV1190K	1	156350	0	0	156350	0.02	156350	156350	0.02	0	0.02	0	0	0	156350
	Mallya Private Limited	AABCM7455R	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Devi Investments Private Limited	AAACD7021P	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)		7	11038355	0	0	11038355	1.52	11038355	11038355	1.52	0	1.52	0	9972335	90.34	11038355
2	Foreign		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)		1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Overseas Corporate Bodies		1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Relay B V	AAGCR0535A	1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Sub-Total (A)(2)		1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		8	412410600	0	0	412410600	56.76	412410600	412410600	56.76	0	56.76	0	9972335	2.42	412410600

United Spirits Limited Bangalore

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions		0	0	0	0	0	0	0	0	0	0	0	0		0		0
a	Mutual Funds/		105	38703604	0	0	38703604	5.33	38703604	38703604	5.33	0	5.33	0		0		38700854
	Motilal Oswal Multicap 35 Fund	AACTM3577A	1	11061900	0	0	11061900	1.52	11061900	11061900	1.52	0	1.52	0		0		11061900
b	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0		0		0
c	Alternate Investment Funds		7	874909	0	0	874909	0.12	874909	874909	0.12	0	0.12	0		0		874909
d	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0		0		0
e	Foreign Portfolio Investors		536	163078598	0	0	163078598	22.44	163078598	163078598	22.44	0	22.44	0		0		163071163
	New World Fund Inc	AABCN3163H	1	7876156	0	0	7876156	1.08	7876156	7876156	1.08	0	1.08	0		0		7876156

f	Financial Institutions/ Banks		33	454859	0	0	454859	0.06	454859	454859	0.06	0	0.06	0	0	406324
g	Insurance Companies		8	4717684	0	0	4717684	0.65	4717684	4717684	0.65	0	0.65	0	0	4717684
h	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)		689	207829654	0	0	207829654	28.6	207829654	207829654	28.6	0	28.6	0	0	207770934
2	Central Government/ State Government(s)/ President of India		2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
	Deputy Director, Directorate of Enforcement, Mumbai		1	12511545	0	0	12511545	1.72	12511545	12511545	1.72	0	1.72	0	0	12511545
	Sub-Total (B)(2)		2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
3	Non-institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -		106390	61636701	0	0	61636701	8.48	61636701	61636701	8.48	0	8.48	0	0	56603244
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		106351	41743914	0	0	41743914	5.74	41743914	41743914	5.74	0	5.74	0	0	36710457
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		39	19892787	0	0	19892787	2.74	19892787	19892787	2.74	0	2.74	0	0	19892787
b	NBFCs registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)		1753	32212610	0	0	32212610	4.43	32212610	32212610	4.43	0	4.43	0	0	32112705

	Bodies Corporate		1471	26816367	0	0	26816367	3.69	26816367	26816367	3.69	0	3.69	0	0	26716462
	Clearing Members		258	682442	0	0	682442	0.09	682442	682442	0.09	0	0.09	0	0	682442
	Foreign Nationals		2	1240	0	0	1240	0	1240	1240	0	0	0	0	0	1240
	IEPF		1	3407460	0	0	3407460	0.47	3407460	3407460	0.47	0	0.47	0	0	3407460
	LLP		6	1112	0	0	1112	0	1112	1112	0	0	0	0	0	1112
	Trusts		14	393979	0	0	393979	0.05	393979	393979	0.05	0	0.05	0	0	393979
	USL BENEFIT TRUST	AAATU2546D	1	17295450	0	0	17295450	2.38	17295450	17295450	2.38	0	2.38	0	0	17295450
	Unclaimed or Suspense or Escrow Account		1	910010	0	0	910010	0.13	910010	910010	0.13	0	0.13	0	0	910010
	Sub-Total (B)(3)		108143	93849311	0	0	93849311	12.92	93849311	93849311	12.92	0	12.92	0	0	88715949
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		108834	314228115	0	0	314228115	43.24	314228115	314228115	43.24	0	43.24	0	0	308998428

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
1591	910010

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil



Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder		0	0	0	0	0	-	0	0	0	0	-	0		0		0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0		0		0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	-	0	0	0	0	-	0		0		0



Post-Amalgamation Shareholding Pattern of United Spirits Limited (Transferee Company) [with PAN]

Company Name	United Spirits Limited
Class of Security	Equity Shares
Scrip Code	532432
NSE Symbol	MCDOWELL-N
Share Holding Pattern Filed under	Reg. 31(1)
As on	-

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No



Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
A	Promoter & Promoter Group	8	412410600	0	0	412410600	56.76	412410600	412410600	56.70	0	56.70	0	0	9972335	1.37	412410600
B	Public	113692	314940253	0	0	314940253	43.30	314940253	314940253	43.30	0	43.30	0	0	-	-	309710566
C	Non Promoter-Non Public	0	0	0	0	0	-	0	0	0	0	-	0	0	-	-	0
C1	Shares underlying DRs	0	0	0	0	0	-	0	0	0	0	-	0	0	-	-	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	0
	Total	113700	727350853	0	0	727350853	100	727350853	727350853	100	0	100	0	0	9972335	1.37	722121166



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Indian		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals/Hindu undivided Family		1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0	0	0	0	62550
	Vijay Mallya	AENPM6247A	1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0	0	0	0	62550
b	Central Government/ State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)		6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0	0	9972335	90.86	10975805
	Bodies Corporate		6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0	0	9972335	187.94	10975805
	Rossi and Associates Private Limited	AABCR7636M	1	175560	0	0	175560	0.02	175560	175560	0.02	0	0.02	0	0	0	0	175560

United Spirits Limited Bangalore

	United Breweries Holdings Limited	AAACU2307D	1	5568895	0	0	5568895	0.77	5568895	5568895	0.77	0	0.77	0	0	4897335	87.94	5568895
	Kingfisher Finvest India Limited	AABCV9224B	1	5075000	0	0	5075000	0.7	5075000	5075000	0.7	0	0.7	0	0	5075000	100	5075000
	Vittal Investments Private Limited	AAACV1190K	1	156350	0	0	156350	0.02	156350	156350	0.02	0	0.02	0	0	0	0	156350
	Mallya Private Limited	AABCM7455R	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Devi Investments Private Limited	AAACD7021P	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)		7	11038355	0	0	11038355	1.52	11038355	11038355	1.52	0	1.52	0	0	9972335	90.34	11038355
2	Foreign		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)		1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	0	401372245
	Overseas Corporate Bodies		1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	0	401372245
	Relay B V	AAGCR0535A	1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	0	401372245
	Sub-Total (A)(2)		1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	0	401372245
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		8	412410600	0	0	412410600	56.70	412410600	412410600	56.70	0	56.70	0	0	9972335	1.37	412410600



Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions		0	0	0	0	0	0	0	0	0	0	0	0		0		0
a	Mutual Funds/		105	38703604	0	0	38703604	5.32	38703604	38703604	5.32	0	5.32	0		0		38700854
	Motilal Oswal Multicap 35 Fund	AACTM3577A	1	11061900	0	0	11061900	1.52	11061900	11061900	1.52	0	1.52	0		0		11061900
b	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0		0		0
c	Alternate Investment Funds		7	874909	0	0	874909	0.12	874909	874909	0.12	0	0.12	0		0		874909
d	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0		0		0
e	Foreign Portfolio Investors		536	163078598	0	0	163078598	22.42	163078598	163078598	22.42	0	22.42	0		0		163071163
	New World Fund Inc	AABCN3163H	1	7876156	0	0	7876156	1.08	7876156	7876156	1.08	0	1.08	0		0		7876156

United Spirits Limited Bangalore

f	Financial Institutions/ Banks		33	454859	0	0	454859	0.06	454859	454859	0.06	0	0.06	0	0	406324
g	Insurance Companies		8	4717684	0	0	4717684	0.65	4717684	4717684	0.65	0	0.65	0	0	4717684
h	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)		689	207829654	0	0	207829654	28.57	207829654	207829654	28.57	0	28.57	0	0	207770934
2	Central Government/ State Government(s)/ President of India		2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
	Deputy Director, Directorate of Enforcement, Mumbai		1	12511545	0	0	12511545	1.72	12511545	12511545	1.72	0	1.72	0	0	12511545
	Sub-Total (B)(2)		2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
3	Non-institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -		106390	61636701	0	0	61636701	8.47	61636701	61636701	8.47	0	8.47	0	0	56603244
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		106351	41743914	0	0	41743914	5.74	41743914	41743914	5.74	0	5.74	0	0	36710457
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		39	19892787	0	0	19892787	2.73	19892787	19892787	2.73	0	2.73	0	0	19892787
b	NBFCs registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)		6611	32924748	0	0	32924748	4.53	32924748	32924748	4.53	0	4.53	0	0	32824843



	Bodies Corporate		1471	26816367	0	0	26816367	3.69	26816367	26816367	3.69	0	3.69	0	0	26716462
	Clearing Members		258	682442	0	0	682442	0.09	682442	682442	0.09	0	0.09	0	0	682442
	Foreign Nationals		2	1240	0	0	1240	0	1240	1240	0	0	0	0	0	1240
	IEPF		1	3407460	0	0	3407460	0.47	3407460	3407460	0.47	0	0.47	0	0	3407460
	LLP		6	1112	0	0	1112	0	1112	1112	0	0	0	0	0	1112
	Trusts		14	393979	0	0	393979	0.05	393979	393979	0.05	0	0.05	0	0	393979
	USL BENEFIT TRUST	AAATU2546D	1	17295450	0	0	17295450	2.38	17295450	17295450	2.38	0	2.38	0	0	17295450
	Unclaimed or Suspense or Escrow Account		1	910010	0	0	910010	0.13	910010	910010	0.13	0	0.13	0	0	910010
	Additional shares issued to public shareholders of transferor company		4858	712138	0	0	712138	0.1	712138	712138	0.1	0	0.1	0	0	712138
	Sub-Total (B)(3)		113001	94561449	0	0	94561449	13	94561449	94561449	13	0	13	0	0	89428087
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		113692	314940253	0	0	314940253	43.3	314940253	314940253	43.3	0	43.3	0	0	309710566

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
1591	910010

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder		0	0	0	0	0	-	0	0	0	0	-	0		0		0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0		0		0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	-	0	0	0	0	-	0		0		0



Pre-Amalgamation Shareholding Pattern of Pioneer Distilleries Limited (Transferor Company) [with PAN]

Company Name	Pioneer Distilleries Limited
Class of Security	Equity Shares
Scrip Code	531879
NSE Symbol	PIONDIST
Share Holding Pattern Filed under	Reg. 31(1)
As on	30-Sep-2019

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	No
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No

PIONEER DISTILLERIES LIMITED Bangalore

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Total				(a)	(a)	(b)		
A	Promoter & Promoter Group	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
B	Public	4858	3347050	0	0	3347050	25	3347050	3347050	25	0	25	0	0	0	0	3113357
C	Non Promoter-Non Public	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
C1	Shares underlying DRs	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	4859	13388200	0	0	13388200	100	13388200	13388200	100	0	100	0	0	0	0	13154507

PIONEER DISTILLERIES LIMITED Bangalore

United Spirits

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Indian		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals/Hindu undivided Family		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Central Government/ State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)		1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
	Bodies Corporate		1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150

	United Spirits Limited	AACCM8043J	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
	Sub-Total (A)(1)		1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
2	Foreign		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150

PIONEER DISTILLERIES LIMITED Bangalore

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Mutual Funds/		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Alternate Investment Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Foreign Portfolio Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0





g	Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
h	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Central Government/ State Government(s)/ President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Non-institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -		4479	1872081	0	0	1872081	13.98	1872081	1872081	13.98	0	13.98	0	0	0	0	1843730
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		4452	1140838	0	0	1140838	8.52	1140838	1140838	8.52	0	8.52	0	0	0	0	1112487
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		27	731243	0	0	731243	5.46	731243	731243	5.46	0	5.46	0	0	0	0	731243
b	NBFCs registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)		379	1474969	0	0	1474969	11.02	1474969	1474969	11.02	0	11.02	0	0	0	0	1269627

PIONEER DISTILLERIES LIMITED Bangalore

	Bodies Corporate		71	198916	0	0	198916	1.49	198916	198916	1.49	0	1.49	0	0	0	0	198916
	Clearing Members		110	102769	0	0	102769	0.77	102769	102769	0.77	0	0.77	0	0	0	0	102769
	IEPF		1	34691	0	0	34691	0.26	34691	34691	0.26	0	0.26	0	0	0	0	34691
	Non-Resident Indian (NRI)		195	1038093	0	0	1038093	7.75	1038093	1038093	7.75	0	7.75	0	0	0	0	932751
	Philip Thombra Antony	AIQPA5577N	1	211730	0	0	211730	1.58	211730	211730	1.58	0	1.58	0	0	0	0	211730
	Balkrishna Ramji Haribhai Devani	BBJPD6772R	1	497781	0	0	497781	3.72	497781	497781	3.72	0	3.72	0	0	0	0	497781
	Overseas Corporate Bodies		1	100000	0	0	100000	0.75	100000	100000	0.75	0	0.75	0	0	0	0	0
	Trusts		1	500	0	0	500	0	500	500	0	0	0	0	0	0	0	500
	Sub-Total (B)(3)		4858	3347050	0	0	3347050	25	3347050	3347050	25	0	25	0	0	0	0	3113357
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		4858	3347050	0	0	3347050	25	3347050	3347050	25	0	25	0	0	0	0	3113357

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
0	0

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder		0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0

PIONEER DISTILLERIES LIMITED Bangalore

Post-Amalgamation Shareholding Pattern of Pioneer Distilleries Limited (Transferor Company) [with PAN]

Company Name	Pioneer Distilleries Limited
Class of Security	Equity Shares
Scrip Code	531879
NSE Symbol	PIONDIST
Share Holding Pattern Filed under	Reg. 31(1)
As on	-

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	No
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No

PIONEER DISTILLERIES LIMITED Bangalore

United Spirits Limited Bangalore

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
A	Promoter & Promoter Group	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C1	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Indian		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals/Hindu undivided Family		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Central Government/ State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Foreign		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

e	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PIONEER DISTILLERIES LIMITED Bangalore

United Spirits Limited Bangalore

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Mutual Funds/		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Alternate Investment Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Foreign Portfolio Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g	Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
h	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0





2	Central Government/ State Government(s)/ President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Non-institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	NBFCs registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(3)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
0	0

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder		0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0





Pre-Amalgamation Shareholding Pattern of United Spirits Limited (Transferee Company) [without PAN]

Company Name	United Spirits Limited
Class of Security	Equity Shares
Scrip Code	532432
NSE Symbol	MCDOWELL-N
Share Holding Pattern Filed under	Reg. 31(1)
As on	30-Sep-2019

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No



Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
A	Promoter & Promoter Group	8	412410600	0	0	412410600	56.76	412410600	412410600	56.76	0	56.76	0		9972335	2.42	412410600
B	Public	108834	314228115	0	0	314228115	43.24	314228115	314228115	43.24	0	43.24	0		-	-	308998428
C	Non Promoter-Non Public	0	0	0	0	0	-	0	0	0	0	-	0		-	-	0
C1	Shares underlying DRs	0	0	0	0	0	-	0	0	0	0	-	0		-	-	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0		-	-	0
	Total	108842	726638715	0	0	726638715	100	726638715	726638715	100	0	100	0		9972335	1.37	721409028

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																	
Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Indian	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals/Hindu undivided Family	1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0	0	0	0	62550
	Vijay Mallya	1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0	0	0	0	62550
b	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)	6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0	0	9972335	90.86	10975805
	Bodies Corporate	6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0	0	9972335	187.94	10975805
	Rossi and Associates Private Limited	1	175560	0	0	175560	0.02	175560	175560	0.02	0	0.02	0	0	0	0	175560



	United Breweries Holdings Limited	1	5568895	0	0	5568895	0.77	5568895	5568895	0.77	0	0.77	0	4897335	87.94	5568895
	Kingfisher Finvest India Limited	1	5075000	0	0	5075000	0.7	5075000	5075000	0.7	0	0.7	0	5075000	100	5075000
	Vittal Investments Private Limited	1	156350	0	0	156350	0.02	156350	156350	0.02	0	0.02	0	0	0	156350
	Mallya Private Limited	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Devi Investments Private Limited	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	7	11038355	0	0	11038355	1.52	11038355	11038355	1.52	0	1.52	0	9972335	90.34	11038355
2	Foreign	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Overseas Corporate Bodies	1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Relay B V	1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Sub-Total (A)(2)	1	401372245	0	0	401372245	55.24	401372245	401372245	55.24	0	55.24	0	0	0	401372245
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	412410600	0	0	412410600	56.76	412410600	412410600	56.76	0	56.76	0	9972335	2.42	412410600



Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions	0	0	0	0	0	0	0	0	0	0	0	0		0		0
a	Mutual Funds/	105	38703604	0	0	38703604	5.33	38703604	38703604	5.33	0	5.33	0		0		38700854
	MOTILAL OSWAL MULTICAP 35 FUND	1	11061900	0	0	11061900	1.52	11061900	11061900	1.52	0	1.52	0		0		11061900
b	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0		0		0
c	Alternate Investment Funds	7	874909	0	0	874909	0.12	874909	874909	0.12	0	0.12	0		0		874909
d	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0		0		0
e	Foreign Portfolio Investors	536	163078598	0	0	163078598	22.44	163078598	163078598	22.44	0	22.44	0		0		163071163
	NEW WORLD FUND INC	1	7876156	0	0	7876156	1.08	7876156	7876156	1.08	0	1.08	0		0		7876156
f	Financial Institutions/ Banks	33	454859	0	0	454859	0.06	454859	454859	0.06	0	0.06	0		0		406324
g	Insurance Companies	8	4717684	0	0	4717684	0.65	4717684	4717684	0.65	0	0.65	0		0		4717684



h	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	689	207829654	0	0	207829654	28.6	207829654	207829654	28.6	0	28.6	0	0	207770934
2	Central Government/ State Government(s)/ President of India	2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
	Deputy Director, Directorate of Enforcement, Mumbai	1	12511545	0	0	12511545	1.72	12511545	12511545	1.72	0	1.72	0	0	12511545
	Sub-Total (B)(2)	2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
3	Non-institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -	106390	61636701	0	0	61636701	8.48	61636701	61636701	8.48	0	8.48	0	0	56603244
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	106351	41743914	0	0	41743914	5.74	41743914	41743914	5.74	0	5.74	0	0	36710457
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	39	19892787	0	0	19892787	2.74	19892787	19892787	2.74	0	2.74	0	0	19892787
b	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	1753	32212610	0	0	32212610	4.43	32212610	32212610	4.43	0	4.43	0	0	32112705
	Bodies Corporate	1471	26816367	0	0	26816367	3.69	26816367	26816367	3.69	0	3.69	0	0	26716462
	Clearing Members	258	682442	0	0	682442	0.09	682442	682442	0.09	0	0.09	0	0	682442
	Foreign Nationals	2	1240	0	0	1240	0	1240	1240	0	0	0	0	0	1240
	IEPF	1	3407460	0	0	3407460	0.47	3407460	3407460	0.47	0	0.47	0	0	3407460
	LLP	6	1112	0	0	1112	0	1112	1112	0	0	0	0	0	1112
	Trusts	14	393979	0	0	393979	0.05	393979	393979	0.05	0	0.05	0	0	393979

	USL BENEFIT TRUST	1	17295450	0	0	17295450	2.38	17295450	17295450	2.38	0	2.38	0	0	17295450
	Unclaimed or Suspense or Escrow Account	1	910010	0	0	910010	0.13	910010	910010	0.13	0	0.13	0	0	910010
	Sub-Total (B)(3)	108143	93849311	0	0	93849311	12.92	93849311	93849311	12.92	0	12.92	0	0	88715949
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	108834	314228115	0	0	314228115	43.24	314228115	314228115	43.24	0	43.24	0	0	308998428

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
1591	910010

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder	0	0	0	0	0	-	0	0	0	0	-	0		0		0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0		0		0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0	-	0	0	0	0	-	0		0		0



Post-Amalgamation Shareholding Pattern of United Spirits Limited (Transferee Company) [without PAN]

Company Name	United Spirits Limited
Class of Security	Equity Shares
Scrip Code	532432
NSE Symbol	MCDOWELL-N
Share Holding Pattern Filed under	Reg. 31(1)
As on	-

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No



Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
A	Promoter & Promoter Group	8	412410600	0	0	412410600	56.76	412410600	412410600	56.70	0	56.70	0		9972335	1.37	412410600
B	Public	113692	314940253	0	0	314940253	43.30	314940253	314940253	43.30	0	43.30	0		-	-	309710566
C	Non Promoter-Non Public	0	0	0	0	0	-	0	0	0	0	-	0		-	-	0
C1	Shares underlying DRs	0	0	0	0	0	-	0	0	0	0	-	0		-	-	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0		-	-	0
	Total	113700	727350853	0	0	727350853	100	727350853	727350853	100	0	100	0		9972335	1.37	722121166



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Indian	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
a	Individuals/Hindu undivided Family	1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0		0	0	62550
	Vijay Mallya	1	62550	0	0	62550	0.01	62550	62550	0.01	0	0.01	0		0	0	62550
b	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
c	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
d	Any Other (specify)	6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0		9972335	90.86	10975805
	Bodies Corporate	6	10975805	0	0	10975805	1.51	10975805	10975805	1.51	0	1.51	0		9972335	187.94	10975805
	Rossi and Associates Private Limited	1	175560	0	0	175560	0.02	175560	175560	0.02	0	0.02	0		0	0	175560
	United Breweries Holdings Limited	1	5568895	0	0	5568895	0.77	5568895	5568895	0.77	0	0.77	0		4897335	87.94	5568895



	Kingfisher Finvest India Limited	1	5075000	0	0	5075000	0.7	5075000	5075000	0.7	0	0.7	0	5075000	100	5075000
	Vittal Investments Private Limited	1	156350	0	0	156350	0.02	156350	156350	0.02	0	0.02	0	0	0	156350
	Mallya Private Limited	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Devi Investments Private Limited	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	7	11038355	0	0	11038355	1.52	11038355	11038355	1.52	0	1.52	0	9972335	90.34	11038355
2	Foreign	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	401372245
	Overseas Corporate Bodies	1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	401372245
	Relay B V	1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	401372245
	Sub-Total (A)(2)	1	401372245	0	0	401372245	55.18	401372245	401372245	55.18	0	55.18	0	0	0	401372245
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	412410600	0	0	412410600	56.70	412410600	412410600	56.70	0	56.70	0	9972335	1.37	412410600



Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Mutual Funds/	105	38703604	0	0	38703604	5.32	38703604	38703604	5.32	0	5.32	0	0	0	0	38700854
	Motilal Oswal Multicap 35 Fund	1	11061900	0	0	11061900	1.52	11061900	11061900	1.52	0	1.52	0	0	0	0	11061900
b	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Alternate Investment Funds	7	874909	0	0	874909	0.12	874909	874909	0.12	0	0.12	0	0	0	0	874909
d	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Foreign Portfolio Investors	536	163078598	0	0	163078598	22.42	163078598	163078598	22.42	0	22.42	0	0	0	0	163071163
	New World Fund Inc	1	7876156	0	0	7876156	1.08	7876156	7876156	1.08	0	1.08	0	0	0	0	7876156
f	Financial Institutions/ Banks	33	454859	0	0	454859	0.06	454859	454859	0.06	0	0.06	0	0	0	0	406324
g	Insurance Companies	8	4717684	0	0	4717684	0.65	4717684	4717684	0.65	0	0.65	0	0	0	0	4717684

h	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	689	207829654	0	0	207829654	28.57	207829654	207829654	28.57	0	28.57	0	0	207770934
2	Central Government/ State Government(s)/ President of India	2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
	Deputy Director, Directorate of Enforcement, Mumbai	1	12511545	0	0	12511545	1.72	12511545	12511545	1.72	0	1.72	0	0	12511545
	Sub-Total (B)(2)	2	12549150	0	0	12549150	1.73	12549150	12549150	1.73	0	1.73	0	0	12511545
3	Non-institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -	106390	61636701	0	0	61636701	8.47	61636701	61636701	8.47	0	8.47	0	0	56603244
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	106351	41743914	0	0	41743914	5.74	41743914	41743914	5.74	0	5.74	0	0	36710457
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	39	19892787	0	0	19892787	2.73	19892787	19892787	2.73	0	2.73	0	0	19892787
b	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	6611	32924748	0	0	32924748	4.53	32924748	32924748	4.53	0	4.53	0	0	32824843
	Bodies Corporate	1471	26816367	0	0	26816367	3.69	26816367	26816367	3.69	0	3.69	0	0	26716462
	Clearing Members	258	682442	0	0	682442	0.09	682442	682442	0.09	0	0.09	0	0	682442
	Foreign Nationals	2	1240	0	0	1240	0	1240	1240	0	0	0	0	0	1240
	IEPF	1	3407460	0	0	3407460	0.47	3407460	3407460	0.47	0	0.47	0	0	3407460
	LLP	6	1112	0	0	1112	0	1112	1112	0	0	0	0	0	1112
	Trusts	14	393979	0	0	393979	0.05	393979	393979	0.05	0	0.05	0	0	393979



	USL BENEFIT TRUST	1	17295450	0	0	17295450	2.38	17295450	17295450	2.38	0	2.38	0	0	17295450
	Unclaimed or Suspense or Escrow Account	1	910010	0	0	910010	0.13	910010	910010	0.13	0	0.13	0	0	910010
	Additional shares issued to public shareholders of transferor company	4858	712138	0	0	712138	0.1	712138	712138	0.1	0	0.1	0	0	712138
	Sub-Total (B)(3)	113001	94561449	0	0	94561449	13	94561449	94561449	13	0	13	0	0	89428087
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	113692	314940253	0	0	314940253	43.3	314940253	314940253	43.3	0	43.3	0	0	309710566

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
1591	910010

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil

									Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder								
Category	Category and name of shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder		0	0	0	0	0	-	0	0	0	0	-	0		0		0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0		0		0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	-	0	0	0	0	-	0		0		0

United Spirits Limited Bangalore

Pre-Amalgamation Shareholding Pattern of Pioneer Distilleries Limited (Transferor Company) [without PAN]

Company Name	Pioneer Distilleries Limited
Class of Security	Equity Shares
Scrip Code	531879
NSE Symbol	PIONDIST
Share Holding Pattern Filed under	Reg. 31(1)
As on	30-Sep-2019

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	No
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No

PIONEER DISTILLERIES LIMITED Bangalore

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
A	Promoter & Promoter Group	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
B	Public	4858	3347050	0	0	3347050	25	3347050	3347050	25	0	25	0	0	0	0	3113357
C	Non Promoter- Non Public	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
C1	Shares underlying DRs	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	4859	13388200	0	0	13388200	100	13388200	13388200	100	0	100	0	0	0	0	13154507





Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Indian	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals/Hindu undivided Family	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
	Bodies Corporate	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
	United Spirits Limited	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150
	Sub-Total (A)(1)	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150

PIONEER DISTILLERIES LIMITED Bangalore

2	Foreign	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1	10041150	0	0	10041150	75	10041150	10041150	75	0	75	0	0	0	0	10041150





Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Mutual Funds/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Alternate Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

g	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
h	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Non-institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -	4479	1872081	0	0	1872081	13.98	1872081	1872081	13.98	0	13.98	0	0	0	0	1843730
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	4452	1140838	0	0	1140838	8.52	1140838	1140838	8.52	0	8.52	0	0	0	0	1112487
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	27	731243	0	0	731243	5.46	731243	731243	5.46	0	5.46	0	0	0	0	731243
b	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PIONEER DISTILLERIES LIMITED Bangalore

e	Any Other (specify)	379	1474969	0	0	1474969	11.02	1474969	1474969	11.02	0	11.02	0	0	0	0	1269627
	Bodies Corporate	71	198916	0	0	198916	1.49	198916	198916	1.49	0	1.49	0	0	0	0	198916
	Clearing Members	110	102769	0	0	102769	0.77	102769	102769	0.77	0	0.77	0	0	0	0	102769
	IEPF	1	34691	0	0	34691	0.26	34691	34691	0.26	0	0.26	0	0	0	0	34691
	Non-Resident Indian (NRI)	195	1038093	0	0	1038093	7.75	1038093	1038093	7.75	0	7.75	0	0	0	0	932751
	Philip Thombra Antony	1	211730	0	0	211730	1.58	211730	211730	1.58	0	1.58	0	0	0	0	211730
	Balkrishna Ramji Haribhai Devani	1	497781	0	0	497781	3.72	497781	497781	3.72	0	3.72	0	0	0	0	497781
	Overseas Corporate Bodies	1	100000	0	0	100000	0.75	100000	100000	0.75	0	0.75	0	0	0	0	0
	Trusts	1	500	0	0	500	0	500	500	0	0	0	0	0	0	0	500
	Sub-Total (B)(3)	4858	3347050	0	0	3347050	25	3347050	3347050	25	0	25	0	0	0	0	3113357
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	4858	3347050	0	0	3347050	25	3347050	3347050	25	0	25	0	0	0	0	3113357

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
0	0

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0

PIONEER DISTILLERIES LIMITED Bangalore

Post-Amalgamation Shareholding Pattern of Pioneer Distilleries Limited (Transferor Company) [without PAN]

Company Name	Pioneer Distilleries Limited
Class of Security	Equity Shares
Scrip Code	531879
NSE Symbol	PIONDIST
Share Holding Pattern Filed under	Reg. 31(1)
As on	-

Declaration: The Listed entity has submitted the following declaration.		
Sr.No.	Particulars	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
4	Whether the Listed Entity has any shares in locked-in?	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	No
6	Whether the Listed Entity has issued any differential Voting Rights?	No
7	Whether the listed entity has any significant beneficial owner?	No

PIONEER DISTILLERIES LIMITED Bangalore

United Spirits

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
							No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
							Class X	Total				(a)	(b)	(a)	(b)	
A	Promoter & Promoter Group	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C1	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PIONEER DISTILLERIES LIMITED Bangalore

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Indian	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals/Hindu undivided Family	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Foreign	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PIONEER DISTILLERIES LIMITED Bangalore

Pioneer Distilleries Limited

e	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PIONEER DISTILLERIES LIMITED Bangalore

United Spirits Limited

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Mutual Funds/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Alternate Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
h	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Central Government/ State	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Government(s)/ President of India																
	Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Non-institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table IIIA - Details of Unclaimed shares

No. of shareholders	No of Shares held
0	0

Table IIIB - Details of the shareholders acting as persons in Concert

Name of shareholder	Name of PAC	No. of shareholders	Holding %
Nil	Nil	Nil	Nil

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category and name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Total				(a)	(b)	(a)	(b)	
1	Custodian/DR Holder	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0

PIONEER DISTILLERIES Bangalore

United Spirits Limited

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INDIA

United Spirits Limited

Registered Office:
UB Tower
#24 Vittal Mallya Road
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
www.diageoindia.com

January 24, 2020

To,
General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Kind Attn: Mr Jeetendra

Dear Sir,

Subject: Response to your comments dated December 26, 2019 on our application for approval under Regulation 37 of the SEBI (LODR), 2015 for the proposed scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited and United Spirits Limited

Ref: Case No. – 102429

This is with reference to your comments dated December 26, 2019 seeking further details/documents on our application for Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited, responses are provided below:

1) In Valuation report the Valuer needs to provide working of the different method used to calculate fair Exchange value for both the Companies. Further, make sure the working which will be submitted is duly initialed & stamp from the valuer. Further, it is observed that Income Approach method is not used for both the Companies. So, in such case reason for not using methods of valuation has not been provided as a footnote to the table as necessitated by SEBI. Therefore, Valuer is advised to provide Valuation Report as per SEBI's requirement inter-alia providing footnote to the table of valuation for not using specific method of valuation. Further, in page no.10 the table which is shown for fair exchange ratio in that for USL column mention 1 under fair exchange ratio.

   Response – The revised working with the required explanation/clarifications are enclosed as Annexure 1.

2) In Pre-& post Shareholding pattern of Transferee Co. in that "No. of shareholders column" for Promoters & Public No. of shareholders is not matching with details mention in Annexure 8(a) of Company document. Pls clarify

   Response – Pre-scheme shareholding pattern for USL of 108842 is correct since there are two promoter folios with NIL holding and hence while the total folios are 108842, number of shareholders holding shares is 108840.
   Similarly, for the post-scheme shareholding pattern, the number of folios will be 113700 and number of shareholders will be 113698. Number of public shareholders has been determined assuming that the number of public shareholders of PDL continue to remain the same in USL post-merger as well (108836 public shareholders plus 4858 public shareholders of PDL). Revised Annexure 8 is enclosed.

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3) Pls attached Board resolution for Designated Stock Exchange in its respective TAB.

Response – The relevant para of the Board resolution for appointing NSE as Designated exchange has already been submitted in Annexure 1. We have also uploaded extract of that resolution online in the tab under 'Designated Stock Exchange' category.

4) In Annexure 13 (a) mention Pre-& post No. of shareholders for Transferee Co.

Response – We have corrected the same by stating both pre-merger and post-merger number of shareholders in Annexure 13 (a).

5) On the interface under "Shareholding pattern As submitted by the Co" for Pioneer Distilleries Limited under the column of "New Shares Issued" mention the negative shares as same it is mentioned in Pre column, so as to give effect in post column to Zero.

Response – We have corrected the same in our online filing.

6) In Board resolution it is mention that 62,400 equity shares of pioneer Distilleries Ltd are forfeited. In this regard pls clarify whether Company has received any Approval/Notice on this forfeited share from BSE If it received then share the copy with us.

Response – The forfeited shares were reissued from time-to-time. Due to the laps of time (last re-issue of the forfeited shares happened in 2005), we are unable to trace the approval letters issued by stock-exchanges. We had also written to BSE seeking basis of allotment and forfeiture vide our letter dated January 24, 2019, response to which is awaited.

7) Pls attached Shareholding pattern of all the Companies pre and post Amalgamation in Word Format file as given in Annexure II.

Response – Pre and post amalgamation in word format has been uploaded in the Word Format under the relevant tab.

8) Submit Undertaking that the transferee entity will not issue/reissue shares not covered under the draft scheme.

Response – Please refer to point g of the covering letter dt Dec 20, 2019 with the Listing application. The undertaking to this effect is enclosed as Annexure – 2.

9) Submit Undertaking that as on date of application there are no outstanding Warrants/instruments/agreements which give right to any person to take the equity shares in the transferee entity at any future date

Response – The undertaking is enclosed as Annexure – 3.

Thanking you,

For **United Spirits Limited**

V Ramachandran
EVP & Company Secretary

Enclosed as above

SRBC & CO LLP

23 January 2020

The Board of Directors
United Spirits Limited
UB Tower,
No. 24, Vittal Mallya Road,
Bengaluru - 560 001
Karnataka, India

The Board of Directors
Pioneer Distilleries Limited
Level 10, UB Tower,
No. 24, Vittal Mallya Road,
Bengaluru - 560 001
Karnataka, India

Dear Sir/Madam,

Re: Addendum to our report dated 2 December 2019 on recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited

We refer to our report titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited" ("Proposed Merger") dated 2 December 2019 ("the Report") and BSE email dated 26 December 2019 received by United Spirits Limited ("USL") and Pioneer Distilleries Limited ("PDL") respectively.

We refer to the table on the computation of fair exchange ratio, page 10 of the Report.

Based on the remarks provided by BSE, we are reproducing the Computation of Fair Share Exchange Ratio table below by (i) reiterating the reasons for not using specific methods of valuation as a footnote to the table which has been mentioned in section "APPROACH – BASIS OF MERGER" of the Report, and (ii) including '1' against USL's column. The table hereon can be read as follows:

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Computation of Fair Share Exchange Ratio

Valuation Approach	USL		PDL	
	Value per equity share (INR)	Weight	Value per equity share (INR)	Weight
Market Approach				
- Market Price Method	624.1	50%	130.9	50%
- Comparable Companies' Multiples Method	613.8	50%	131.6	50%
Income Approach - Discounted Cashflows Method	NA	NA	NA	NA
Asset Approach – Net Asset Value method	47.2	NA	0.0*	NA
Relative Value per Equity Share	618.9		131.2	
Fair Exchange Ratio (Rounded)	1		4.7	

*Since the value per equity share is negative, it is considered at zero and not shown in the table above.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommended in the Report the following fair exchange ratio for the Proposed Merger of PDL into USL:

10 (Ten) equity shares of USL of INR 2/- each fully paid up for every 47 (Forty-Seven) equity shares of PDL of INR 10/- each fully paid up.

Note:

Reasons for not considering certain methods are detailed below:

Asset Approach – Net Asset Value method

We have computed value as per NAV method but have not considered the same for valuation exercise, considering that, this valuation approach is mainly used in case where the entity is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. Further, both USL and PDL meets the going concern criteria and asset base do not dominate earnings capability.

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Income Approach – Discounted Cash Flow method

We were not provided with the projections for PDL and USL by the management of PDL and USL, hence we have not considered the Discounted Cash Flow method

No amendments other than those stated above have been made to the Report previously shared with you.

Respectfully submitted,

S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/ E300003

Ravi Bansal
Partner
Membership No: 049365
UDIN: 20049365AAAAAA1690
Date: 23 January 2020
Place: Mumbai

S R B C & CO LLP
Chartered Accountants

Lodha Excelus, The Ruby
Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

02 December 2019

To,
The Board of Directors,
United Spirits Limited
UB Tower,
No. 24, Vittal Mallya Road,
Bengaluru - 560 001
Karnataka, India

The Board of Directors
Pioneer Distilleries Limited
Level 10, UB Tower,
No. 24, Vittal Mallya Road,
Bengaluru - 560 001
Karnataka, India

Sub: Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Dear Sir / Madam,

This is with reference to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited" ("Valuation Report"). As desired by you, we have given workings ("Valuation Workings") of our valuation analysis herein.

As explained in our Valuation Report, the Fair Exchange Ratio of equity shares for the purpose of the proposed merger of Pioneer Distilleries Limited (hereinafter referred to as 'PDL') into United Spirits Limited (hereinafter referred to as "USL") (hereinafter together referred to as "Companies") has been arrived at on the basis of a relative valuation of these Companies based on the various methodologies as indicated in our report and various qualitative factors relevant to each Company and the business dynamics of the Companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations as referred to in the Valuation Report. Please note that we have not attempted to arrive at the absolute values of the Companies but at their comparative values to facilitate the determination of a fair exchange ratio.

We have valued the equity share of USL and PDL based on Market Price ("MP") method and Comparable Companies' Multiples ("CCM") method.

The equity shares of USL and PDL are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). In these circumstances, since the volumes traded on NSE are higher, the share price observed on NSE for USL and PDL over a reasonable period has been considered for arriving at the value per equity share of USL and PDL under MP method.

We have considered Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBITDA) multiple of the comparable listed companies/ comparable transactions for the purpose of our valuation. The total equity value is then divided by the total number equity shares for arriving at the value per equity share of the Companies under CCM method.

S R B C & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

S R B C & CO LLP, a limited liability partnership with LLP Identity No. AAB-8181
Regd. Office: 3rd Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011

S R B C & CO LLP
Chartered Accountants

Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

We were not provided with the prpjections for both Companies by the Management hence we have not used Discounted Cash Flow method for the valuation exercise

The Net Asset Value (NAV) method ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. We have computed value as per NAV method but have not considered same for valuation exercise.

We have considered it appropriate to assign equal weights to both the MP method and CCM method for valuation of USL and PDL.

On the above basis, relative value of equity shares for the swap ratio is as follows:

1) USL - INR 618.9 per equity share of INR 2/- each fully paid up
2) PDL - INR 131.2 per equity share of INR 10/- each fully paid up

In light of the above, and in consideration of all the relevant factors and circumstances as discussed and outlined in the report dated 02 December 2019, the proposed Fair Exchange Ratio for the proposed merger of PDL into USL is as follow:

- 10 (Ten) equity shares of USL of INR 2/- each fully paid up for every 47 (Forty seven) equity shares of PDL of INR 10/- each fully paid up.

The above including the attached Valuation Workings should be read in conjunction with our report dated 02 December 2019 and is subject to the scope limitations enunciated in the report.

Thanking You,

For S R B C & CO LLP
ICAI Firm registration number: 324982E/ E300003
Chartered Accountants

S R B C & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Ravi Bansal
Partner
Membership No: 049365
UDIN: 19049365AAAADT6184

Date: 02 December 2019
Place: Mumbai

Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Determination of fair exchange ratio

Valuation Approach	USL		PDL	
	Value per equity share (INR)	Weight	Value per equity share (INR)	Weight
Market Approach				
- Market Price Method	624.1	50%	130.9	50%
- Comparable Companies' Multiples Method	613.8	50%	131.6	50%
Income Approach - Discounted Cashflows Method	NA	NA	NA	NA
Asset Approach – Net Asset Value Method	47.2	NA	0.0*	NA
Relative Value per equity share	618.9		131.2	
Fair Exchange Ratio (Rounded)			**4.7**	

* Since the value per equity share is negative, it is considered at zero and not shown in the table above

Supplement to our report dated 02 December 2019 titled 'Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Working Note 1 –

Computation of market price of USL based on average of daily volume weighted average price for 3 months ended 29 November 2019

Date	Price-Open (INR)	Price-High (INR)	Price-Low (INR)	Last Price (INR)	Volume	No. of Trades	Net Turnover ('000)	Market Cap (INR mn)	NSE Close	Wt Avg. Price (INR)
29-Nov-19	605.00	613.65	598.55	606.25	13,56,216	45,288	8,23,316	4,40,525	12,256	606.2
28-Nov-19	606.80	611.30	601.00	604.70	14,03,539	30,198	8,48,558	4,39,398	12,151	604.6
27-Nov-19	611.90	613.75	602.00	606.75	14,41,634	43,926	8,76,719	4,40,888	12,101	608.1
26-Nov-19	621.90	629.90	605.65	609.65	22,57,567	44,229	13,90,250	4,42,985	12,038	615.8
25-Nov-19	607.00	623.00	607.00	620.95	8,29,182	18,921	5,12,097	4,51,206	12,074	617.6
22-Nov-19	612.95	619.00	608.00	611.10	8,19,210	23,674	5,03,591	4,44,049	11,914	614.7
21-Nov-19	612.10	617.55	607.05	610.60	8,37,443	20,379	5,13,385	4,43,696	11,968	613.0
20-Nov-19	610.00	619.00	608.30	611.60	6,83,915	15,624	4,19,677	4,44,412	11,999	613.6
19-Nov-19	612.75	617.35	607.15	609.65	8,51,204	18,684	5,20,330	4,42,995	11,940	611.3
18-Nov-19	622.20	625.65	611.00	612.70	9,29,243	36,817	5,72,081	4,45,212	11,885	615.6
15-Nov-19	616.90	627.25	614.00	624.50	7,85,063	21,736	4,87,984	4,53,786	11,895	621.6
14-Nov-19	619.00	622.35	611.75	618.45	8,67,227	32,881	5,35,319	4,49,390	11,872	617.3
13-Nov-19	627.90	634.00	617.90	620.15	6,87,275	24,684	4,29,268	4,50,825	11,840	624.6
11-Nov-19	632.00	638.70	623.35	627.00	6,56,830	18,295	4,13,395	4,55,603	11,913	629.4
08-Nov-19	647.10	648.25	627.85	633.05	11,90,123	31,083	7,60,856	4,59,999	11,908	639.3
07-Nov-19	641.95	648.95	636.00	648.70	15,21,095	32,752	9,80,450	4,71,371	12,012	644.6
06-Nov-19	626.95	642.45	623.50	639.70	12,82,547	31,272	8,14,768	4,64,831	11,956	635.3
05-Nov-19	635.00	637.00	625.00	628.80	8,95,428	45,624	5,64,671	4,56,910	11,917	629.9
04-Nov-19	637.00	644.40	627.75	636.40	13,15,012	35,253	8,37,855	4,62,433	11,941	637.1
01-Nov-19	628.85	639.50	625.55	637.00	19,78,384	54,652	12,56,072	4,62,869	11,891	634.9
31-Oct-19	615.00	629.20	610.70	624.95	11,11,476	47,077	6,90,641	4,54,113	11,877	621.4
30-Oct-19	625.30	625.35	609.10	612.00	10,66,890	48,587	6,67,607	4,44,703	11,844	614.2
29-Oct-19	629.25	631.25	612.30	616.10	10,29,850	45,711	6,38,208	4,47,682	11,787	619.7
27-Oct-19	631.00	635.00	627.00	629.20	1,13,858	2,895	71,711	4,57,201	11,627	629.8
25-Oct-19	603.30	636.90	603.30	627.20	31,14,733	63,510	19,49,670	4,55,748	11,584	626.0
24-Oct-19	621.50	624.80	606.20	608.95	15,17,923	44,574	9,30,819	4,42,487	11,593	613.2
23-Oct-19	610.00	621.50	609.70	620.05	9,60,332	25,345	5,93,437	4,50,552	11,604	618.0
22-Oct-19	634.90	644.30	606.05	612.15	22,98,738	59,325	14,30,449	4,44,812	11,588	622.6
18-Oct-19	632.40	644.80	631.80	636.20	14,61,351	23,630	9,34,024	4,61,561	11,662	639.2
17-Oct-19	628.50	637.10	625.15	635.45	13,28,903	29,158	8,38,466	4,61,743	11,586	630.9
16-Oct-19	616.30	628.35	616.30	626.25	13,42,068	38,668	8,39,074	4,55,058	11,464	625.2
15-Oct-19	617.00	625.00	615.95	618.40	14,12,617	45,636	8,76,331	4,49,353	11,428	620.4
14-Oct-19	613.10	622.15	611.30	616.65	10,66,802	22,545	6,58,423	4,48,082	11,341	616.0
11-Oct-19	615.25	621.00	603.80	609.30	11,94,736	30,274	7,30,115	4,42,741	11,305	611.1
10-Oct-19	622.30	631.55	611.75	615.15	12,61,320	30,065	7,84,159	4,46,992	11,235	621.7
09-Oct-19	617.30	625.80	612.70	621.50	10,45,125	27,174	6,48,156	4,51,606	11,313	620.2
07-Oct-19	618.00	628.30	612.30	617.30	9,09,606	20,340	5,64,507	4,48,554	11,125	620.6
04-Oct-19	627.60	634.35	614.95	616.60	14,64,259	49,082	9,11,505	4,48,045	11,175	622.5
03-Oct-19	638.10	638.10	617.75	620.55	16,26,483	35,770	10,14,360	4,50,916	11,314	623.7
01-Oct-19	667.10	667.75	635.30	643.95	11,20,197	26,840	7,26,021	4,67,919	11,360	648.1
30-Sep-19	654.60	671.15	652.20	667.00	9,44,809	24,746	6,30,208	4,84,668	11,474	667.2
27-Sep-19	670.95	674.00	659.10	664.30	12,38,356	37,529	8,28,025	4,82,706	11,512	668.5
26-Sep-19	654.00	674.00	652.90	670.95	19,34,513	54,011	12,93,247	4,87,536	11,571	668.5
25-Sep-19	651.10	659.00	647.25	650.80	29,05,402	82,946	18,92,882	4,72,897	11,440	651.5
24-Sep-19	655.00	655.40	645.15	650.25	17,66,379	67,075	11,47,493	4,72,497	11,588	649.6
23-Sep-19	636.00	664.40	632.10	648.50	33,45,282	74,430	21,89,120	4,71,225	11,600	654.4
20-Sep-19	596.75	630.45	596.25	623.95	24,96,887	57,875	15,50,740	4,53,386	11,274	621.1
19-Sep-19	603.95	609.45	594.00	600.30	11,33,182	34,899	6,81,619	4,36,201	10,705	601.6
18-Sep-19	601.40	607.80	589.50	603.55	9,17,920	29,013	5,53,871	4,38,563	10,841	603.4
17-Sep-19	610.15	613.25	593.85	599.10	14,56,817	44,481	8,82,583	4,35,329	10,818	601.7
16-Sep-19	612.00	614.95	606.85	609.80	10,22,438	30,885	6,24,273	4,43,104	11,004	610.6
13-Sep-19	616.70	617.10	606.45	610.00	7,35,238	30,726	4,50,119	4,47,909	11,076	612.2
12-Sep-19	620.80	626.00	611.85	614.00	11,80,181	38,015	7,32,730	4,46,156	10,983	620.9
11-Sep-19	619.05	622.80	613.50	615.75	12,84,170	53,669	7,93,452	4,48,154	11,006	617.9
09-Sep-19	609.10	618.65	607.70	617.25	8,65,235	39,503	5,32,279	4,48,616	11,003	615.2
06-Sep-19	607.50	612.95	602.10	609.10	8,29,805	15,322	5,04,720	4,42,896	10,946	607.5
05-Sep-19	610.00	613.80	599.50	606.50	13,09,834	31,101	7,94,293	4,40,706	10,848	606.4
04-Sep-19	621.30	622.80	606.55	612.85	15,90,757	50,089	9,70,278	4,45,321	10,848	614.0
03-Sep-19	625.30	636.00	617.70	621.30	21,93,190	57,301	13,78,522	4,51,461	10,798	628.5
30-Aug-19	616.05	632.40	614.45	628.25	31,45,927	82,804	19,61,135	4,56,511	11,023	623.4
Average										624.1

(Source: Capitaline)



Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Working Note 2 – Valuation of USL as per Comparable Companies' Multiples (CCM) method

Currency: INR mn	Notes	Value
EV/ EBITDA multiple (Refer Working Note 2.1)		29.6
TTM September 2019 standalone EBITDA of USL	1	14,700.0
Value		**4,34,401.2**
Add: Capital work-in-progress (including capital advances)		1,337.0
Add: Deferred tax asset (50% of book value)		816.5
Enterprise Value		**4,36,554.7**
Add: Investments and Surplus assets	2	33,789.2
Add: (Net Debt)/ Net Cash	3	(24,302.0)
Equity Value		**4,46,041.9**
No. of equity shares (in million)		726.6
Value per equity share (INR)		**613.8**

Notes:

1. We have computed the Trailing Twelve Months (TTM) September 2019 EBITDA as follows: [FY19 EBITDA (+) EBITDA for six months ended 30 September 2019 (-) EBITDA for six months ended 30 September 2018]. *(Source: Management, Annual Report, Quarterly Results)*
2. PDL has been valued based on comparable companies' multiples approach (refer Working Note 4). Royal Challengers Sports Private Limited ("RCSPL"), a wholly owned subsidiary of USL, has been valued considering EV/EBITDA multiples of global listed companies owning sports teams. Non-operating subsidiaries of USL have been valued considering net asset value method based on the balance sheet as at 30 September 2019 adjusted for any write-offs for loans given by USL. Hip Bar Private Limited, an associate company of USL, has been valued at cost of investment. USL Benefit Trust, which holds 2.4% stake in USL has been valued basis the value per equity share arrived at above. Other surplus assets have been considered at fair value provided by USL which is based on the valuation reports of external valuer (or/and) provided to us by the management and USL's internal analysis.
3. (Net debt) / Net cash computed as: cash and cash-like items (-) gross debt (current and non-current borrowings and other debt-like items)

Supplement to our report dated 02 December 2019 titled 'Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited'

Working Note 2.1: Computation of EV/EBITDA multiple of comparable companies for USL

We have considered comparable companies classified under Food products, Beverages, Tobacco industry (Source: www.capitaliq.com) listed in India which would broadly reflect the risk and opportunities of USL. We have further shortlisted the companies based on the following parameters:

- Companies having Enterprise Value greater than INR 50,000.0 million
- Sufficient trading volume

In addition to above selected listed comparable companies, for CCM method, we have also considered announced comparable transaction of GlaxoSmithKline Consumer Healthcare Limited ("GSK CH India") proposing to merge into Hindustan Unilever Limited ("HUL") (subject to obtaining necessary approvals).

Company (Currency INR mn)	Market Capitalization[1]	Net Debt/ (Net Cash)[2]	Enterprise Value	TTM Sep-19 EBITDA[3]	EV / EBITDA
ITC Limited	30,72,991.8	(348,315.9)	27,24,676.0	1,93,391.8	14.1
Britannia Industries Limited	7,28,864.7	(16,373.7)	7,12,491.0	17,551.7	40.6
Nestlé India Limited	13,43,030.5	(42,928.3)	13,00,102.2	27,439.3	47.4
Zydus Wellness Limited	95,010.0	13,223.8	1,08,234.6	2,760.1	39.2
Tata Global Beverages Limited	1,78,495.8	(5,495.4)	1,73,000.4	8,699.4	19.9
United Breweries Limited	3,39,765.0	(89.2)	3,39,675.8	9,417.1	36.1
VST Industries Limited	60,061.8	(6,180.4)	53,881.4	3,801.3	14.2
GSK CH India – HUL transaction					25.0
Average					29.6

(Source: Capitaline /Annual Report/ Quarterly Results/MergerMarket)

Notes:

1. Market capitalisation is based on average of daily VWAP for three months ended 29 November 2019 on respective stock exchange where the volumes were high. *(Source: Capitaline)*
2. Net debt / (Net cash) is computed as: gross debt (current and non-current borrowings and other debt-like items) (-) cash and cash-like items (-) current, non-current investments and other surplus assets (-) capital work-in-progress (including capital advances) (-) 50% of net deferred tax assets (+) non-controlling interest as per latest annual report. There is small room for unavoidable discrepancy in computation of EV due to the above-mentioned figures as of different dates.
3. We have computed the Trailing Twelve Months (TTM) September 2019 EBITDA as follows: [FY19 EBITDA (+) EBITDA for six months ended 30 September 2019 (-) EBITDA for six months ended 30 September 2018]. *(Source: Annual Report, Quarterly Results)*

Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Working Note – Valuation of USL as per Net Asset Value method (based on the unaudited consolidated balance sheet as at 30 September 2019)

Currency: INR mn	Value	Value
Net block of fixed assets		19,397.0
Capital work in progress		1,567.0
Goodwill on consolidation		493.0
Investments		237.0
Assets held for sale		75.0
Government grant		1,085.0
Current assets		
Inventories	20,546.0	
Sundry debtors	25,762.0	
Cash and bank balances	1,197.0	
Loans & Advances	359.0	
Other current assets	21,631.0	
	69,495.0	
Current liabilities & provisions		
Trade Payables	13,934.0	
Current liabilities	13,655.9	
Provisions	4,442.0	
	32,031.9	
Net current assets (NCA)		37,463.1
Deferred tax asset		1,500.0
Loan funds		27,828.1
Non-controlling interest		(290.0)
Net worth		**34,279.0**
No of equity shares (in million)		726.6
Value per equity share (INR)		**47.2**

SRBC & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Working Note 3 –

Computation of market price of PDL based on average of daily volume weighted average price for three months ended 29 November 2019

Date	Price-Open (INR)	Price-High (INR)	Price-Low (INR)	Last Price (INR)	Volume	No. of Trades	Net Turnover ('000)	Market Cap (INR mn)	NSE Close	Wt.Avg. Price (INR)
29-Nov-19	136.00	139.65	130.65	132.95	7,317	315	972	1,790	12,056	133.1
28-Nov-19	133.30	139.15	133.30	137.50	9,924	478	1,366	1,841	12,151	137.6
27-Nov-19	132.05	135.00	129.00	132.55	3,609	248	477	1,775	12,101	132.1
26-Nov-19	131.00	132.35	128.70	129.65	3,031	149	394	1,735	12,036	130.1
25-Nov-19	127.20	132.00	127.20	130.85	2,494	155	325	1,752	12,074	130.1
22-Nov-19	131.75	131.80	126.15	128.40	2,515	289	324	1,719	11,914	128.7
21-Nov-19	128.00	131.80	125.30	129.40	2,456	65	316	1,733	11,968	128.8
20-Nov-19	132.10	132.10	127.75	129.00	5,391	241	690	1,727	11,999	129.9
19-Nov-19	135.00	139.65	131.10	132.15	15,770	326	2,116	1,770	11,940	133.8
18-Nov-19	134.00	138.90	134.00	137.60	1,344	104	184	1,843	11,885	137.3
15-Nov-19	142.40	142.40	136.10	136.75	4,195	195	576	1,831	11,895	137.4
14-Nov-19	140.90	145.50	139.00	140.90	3,351	179	482	1,887	11,872	142.1
13-Nov-19	144.00	147.10	139.10	142.10	8,463	426	1,227	1,903	11,840	144.9
11-Nov-19	139.80	144.00	135.00	142.25	5,591	303	781	1,905	11,913	139.7
08-Nov-19	140.50	144.40	138.50	139.65	10,813	345	1,536	1,870	11,908	142.0
07-Nov-19	137.30	142.25	133.30	140.90	17,242	623	2,389	1,887	12,012	138.6
06-Nov-19	129.80	136.70	128.90	136.70	16,515	451	2,223	1,830	11,966	134.6
05-Nov-19	128.05	132.35	127.20	130.20	5,713	240	744	1,743	11,917	130.3
04-Nov-19	129.25	133.70	127.80	128.70	4,661	275	604	1,723	11,941	129.6
01-Nov-19	129.65	132.35	128.05	130.90	3,683	328	479	1,753	11,891	130.0
31-Oct-19	128.60	131.00	128.60	130.40	2,879	107	375	1,746	11,877	130.1
30-Oct-19	129.35	129.50	127.40	128.25	6,820	155	875	1,717	11,844	128.3
29-Oct-19	129.10	131.85	127.70	130.10	4,416	288	574	1,742	11,787	130.0
27-Oct-19	127.00	130.00	127.00	129.75	486	24	63	1,737	11,627	129.2
25-Oct-19	132.85	132.85	125.20	126.30	4,197	364	535	1,691	11,584	127.6
24-Oct-19	133.00	133.00	127.00	129.40	3,505	433	457	1,733	11,583	130.3
23-Oct-19	133.00	133.40	130.00	130.40	4,575	269	602	1,746	11,604	131.5
22-Oct-19	135.00	135.00	130.00	130.50	69,219	220	9,133	1,747	11,588	131.9
18-Oct-19	133.00	135.70	131.10	134.60	13,095	445	1,747	1,802	11,662	133.4
17-Oct-19	126.50	132.60	126.10	129.25	4,833	348	627	1,731	11,586	129.7
16-Oct-19	127.05	129.30	125.30	127.70	5,143	381	654	1,710	11,464	127.2
15-Oct-19	127.95	129.90	124.25	127.20	2,566	329	327	1,703	11,428	127.3
14-Oct-19	127.30	131.50	127.10	128.80	3,830	219	500	1,725	11,341	128.6
11-Oct-19	134.50	137.05	127.45	127.70	8,829	372	1,151	1,710	11,305	130.3
10-Oct-19	138.35	138.35	133.00	134.15	6,121	200	829	1,796	11,235	135.4
09-Oct-19	140.00	140.00	136.00	138.35	7,759	175	1,071	1,853	11,313	138.1
07-Oct-19	147.00	148.50	136.95	140.00	20,893	496	3,008	1,875	11,126	144.0
04-Oct-19	145.00	149.65	136.15	142.10	27,346	466	3,940	1,903	11,175	144.1
03-Oct-19	139.00	158.80	134.00	142.75	61,272	1,603	8,973	1,911	11,314	146.4
01-Oct-19	157.00	159.95	145.20	145.20	30,077	534	4,459	1,944	11,360	148.2
30-Sep-19	175.00	175.00	161.10	161.30	85,401	1,434	14,108	2,160	11,474	165.2
27-Sep-19	166.00	187.05	162.30	179.00	9,09,678	13,956	1,63,870	2,397	11,512	180.1
26-Sep-19	137.90	155.90	134.50	155.90	1,03,391	2,579	15,096	2,088	11,571	146.0
25-Sep-19	125.50	131.10	121.40	129.95	21,545	365	2,742	1,740	11,440	127.3
24-Sep-19	125.10	133.20	125.10	127.40	7,546	318	979	1,706	11,588	129.7
23-Sep-19	118.55	131.50	116.55	126.25	10,335	228	1,314	1,717	11,500	127.1
20-Sep-19	115.00	126.40	113.60	121.70	4,187	150	513	1,630	11,274	122.6
19-Sep-19	118.50	121.80	116.00	119.15	2,431	82	290	1,595	10,705	119.4
18-Sep-19	120.85	120.85	114.10	116.10	3,343	165	389	1,561	10,841	116.5
17-Sep-19	123.65	125.00	112.50	117.20	6,867	267	817	1,569	10,818	119.0
16-Sep-19	118.00	134.40	113.00	123.90	12,375	436	1,545	1,656	11,004	124.8
13-Sep-19	119.35	119.35	114.85	116.35	951	34	111	1,558	11,076	116.6
12-Sep-19	115.50	120.00	114.00	116.80	5,017	127	583	1,564	10,983	116.1
11-Sep-19	111.60	117.00	110.00	114.65	2,003	77	227	1,535	11,036	113.5
09-Sep-19	114.00	114.55	112.00	112.85	1,022	91	115	1,511	11,003	112.7
06-Sep-19	113.70	116.00	108.25	114.00	4,066	174	549	1,527	10,946	112.8
05-Sep-19	115.00	115.00	110.10	111.55	25,497	624	2,871	1,494	10,848	112.6
04-Sep-19	111.45	111.45	108.60	108.80	1,248	38	136	1,454	10,845	108.7
03-Sep-19	109.15	113.70	107.85	110.55	3,013	145	331	1,482	10,798	109.9
30-Aug-19	111.50	111.50	107.00	110.50	3,202	47	348	1,480	11,023	108.8
Average										130.9

(Source: Capitaline)

Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Working Note 4 – Valuation of PDL as per Comparable Companies' Multiples (CCM) method

Currency: INR mn	Notes	Value
EV/ EBITDA multiple	1	16.0
Present value factor	2	0.78
Adjusted EV/EBITDA multiple		12.5
Board Approved Normative EBITDA of PDL in FY22	3	412.0
Value		**5,162.4**
Add: Capital work-in-progress		10.1
Add: Deferred tax asset	4	190.0
Less: Additional capex requirement	3	(134.0)
Enterprise Value		**5,228.5**
Add: Surplus Assets	5	1,288.9
Add: (Net Debt)/ Net Cash	6	(4,756.1)
Equity Value		**1,761.3**
No. of equity shares (in million)		13.4
Value per equity share (INR)		**131.6**

Notes:

1. Refer Working Note 4.1
2. Board has approved the normalized EBITDA for FY22 which has been considered for valuation of PDL. Hence, the multiple of the comparable companies have been discounted to 1 December 2019 basis the Weighted Average Cost of Capital of PDL as per Capital Asset Pricing Model.
3. PDL has undertaken capacity expansion during FY17 and FY18 in its plant at Dharmabad, Nanded. However, as informed to us, due to technical issues faced in the plant, the plant has been operating at a lower capacity utilisation of ~60%. PDL's Board has approved further capex of about INR 134 mn from 1 July 2019 to 30 June 2020 towards undertaking corrective measures and to achieve the Board approved normative EBITDA in FY22. Further, the entire capex is expected to be incurred from 1 October 2019 to 30 June 2020. Hence, such incremental capital expenditure has been reduced from the enterprise value of PDL.
4. The book value of deferred tax asset/liability as at 30 September 2019 is nil. Deferred tax asset has been computed on 50% of brought forward business losses and unabsorbed depreciation considering that a market participant shall be able to utilize the same.
5. The surplus assets comprise of net present value of grant receivable from Government and advances paid for acquiring land. The Management has informed us that the advances paid towards the land can be considered as fair value of land.
6. (Net debt) / Net cash computed as cash and cash-like items (-) gross debt (current and non-current borrowings and other debt-like items)

Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Working Note 4.1: Computation of EV/EBITDA multiple of comparable companies

We have considered comparable companies classified under Brewers, Distilleries, Vintners industry (Source: www.capitaliq.com) listed in India which would broadly reflect the risk and opportunities of PDL. We have further shortlisted the companies based on the following parameters:

- USL being the holding company and a key customer of PDL
- Companies having enterprise value greater than INR 1,000.0 million
- Companies with no brand or non-market leading brands
- Sufficient trading volume
- Profit making at EBITDA level

Company (Currency INR mn)	Market Capitalization[1]	Net Debt/ (Net Cash)[2]	Enterprise Value	TTM Sep-19 EBITDA[3]	EV / EBITDA	Weights (%)[4]
United Spirits Limited	4,53,463.3	19,802.1	4,73,265.5	15,571.2	30.4	40.0
Associated Alcohols & Breweries Limited	3,588.7	281.7	3,870.3	494.3	7.8	12.0
G.M. Breweries Limited	7,132.3	(3,067.6)	4,064.8	1,027.9	4.0	12.0
Globus Spirits Limited	3,705.9	2,288.5	5,994.4	1,010.5	5.9	12.0
IFB Agro Industries Limited	3,727.7	(1,314.3)	2,413.4	318.5	7.6	12.0
Som Distilleries & Breweries Limited	3,761.1	(250.0)	3,511.1	544.0	6.5	12.0
Weighted Average					16.0	100.0

(Source: Capitaline /Annual Report/ Quarterly Results)

Notes:

1. Market capitalisation is based on average of daily VWAP for three months ended 29 November 2019 on respective stock exchange where the volumes were high. *(Source: Capitalline)*
2. Net debt / (Net cash) is computed as: gross debt (current and non-current borrowings and other debt-like items) (-) cash and cash-like items (-) current, non-current investments and other surplus assets (-) capital work-in-progress (including capital advances) (-) 50% of net deferred tax assets (+) non-controlling interest as per latest annual report (except for USL for which balance sheet as at 30 September 2019 along with schedules have been provided to us by the Management). There is small room for unavoidable discrepancy in computation of EV due to the above-mentioned figures as of different dates
3. We have computed the Trailing Twelve Months (TTM) September 2019 EBITDA as follows: [FY19 EBITDA (+) EBITDA for six months ended 30 September 2019 (-) EBITDA for six months ended 30 September 2018]. *(Source: Management of USL, Annual Report, Quarterly Results)*
4. We have assigned 40% weightage to USL, being holding company of PDL as well as a single largest customer of PDL and remaining 60% weightage equally to the other comparable companies.

Supplement to our report dated 02 December 2019 titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited"

Working Note- Valuation of PDL as per Net Asset Value method (based on the balance sheet as at 30 September 2019)

Currency: INR mn	Value	Value
Net block of fixed assets		2,169.9
Capital work in progress		10.1
Government grant		1,084.5
Capital advances (land)		204.4
Current assets		
Inventories	671.6	
Sundry debtors	4.7	
Cash and bank balances	4.1	
Loans & Advances	6.1	
Other current assets	218.9	
	905.4	
Current liabilities & provisions		
Trade payables	143.5	
Trade payables from USL	811.5	
Current liabilities	39.2	
Provisions	53.0	
	1,047.1	
Net current assets (NCA)		(141.7)
Loan funds		
Unsecured loans	2,486.8	
Loans from USL	2,273.4	4,760.2
Net worth		**(1,433.0)**
No of equity shares (in million)		13.4
Value per equity share (INR)		**0.0**

* Since the value per equity share is negative, it is considered at zero and not shown in the table above

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United Spirits Limited

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www.diageoindia.com

January 24, 2020

To,
General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Dear Sir / Madam,

Sub: Undertaking that the Company will not issue/reissue shares not covered under the draft scheme

We, United Spirits Limited, undertake that we would not issue/ reissue shares not covered in the draft scheme.

Sincerely,

For **United Spirits Limited**

V Ramachandran
EVP & Company secretary

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United Spirits Limited

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January 24, 2020

To,
General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Dear Sir / Madam,

Sub: Undertaking that as on date of application there are no outstanding warrants/instruments/agreements which give right to any person to take the equity shares in the transferee entity at any future date

We undertake that as on date there are no outstanding warrant/instruments/agreements which give right to any person to take the equity shares in United Spirits Limited at any future date.

Sincerely,

For **United Spirits Limited**

V Ramachandran
EVP & Company secretary

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January 24, 2020

To,
Mr. Mehul Vasaiya
Deputy Manager,
National Stock Exchange of India Ltd.,
Mumbai – 400 061

Dear Sir,

Subject: Response to your letter dated January 22, 2020

Ref: NSE/LIST/22715

This is with reference to your letter dated January 22, 2020 seeking further details/documents on our application for Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited, responses are provided below:

1. Pre & Post Scheme Networth of all the Companies involved in the Scheme. Companies are required to submit Certificate from Statutory Auditors /Practicing Chartered Accountants / Practicing Company Secretary. (Networth = Equity Share Capital + Free Reserves** - Miscellaneous Expenditure written off, along with the detailed working.)

   (Kindly explain difference between Pre-Scheme Networth shown in audited financials and in Networth Certificate of Pioneer Distilleries Limited)

   Response – Please refer Sl.No. 2 of our response dated January 17, 2020 on this subject. We repeat the response as below:
   "In the financial statement, the net worth was calculated by including the securities premium in accordance with Schedule III of the Companies Act, 2013, whereas the format of net worth certificate as per NSE excludes securities premium. Hence, the difference is appearing between the net worth figure as shown in the financial statement and the Net Worth Certificate issued by the Chartered Accountant".
   In addition, we also clarify that Annexure 6(b) of the application dated December 20, 2019 is inadvertently showing net-worth figure of Pioneer Distilleries Limited (PDL) as Rs.133.9 crores as of March 31, 2019, which should instead be read as Rs.133.9 million. Revised Annexure 6(b) is enclosed herewith.

2. Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure E.

   (Kindly rectify point no. 18, net worth of the company, if networth of Pioneer Distilleries Limited is getting rectified based on observation on Net Worth certificate.)

   Response – As there is no change in the net worth, no rectification is required in point no.18 of Annexure 12 (Brief particulars of the Company), which is reproduced below:

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18.	Net Worth (Rs. In crores)	**United Spirits Limited**	**Pioneer Distilleries Limited**
	Pre	(negative) Rs. 1,591.0 crores	(negative) Rs. 56.8 crores
	Post	(negative) Rs. 1,558.6 crores	NA (will be dissolved)

Since there is no change in the net-worth certificate previously issued, the response to point no. 18 of Annexure 12 remain unchanged.

Kindly accept the above and provide us with necessary approvals.

Thanking you,

For **United Spirits Limited**

V Ramachandran
EVP & Company Secretary

Enclosed as above

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Pioneer Distilleries limited
Subsidiary of United Spirits Limited

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Fax: +91 80 3985 6862
info@pioneerdistilleries.com

The Financial details of the transferor company (Pioneer Distilleries Limited) for the previous three years as per the audited statements of accounts:

(Rs. in Millions except for EPS and Book Value)

Particulars	As per unaudited financials (As per Sept 30, 2019)	As per Audited Financials (2018-2019)	As per Audited Financials (2017-2018)	As per Audited Financials (2016-2017)
Equity Paid up Capital	133.9	133.9	133.9	133.9
Reserves and surplus	-550.5	121.6	-582.7	-285.3
Carry forward losses	-1,016.7	-672.1	704.3	-302.0
Net Worth	-1,433.3	-416.6	255.5	-453.4
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	4,670.7	5,026.7	3,687.9	2,795.9
Fixed Assets (Net)	2,180.0	2,411.0	2,815.7	2,748.0
Income from Operations	829.1	1,383.8	1,350.0	1,131.5
Total Income	845.2	1,427.5	3,046.6	1,131.8
Total Expenditure	-1,258.7	-2,398.2	-2,028.5	-1,566.5
Profit before Tax	-413.5	-970.7	1,018.1	-434.7
Profit after Tax	-1,015.7	-670.8	700.1	-300.8
Cash profit/Loss*	577.3	-909.2	-142.8	423.6
EPS	-75.9	-50.1	52.3	-22.5
Book value	10.0	10.0	10.0	10.0

* As per Cash flow statement.

for **Pioneer Distilleries Limited**

B L Akshara
Company Secretary

Date: December 23, 2019

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February 4, 2020

To,
General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Kind Attn: Mr Jeetendra

Dear Sir,

Subject: Response to your comments dated January 28, 2020 on our application for approval under Regulation 37 of the SEBI (LODR), 2015 for the proposed scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited and United Spirits Limited

Ref: Case No. – 102429

This is with reference to your comments in the portal dated January 28, 2020 seeking further clarification on our application for Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited. Our responses are provided below:

1) In Addendum to Valuation report dated 23/01/2020 in that Under Computation of Fair Share Exchange Ratio Table against "Income Approach" Valuer can put any Symbol & simultaneously they need to mention same symbol against the Explanation provided for the same under Note section. So as to give a reference. Further, Valuer need to put (*) symbol against "Asset Approach- NAV method" under Note section.

   Response – The revised addendum is enclosed as Annexure 1.

Thanking you,

For **United Spirits Limited**

V Ramachandran
EVP & Company Secretary

Enclosed as above

ANNEXURE - 1

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

03 February 2020

The Board of Directors
United Spirits Limited
UB Tower,
No. 24, Vittal Mallya Road,
Bengaluru - 560 001
Karnataka, India

The Board of Directors
Pioneer Distilleries Limited
Level 10, UB Tower,
No. 24, Vittal Mallya Road,
Bengaluru - 560 001
Karnataka, India

Dear Sir/Madam,

Re: Addendum to our report dated 2 December 2019 on recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited

We refer to our report titled "Recommendation of fair exchange ratio for the proposed merger of Pioneer Distilleries Limited into United Spirits Limited" ("Proposed Merger") dated 2 December 2019 ("the Report") and BSE emails dated 26 December 2019 and 28 January 2020 received by both United Spirits Limited ("USL") and Pioneer Distilleries Limited ("PDL").

We refer to the table on the computation of fair exchange ratio, page 10 of the Report.

Based on the remarks provided by BSE, we are reproducing the Computation of Fair Share Exchange Ratio table below by (i) reiterating the reasons for not using specific methods of valuation as a footnote to the table which has been mentioned in section "APPROACH – BASIS OF MERGER" of the Report, and (ii) including '1' against USL's column. The table hereon can be read as follows:



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Computation of Fair Share Exchange Ratio

Valuation Approach	USL		PDL	
	Value per equity share (INR)	Weight	Value per equity share (INR)	Weight
Market Approach				
- Market Price Method	624.1	50%	130.9	50%
- Comparable Companies' Multiples Method	613.8	50%	131.6	50%
Income Approach - Discounted Cashflows Method#	NA	NA	NA	NA
Asset Approach – Net Asset Value method*	47.2	NA	0.0^	NA
Relative Value per Equity Share	618.9		131.2	
Fair Exchange Ratio (Rounded)	1		4.7	

We were not provided with the projections for PDL and USL by the management of PDL and USL, hence we have not considered the Discounted Cash Flow method.
* We have computed value as per NAV method but have not considered the same for valuation exercise, considering that, this valuation approach is mainly used in case where the entity is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. Further, both USL and PDL meets the going concern criteria and asset base do not dominate earnings capability.
^ Since the value per equity share is negative, it is considered at zero and not shown in the table above.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommended in the Report the following fair exchange ratio for the Proposed Merger of PDL into USL:

10 (Ten) equity shares of USL of INR 2/- each fully paid up for every 47 (Forty-Seven) equity shares of PDL of INR 10/- each fully paid up.

No amendments other than those stated above have been made to the Report previously shared with you.

Respectfully submitted,

S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/ E300003

Ravi Bansal
Partner
Membership No: 049365
UDIN: 20049365AAAAAE8850
Date: 03 February 2020
Place: Mumbai

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February 4, 2020

To,
Mr. Mehul Vasaiya
Deputy Manager,
National Stock Exchange of India Ltd.,
Mumbai – 400 061

Dear Sir,

Subject: Response to your letter dated January 29, 2020

Ref: NSE/LIST/22715

This is with reference to your letter dated January 29, 2020 seeking further clarifications on our application for Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited. Our responses are provided below:

1. *As per telephonic conversation kindly make requisite changes in Annexure 1 submitted by the Company along with write-up on cases related to UB Group.*

   Response – This particular matter was referred to in Annexure I to Item 11(a). The combined response is given in Para 2 below.

2. *United Breweries (Holdings) Limited, Kingfisher Finvest India Limited and Dr. Vijay Mallya (jointly called 'entities') were part of promoter of Kingfisher Airlines Limited and the Company Kingfisher Airlines Limited has got Compulsory Delisting by the exchange, as the above given entities is also part of promoter and promoter group of United Spirits Limited (Company involved in the Scheme) hence kindly confirm how the entities are under the compliance of Reg. 24 of SEBI (Delisting of Equity Shares) Regulations, 2009.*

   Response – The Company is aware of certain orders issued by SEBI, pursuant to which Dr. Mallya has been restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever either directly or indirectly, as well as restrained from holding position as a director or a key managerial person of any listed company. Further, the Company also understands that the shares of UBHL have been delisted pursuant to liquidation and the shares of Kingfisher Airlines Limited have been compulsorily delisted by the stock exchanges pursuant to the provisions of Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2009. The respective orders of winding up in case of both UBHL and Kingfisher Airlines were passed by the High Court prior to their delisting. Accordingly, such restraint orders against Dr. Mallya as well as the compulsory delisting of the shares of Kingfisher Airlines Limited and delisting of shares of UBHL pursuant to liquidation do not apply to or restrain the Company as regulation 24 of the SEBI (Delisting of Equity Shares) Regulation 2009 is not applicable in this case. As mentioned in Annexure I to Item 11(a), the Company is controlled by, and is a subsidiary of, Diageo.

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3. *Kindly provide unpaid dues report as per SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2019/192 Dated September 12, 2019.*

Response – The same has been already provided. However, we once again provide the declaration in the said format and enclosed as Annexure – 1.

Kindly accept the above and provide us with necessary approvals.

Thanking you,

For **United Spirits Limited**



V Ramachandran
EVP & Company Secretary

Enclosed as above

ANNEXURE - 1

DIAGEO
INDIA

United Spirits Limited

Registered Office:
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Bengaluru 560 001

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REPORT ON UNPAID DUES

Sr. No.	Particulars	Details of dues/fine	Amount	Reason for non-payment
1	Pending Dues of SEBI	Nil	Nil	Nil
2	Pending Dues of Stock Exchanges	Nil	Nil	Nil
3	Pending Dues of Depositories	Nil	Nil	Nil

* To the best of our knowledge, information and belief, we do not have any unpaid dues to SEBI/Stock exchanges/depositories.

For **United Spirits Limited**

United Spirits Ltd. Bangalore

V Ramachandran
EVP & Company Secretary

February 4, 2020

DIAGEO
INDIA

United Spirits Limited

Registered Office:
UB Tower
#24 Vittal Mallya Road
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
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February 28, 2020

To,
General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Kind Attn: Mr Jeetendra

Dear Sir,

Subject: Response to your comments dated February 18, 2020 on our application for approval under Regulation 37 of the SEBI (LODR), 2015 for the proposed scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited and United Spirits Limited

Ref: Case No. – 102429

This is with reference to your comments in the portal dated February 18, 2020 seeking further clarifications on our application for Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited. Our responses are provided below:

1. Kindly provide clarification w.r.t the applicability and relevance of para 12.11 of the draft scheme. As per our understanding the shares of transferor and transferee companies are not listed in US.

   Response – The said para is reproduced below and is pro forma language which is often included in schemes of arrangement in the event shareholders happen to be residents of United States of America. This disclaimer is given with respect to those non-residents. To clarify further, the shares of transferor and transferee companies are not listed outside India.

   Quote:

   The equity shares of the Transferee Company issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Transferee Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(1 0) thereof or any other exemption that the Transferee Company may elect to rely upon. In the event the Transferee Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCL T to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(1 0) thereof.

   Unquote

2. company needs to rectify the calculation error in para 3 of the draft scheme for total of share capital of transferor company as on March 31, 2019 which is mentioned as Rs. 13,42,00,000

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Response – The said para is rectified in the revised draft scheme of amalgamation and arrangement enclosed as Annexure – 1.

The revised disclosure in Para 3 on Share Capital is reproduced below:

Particulars	Rupees
Authorized Capital	
17,500,000 Equity Shares of Rs. 10 /- each	175,000,000
2,500,000 Preference Shares of Rs.10/- each	25,000,000
Total	200,000,000
Issued, Subscribed and Paid-up	
13,388,200 Equity Shares of Rs. 10/- each	133,882,000
Forfeited shares 62,400 Equity Shares (Rs. 5/- each, paid up)	312,000
Total	~~134,200,000~~134,194,000

3. It is observed that in para 12.3 of the scheme, the company has erroneously mentioned the words "equity shareholder of the transferor company owns shares in the Transferee company" instead of "equity shareholder of the transferor company owns shares in the transferor company". company needs to make necessary changes to para 12.3 in this regard.

   Response – The said para is rectified in the revised draft scheme of amalgamation and arrangement enclosed as Annexure – 1.

4. It is observed that in para 12.3 of the scheme the company has provided 3 options for the treatments of fractional entitlements. In this regard, company needs to confirm any one option and accordingly make changes in said para.

   Response – The said para is rectified by retaining the para 12.3.1 and deleting the rest options in the revised draft scheme of amalgamation and arrangement enclosed as Annexure – 1.

5. company needs to make changes as advised in point no. 2,3,4, above in the scheme and submit a certificate in a Tabular format confirming changes made in the scheme inter-alia stating that other than the changes mentioned in the undertaking, no other changes have been made to the scheme.

   Response – Advised changes are incorporated and undertaking in this effect is enclosed as Annexure – 2.

Thanking you,

For **United Spirits Limited**

V Ramachandran
EVP & Company Secretary

Enclosed as above

Annexure - 1

Certified True Copy
For UNITED SPIRITS LIMITED

V. RAMACHANDRAN
Company Secretary

SCHEME OF AMALGAMATION AND ARRANGEMENT

UNDER SECTIONS 230 to 232 OF THE COMPANIES ACT, 2013

AMONGST

PIONEER DISTILLERIES LIMITED
(Transferor Company)

AND

UNITED SPIRITS LIMITED
(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CHAPTER 1

GENERAL

(A) Background of Companies and Rationale

(i) This scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited ("**Transferor Company**") and United Spirits Limited ("**Transferee Company**") provides for (a) the amalgamation of the Transferor Company with the Transferee Company ("**Amalgamation**"), pursuant to the relevant provisions of the Act (defined below), as may be applicable; and (b) various other matters consequential or integrally connected therewith, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof.

(ii) The Transferor Company, a public limited company incorporated on November 25, 1992 under the Companies Act, 1956, with corporate identification number L24116KA1992PLC125992, has its registered office situated at UB Tower, Level-10, # 24, Vittal Mallya Road, Bangalore - 560 001. The equity shares of the Transferor Company are listed on the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**"). The Transferor Company is *inter alia* engaged in the Business (as defined below).

(iii) The Transferee Company, a public limited company incorporated on March 31, 1999 under the Companies Act, 1956 with corporate identification number L01551KA1999PLC024991, has its registered office situated at UB Tower, # 24, Vittal Mallya Road, Bangalore - 560 001. The equity shares of the Transferee Company are listed on the Stock Exchanges. The Transferee Company is engaged in the business of distilling, rectifying and blending of spirits, and production of ethyl alcohol from fermented material.

(iv) The Transferee Company and the Transferor Company are desirous of amalgamating the Transferor Company as a going concern with the Transferee Company in accordance with Sections 230 to 232 and/or other applicable provisions of the Act.

(v) The Amalgamation of the Transferor Company with the Transferee Company is sought to be undertaken to achieve the following:

(a) simplification of the corporate structure and consolidation of the group's business;

(b) realising business efficiencies, inter alia, through optimum utilisation of resources due to pooling of management, expertise and other resources of the Companies, and to achieve economies of scale;

(c) overcoming limitations on raising capital for the Transferor Company, ensuring improved allocation of capital and optimum cash flows contributing to better utilisation of capacity and the overall growth of the combined entity;

(d) creation of a larger asset base and facilitation of access to better financial

resources;

(e) savings on compliance / interest costs;

(f) uninterrupted operations of the Transferor Company's plant in order to stabilize its business;

(g) integration of the Transferor Company's operations with the Transferee Company resulting in benefits arising out of the synergies, especially since the Transferee Company is in the same line of business as the Transferor Company; and

(h) enhanced shareholder value pursuant to economies of scale and business efficiencies.

The Transferor Company has been incurring losses in the recent past and its entire net worth has eroded. The Transferee Company, holding 75% of the equity capital of the Transferor Company, has to account to the extent of 75% of the losses of the Transferor Company while consolidating its accounts. Continuity of the Transferor Company, without the active support of the Transferee Company, would be very difficult. Amalgamation of the Transferor Company with the Transferee Company would be beneficial to both the Companies, including with respect to ease of getting uninterrupted financial and technical support and the Transferee Company getting the full benefit of the Transferor Company's manufacturing facilities.

(vi) The Scheme is expected to be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.

(vii) The Amalgamation shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961.

(B) Chapters in the Scheme

The Scheme is divided into 3 chapters, the details of which are as follows:

1. **Chapter 1:** Chapter 1 of this Scheme sets forth the background of the Companies, overview and objects of the Scheme and definitions and interpretation which are common and applicable to all chapters of the Scheme.

2. **Chapter 2:** Chapter 2 deals with the Amalgamation and transfer and vesting of all assets and liabilities of the Transferor Company to/in the Transferee Company.

3. **Chapter 3:** Chapter 3 provides for general terms and conditions applicable to this Scheme.

4. Chapters 2 is further sub-divided into the following parts:

   (a) *Part 1* provides for the current capital structure of the Transferor Company and the Transferee Company;

   (b) *Part 2* deals with the Amalgamation of the Transferor Company with the

Transferee Company, in accordance with Sections 230 to 232 and/or other applicable provisions of the Act; and

(c) *Part 3* deals with consideration and accounting treatment.

1. GENERAL DEFINITIONS AND INTERPRETATIONS

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

"Act" means the Companies Act, 2013 and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactments or amendments thereof;

"Amalgamation Consideration Shares" has the meaning ascribed to it Clause 12.1 of the Scheme;

"Applicable Law" means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Governmental Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Board of Directors of the Companies or at any time thereafter;

"Appointed Date" means April 1, 2019 or such date as may be fixed or approved by the NCLT;

"Board of Directors" shall mean the board of directors or any committee thereof, of the Transferor Company or the Transferee Company, as the context may require;

"Business" means the business of manufacture and sale of extra neutral alcohol, malt spirits, Indian Made Foreign Liquor (IMFL) and other allied products, including bottling operations;

"Companies" shall collectively mean the Transferor Company and the Transferee Company;

"Contracts" with respect to a Person, means any agreement, contract, undertaking, or legally binding commitment entered into by such Person;

"Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 21.1 have been fulfilled, obtained or waived (to the extent possible under Applicable Law), as applicable. References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construed accordingly;

"Encumbrance" means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint, or any other encumbrance of any kind or nature whatsoever, including any right granted by a transaction which, in legal terms, is not only the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

"Goodwill" means and includes the goodwill of Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the Business in succession to the Transferor Company and includes the Business related claims, information, records, relationships with customers, product registrations/approvals, skilled employees, trademark, technical know-how and other Intangible Assets, as defined below;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial, quasi-judicial or arbitral body in India or outside India and includes SEBI and the Stock Exchanges;

"Intangible Assets" means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, in each case whether registered or unregistered, and including but not limited to (i) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; (ii) copyrights and copyrightable subject matter; (iii) trademarks, service marks, names, corporate names, trade names, domain names, logos, slogans, trade dress, registered designs, design rights and other similar designations of source or origin; (iv) all know-how, patents, confidential information, trade secrets, ideas, proprietary processes, formulae, models and methodologies; (v) rights of publicity, privacy, and rights to personal information; (vi) moral rights and rights of attribution and integrity; or (vii) any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world;

"NCLT" means the National Company Law Tribunal at Bengaluru, or such other forum or authority as may be vested with the powers of the High Court under Sections 230 to 232 of the Act, as may be applicable;

"Person" means any individual, partnership, joint venture, firm, corporation, company, association, trust or other enterprise (whether incorporated or not) or government (central, state or otherwise), sovereign, or any agency, department, authority or political sub-division thereof, international organization, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs;

"Public" shall have meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly;

"Record Date" shall mean such date to be fixed by the respective Board of Directors of the Transferee Company and Transferor Company for the purpose of determining the members of the Transferor Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme;

"Sanction Order" means the order of the NCLT sanctioning the Scheme;

"Scheme" means this scheme of amalgamation and arrangement with such modification(s), if any made, in accordance with the terms hereof or the directions / observations of the Stock Exchanges or any other Governmental Authority including SEBI or the NCLT, and approved by the NCLT;

"**SEBI**" means the Securities Exchange Board of India;

"**SEBI Circular**" means the circular number CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by SEBI along with the amendments thereto;

"**SEBI Listing Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 along with the amendments thereto;

"Taxes" or "Tax" or "Taxation" means all forms of taxation with reference to profits, gains, net wealth, asset values, turnover, gross receipts, duties (including stamp duties), levies, imposts, including without limitation corporate income–tax, wage withholding tax, fringe benefit tax, value added tax, customs, service tax, excise duties, goods and services tax, fees or levies and other legal transaction taxes, dividend/withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties, any other similar assessments or other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, assessments, or addition to Tax, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction or country;

"Transferor Company Shareholders" has the meaning ascribed to it Clause 12.1 of the Scheme; and

"**Undertaking**" shall mean all the undertaking and entire business of the Transferor Company (including business, properties, assets, investments, goodwill and rights of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed, liabilities, obligations and commitments of the Transferor Company) on a going concern basis, and with the continuity of business of the Transferor Company, which shall include (without limitation):

(a) all assets wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, leaseholds and other interests of whatsoever nature, wheresoever situated including all lands, buildings, offices, marketing offices, liaison offices, furniture, fixtures, office equipment, appliances, accessories, inventories together with all present and future liabilities (including contingent liabilities) and all cash and bank balances appertaining or relating to the Transferor Company;

(b) all current assets, including sundry debtors, receivables, loans and advances, actionable claims, bills and credit notes of the Transferor Company;

(c) all permits, rights, entitlements, registrations and other licences, approvals, permissions, consents from various authorities, including municipal (whether granted or pending), trademarks, patents, copyrights, software programs and data (whether proprietary or otherwise), all other intellectual property, goodwill, receivables, benefit of any deposits, assets, properties or other interests, financial assets including investments of all kinds, funds belonging to or utilised for the

Transferor Company, bank accounts, privileges, all other rights and benefits including any tax exemptions, deferrals and other benefits or privileges including any unabsorbed tax depreciation, tax losses, deferred tax assets and refund claims made by the Transferee Company before the tax authorities, any tax (direct or indirect) including advance tax paid or any tax deducted in respect of any income received, exemptions, tax credits, minimum alternate tax credits as per Section 115JAA of the Income Tax Act, 1961, any credit in respect of indirect taxes including Goods and Services Tax (GST) credits, Eligibility Certificate for Mega Project under the Package Scheme of Incentives, 2007 issued by the Government of Maharashtra, tenancies in relation to office and / or residential properties for the employees, memberships, lease rights, powers and facilities of every kind, nature, and description whatsoever, rights to use and avail of telephones, internet, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements, letters of intent, memoranda of understanding, expressions of interest whether under agreements or otherwise and all other interests in connection with or relating to the Transferor Company;

(d) all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;

(e) all trade secrets, confidential information, inventions, know-how, formulae, processes, procedures, research records, records of inventions, test information, market surveys and marketing know-how of the Transferor Company;

(f) all patents (including all reissues, divisions, continuations and extensions thereof), patent applications, patent rights, trademarks, trademark registrations, trademark applications, service marks, trade names, business names, copyrights, copyright registrations, designs, design registrations, and all rights to any of the foregoing, of the Transferor Company;

(g) all contracts, leases, subleases, licenses, indentures, agreements, commitments and all other legally binding arrangements, whether oral or written, to which the Transferor Company is a party or by which the Transferor Company is bound;

(h) all raw material, work-in-progress, finished goods, supplies, parts, spare parts and other inventories of the Transferor Company (including in transit, on consignment or in the possession of any third party);

(i) all partnership interests or any other equity interest in any corporation, company, limited liability company, partnership, joint venture, trust or other business association;

(j) all rights in and to products sold or leased;

(k) all credits, prepaid expenses, deferred charges, advance payments, security deposits and prepaid items that are paid / held;

(l) all necessary records, files, papers, computer programmes, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical or electronic form in connection with or relating to the Transferor Company;

(m) all books of accounts, ledgers, general, financial, accounting and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, billing records, sales and promotional literature, manuals, customer and supplier correspondence (in all cases, in any form or medium), of the Transferor Company;

(n) all rights, claims, credits, advances, loans, fixed deposits, provisions and commitments, including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favour of the Transferor Company in respect of any other asset or any liability appertaining or relating to the Transferor Company;

(o) all liabilities, obligations, duties, undertakings, debt and commitments of the Transferor Company;

(p) all accounts payable of the Transferor Company; and

(q) any other assets and liabilities.

It is intended that the definition of Undertaking set out above would enable the transfer of all properties, assets, liabilities, employees, etc. of the Transferor Company to the Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF COMING IN TO EFFECT

The Scheme in its present form or with any modification approved or imposed or directed by the NCLT shall come into operation from the Effective Date with effect from the Appointed Date.

CHAPTER 2

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Part 1

3. SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31 March 2019 is below:

Particulars	Rupees
Authorized Capital	
2,740,000,000 Equity Shares of Rs. 2/- each	5,480,000,000
171,200,000 Preference Shares of Rs.10/- each	1,712,000,000
Total	7,192,000,000
Issued, Subscribed and Paid-up	
726,638,715 Equity Shares of Rs. 2/- each	1,453,277,430
Total	1,453,277,430

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company till the date of approval of the Scheme by the Board of the Transferee Company.

The equity shares of the Transferee Company are listed on the Stock Exchanges.

The authorized, issued, subscribed and paid up share capital of the Transferor Company as on 31 March 2019 is as under:

Particulars	Rupees
Authorized Capital	
17,500,000 Equity Shares of Rs. 10 /- each	175,000,000
2,500,000 Preference Shares of Rs.10/- each	25,000,000
Total	200,000,000
Issued, Subscribed and Paid-up	
13,388,200 Equity Shares of Rs. 10/- each	133,882,000
Forfeited shares 62,400 Equity Shares (Rs. 5/- each, paid up)	312,000
Total	134,194,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

The equity shares of the Transferor Company are listed on the Stock Exchanges.

Part 2

4. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company shall, in accordance with Sections 230 to 232 of the Act, without any further act or deed, stand amalgamated with the Transferee Company and consequently (i) the Undertaking of the Transferor Company shall, as on the Appointed Date, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, and (ii) the Transferor Company shall stand dissolved without being wound up.

4.1. TRANSFER OF ASSETS

4.1.1. Upon the Scheme becoming effective, as on the Appointed Date, the whole of the assets of Transferor Company, wherever situated and of whatsoever nature whether capable of passing by manual delivery and/or endorsement or otherwise however shall, under the provisions of Sections 230 to 232, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to vest in, become and form part of the Transferee Company along with all the rights, claims, title and interest of the Transferee Company therein.

4.1.2. Without prejudice to the generality of Clause 4.1.1 above, upon the Scheme becoming effective, as on the Appointed Date:

(a) All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Transferor Company shall, without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, as a going concern, so as to become as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

(b) All movable assets including cash, if any, of Transferor Company which are capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company and shall become the property of the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same.

(c) Movable assets of the Transferor Company other than those specified in Clause 4.1.2(b) above and any intangible assets, including sundry debtors, loans, receivables, bills, credits, advances, if any, recoverable in cash or kind or for value to be received, bank accounts including bank balances, investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, and any related capitalized items and other tangible property of every kind, nature and

description, share of any joint assets, benefits of any bank guarantee, performance guarantee and any letter of credit, earnest money, advances and deposits, if any, with government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., the same shall, on and from the Appointed Date, stand transferred to the Transferee Company to the end and intent that the right of the Transferor Company to receive the benefit of such investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, capitalized items and tangible property, share of any joint assets, bank guarantee, performance guarantee and any letter of credit, earnest money, advances or deposits or recover or realize all such debts (including the debts payable by such Persons or depositors to the Transferor Company) stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors or other Persons (although the Transferee Company may itself without being obliged and if it so deems appropriate at its sole discretion, at any time after coming into effect of this Scheme in accordance with the provisions hereof, or if so required under any law, give notices in such form as it may deem fit and proper, to each Person, debtors or depositors, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said asset stands transferred and vested in the Transferee Company and be paid or made good or held on account of the Transferee Company as the Person entitled thereto).

(d) All lease and license agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with use of the assets of the Undertaking of the Transferor Company, together with the security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company;

(e) All immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise, any tenancies in relation to warehouses, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company or the Transferee Company, and it shall not be necessary to obtain the consent of any third party or other Person in order to give effect to the provisions of this clause. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authority pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. Upon this Scheme becoming effective, until the

owned property, leasehold property and related rights thereto, license or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected in the record of the appropriate authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorised to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease and / or license, as the case may be, and the Transferee Company shall keep a record and account of such transactions. For purposes of taking on record the name of the Transferee Company in the records of the Governmental Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Board of Directors of the Companies may approve the execution of such documents or deeds as may be necessary, including deeds of assignment of lease or leave or license (as the case may be) by the Transferor Company in favour of the Transferee Company.

(f) All the licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, bids, tenders, letters of intent, expressions of intent, memoranda of understanding or similar instruments, incentives, exemptions and benefits, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, exemptions and benefits, grants, rights, claims, liberties, special status and other benefits or privileges of the Transferor Company and shall remain valid, effective and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Transferee Company. For the avoidance of doubt and without prejudice to the generality of the foregoing, all consents, no-objection certificates, certificates, clearances, authorities (including operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company.

(g) All cheques and other negotiable instruments, payment orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be deemed to be in the name of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company or received through electronic transfers and the bankers of the Transferee Company shall accept the same. Similarly, the banker of the Transferee Company shall honour all cheques/electronic fund transfer instructions issued by the Transferor Company for payment after the Effective Date. If required, the bankers of the Transferor Company and/or the Transferee Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques,

pay order and electronic transfers that have been issued/made in the name of the Transferor Company, subject to such accounts being operated by the Transferee Company.

(h) All Intangible Assets including but not limited to rights in intellectual property (whether owned, licensed or otherwise, whether registered or unregistered) used in relation to the Transferor Company, including with respect to the Business, including the logo and trademark of the Transferor Company, and all other trade names, service names, trademarks, trade dress, logos, brands, corporate names, brand names, domain names, mask works, copyrights, designs, know-how and trade secrets, software and all website content (including text, graphics, images, audio, video and date), confidential business information and other proprietary information, patents, along with all rights of commercial nature including attached Goodwill, title, interest, labels and brand registrations and all such other industrial or intellectual rights of whatsoever nature and advantages of whatever nature in connection with the above including any Goodwill relating to such intellectual property, whether or not provided in the books of accounts of the Transferor Company, shall under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the Intangible Asset of the Transferee Company.

(i) All books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form of the Transferor Company, including in connection with or relating to the Business, shall, under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, with effect from the Appointed Date.

(j) All benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/complied with by the Transferee Company.

(k) All electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Transferor Company, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant

electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connections and shall also be entitled to refund of security deposits placed with such utility companies, boards, agencies and authorities by the Transferor Company.

(l) All *inter se* contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Appointed Date, there will be no accrual of income or expense on account of any transactions, including any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or charges in respect of any *inter se* loans, deposits or balances between the Transferor Company and the Transferee Company.

(m) The borrowing and investment limits of the Transferee Company under the Act shall be deemed without further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company. Any corporate approvals obtained by the Transferor Company, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

(n) The secured creditors of the Transferor Company and / or other holders of security over the properties of the Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and / or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company: (a) the secured creditors of the Transferor Company and / or holders of security over the properties of the Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in the future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and / or holders of any security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Company and therefore such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.1.3. Any tax exemptions, deferrals and other benefits or privileges including (but not limited to) advance tax paid or any tax deducted in respect of any income received, exemptions, tax credits, minimum alternate tax credits as per Section 115JAA of the Income Tax Act, 1961, any credit in respect of indirect taxes including Goods and Services Tax (GST) credits, Eligibility Certificate for Mega Project under the Package Scheme of Incentives, 2007 issued by the Government of Maharashtra, advance taxes, credits in respect of taxes deducted at source, unabsorbed tax depreciation, tax losses, deferred tax assets and refund claims made by the Transferee Company before the tax authorities shall, upon the coming into effect of this Scheme, also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.

4.1.4. Any assets, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.

4.1.5. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all necessary instruments or documents or do all the acts and deeds as may be required, including making the necessary filings with the relevant Governmental Authority or any other third party, to give formal effect to the above provisions, if required.

5. TRANSFER OF LIABILITIES

5.1. Upon the Scheme becoming effective, all the liabilities of the Transferor Company, as on the Appointed Date, including all secured and unsecured debts (whether in Indian Rupee (INR) or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations, shall also, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred or deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, duties, losses, obligations of the Transferee Company and further that all the liabilities incurred/contracted by the Transferor Company during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by the Transferee Company and shall be deemed to be the liabilities and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any Person in order to give effect to the provisions of this Clause.

5.2. Where any of the loans, debts, liabilities, duties and obligations of the Transferor Company which are deemed to be transferred to the Transferee Company under this Scheme have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

5.3. Without prejudice to Clause 5.1, upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Transferor Company for the operations of the Business with effect from the Appointed Date and prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the liabilities and 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 which such liabilities have arisen in order to give effect to the provisions of this clause.

5.4. The Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Transferor Company which shall vest in the Transferee Company by virtue of the Scheme, including for the avoidance of doubt and notwithstanding anything contained herein, that no Encumbrances shall be extended to any of the assets of the Transferee Company.

5.5. It is expressly provided that, no term or condition of the liabilities that are being transferred to the Transferee Company as part of the Scheme and terms on which the liabilities are transferred to the Transferee Company as part of the Scheme, shall be modified by virtue of this Scheme.

5.6. Upon the Scheme becoming effective, with effect from the Appointed Date, all inter-se liabilities and other receivables and payables including any loans thereof, between Transferee Company and Transferor Company, if any, due or outstanding or which may at any time immediately prior to the Appointed Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of the Appointed Date and corresponding effect shall be given in the books of account and records of Transferee Company.

5.7. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required.

5.8. The provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions.

6. TAXES AND TAXATION

6.1. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and income-tax/ indirect tax returns (where required) along with prescribed forms, filings and annexures under the Income Tax Act, 1961,

central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

6.2. Upon the Scheme becoming effective, all Taxes payable by, or refundable to, the Transferor Company, including any refund, claims or credits (including credits for income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax credit, central value added tax credit, goods and services tax credits, other indirect tax credits and other tax receivables) shall be treated as the tax liability, refunds, claims or credits, as the case may be, of the Transferee Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reductions, which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes on behalf of the Transferor Company.

6.3. All Taxes payable by the Transferor Company from the Appointed Date onwards for the operations of the Transferor Company, including the Business, shall be to the account of the Transferee Company; similarly all Tax credits pertaining to the Transferor Company, shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by Transferor Company. If, during the period between the Appointed Date and the Effective Date, any Tax returns or any other filings, representations or other submissions pertaining to the Transferor Company are required to be filed or made by the Transferor Company with or to the Tax authorities, the Transferor Company shall do the same in consultation with the Transferee Company and not without the prior written consent of the Transferee Company.

6.4. The provisions of this Scheme, as they relate to amalgamation of the Transferor Company into the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

7. EMPLOYEES

7.1. On the Scheme becoming effective, all staff and employees of the Transferor Company who are employed with the Transferor Company on the Effective Date ("**Transferred Employees**"), shall be deemed to have become the staff and employees of the Transferee Company with effect from the Effective Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them as employees of the Transferor Company on the Effective Date.

7.2. The services of the Transferred Employees with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Company.

7.3. It is expressly provided that, on the Scheme becoming effective, the contributions made by the Transferor Company in respect of the Transferred Employees under Applicable Law to the provident fund, gratuity fund, contribution towards employees state insurance, superannuation fund, retirement fund or any other special fund or trusts created or existing for the benefit of the Transferred Employees (collectively referred to as the "**Funds**") shall be deemed to be contributions made by the Transferee Company, and the Funds shall be transferred to similar Funds created by the Transferee Company and shall be held for their benefit pursuant to this Scheme or, at the Transferee Company's sole discretion, maintained as separate Funds by the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with Applicable Law. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said Fund or Funds.

7.4. In relation to any other fund created or existing for the benefit of the Transferred Employees, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

7.5. The Transferee Company shall comply with any agreement(s) / settlement(s) entered into with labour unions (if any) or employees by the Transferor Company. The Transferee Company agrees that for the purposes of the payment of any retrenchment compensation, gratuity and other termination benefits, the past services of employees with the Transferor Company, if any, shall also be taken into account, and further agrees to pay such benefits when they become due.

8. LEGAL PROCEEDINGS

All legal proceedings, including, quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date, including those arising under the Income Tax Act, 1961 and any other indirect tax laws, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be, in a manner and to a similar extent as would or might have been continued and enforced by or against the Transferor Company. The Transferee Company undertakes to have all legal or other proceedings specified in this clause, initiated by or against the Transferor Company, transferred to its name and to

have such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be. Following the Effective Date, the Transferee Company may initiate any legal proceedings for and on behalf of the Transferor Company.

9. CONTRACTS, DEEDS, ETC.

9.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately prior to the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto from inception.

9.2. Without prejudice to Clause 9.1, upon the Scheme becoming effective, with effect from the Appointed Date, all Contracts and arrangements in any form relating to the Business, including Contracts pertaining to, customers, vendors, benefits of all Contracts, whether registered or not registered, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

9.3. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if it considers necessary, enter into, or issue or execute deeds, writings, tripartite arrangements, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company. The Transferor Company shall execute such writings as may be reasonably required by the Transferee Company in this regard.

9.4. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/licensed properties or otherwise of the Transferor Company, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, pursuant to Section 232(4) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder.

9.5. All other agreements entered into by the Transferor Company in connection with the

assets of the Undertaking of the Transferor Company shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

10. CONDUCT OF BUSINESSES TILL THIS SCHEME COMES INTO EFFECT

10.1. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:

10.1.1. shall carry on and be deemed to have been carrying on the Business and other activities in relation to the operations of the Transferor Company and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferor Company for and on account of, and in trust for, the Transferee Company;

10.1.2. all profits or income arising or accruing in favour of the Transferor Company whether or not in relation to the Business and all Taxes paid thereon or losses, expenditures arising or incurred by the Transferor Company in relation thereto shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, expenditures as the case may be, of the Transferee Company;

10.1.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Business exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Business that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

10.1.4. shall cause the Business (including making applications to any Governmental Authority for the renewal of permits which have expired) to be conducted as a going concern in trust for the Transferee Company and in the ordinary course of business; and

10.1.5. shall not, except as may be expressly required or permitted under this Scheme, make any change in its capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio, except with the prior approval of the Transferee Company.

10.2. Except with the prior approval of the Transferee Company, with effect from the date on which the Board of Directors of the Companies approve this Scheme up to and including the Effective Date, the Transferor Company shall not take any actions prohibited in terms of any agreement, arrangement, undertaking, deed or other document executed in writing *inter-alia* between the Companies and/or any of their shareholders.

11. SAVINGS OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets and liabilities of the Transferor Company as above and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date or till the Effective Date in accordance with this Scheme.

Part 3

12. CONSIDERATION

12.1. Upon coming into effect of the Scheme and in consideration for the Amalgamation, the Transferee Company shall, without any further application or deed, issue and allot its equity shares, credited as fully paid up, to all the equity shareholders holding fully paid up equity shares of the Transferor Company, whose names appear in the register of members of the Transferor Company and / or whose names appear as the beneficial owner of the shares of the Transferor Company in the records of the depository, as on the Record Date, to be fixed for the purpose of reckoning names of the equity shareholders the Transferor Company ("**Transferor Company Shareholders**"), in the following ratio:

"10 (Ten) fully paid up equity shares of face value Rs. 2 (Rupees two only) each of the Transferee Company, to be issued for every 47 (Forty Seven) fully paid up equity shares of face value Rs. 10 (Rupees ten only) each held by the Transferor Company Shareholders" (the "**Share Exchange Ratio**").

The equity shares held by the Transferee Company in the Transferor Company shall stand cancelled as an integral part of the Scheme and no equity shares of the Transferee Company shall be allotted in respect of such equity shares. The 62,400 forfeited shares of the Transferor Company shall stand extinguished and cancelled and an amount of Rs 3,12,000 shall be transferred to the head 'Capital Reserve' in the financial statement of the Transferee Company.

The equity shares of the Transferee Company issued and allotted to the Transferor Company Shareholders based on the Share Exchange Ratio provided above shall be referred to as "**Amalgamation Consideration Shares**".

12.2. Upon equity shares being issued by the Transferee Company to the Transferor Company Shareholders in accordance with clause 12.1 above, the shares held by the said shareholders in the Transferor Company shall be deemed to have been canceled and extinguished and be of no effect on and from such issue and allotment.

12.3. Pursuant to issuance and allotment of the Amalgamation Consideration Shares, in case any equity shareholder of the Transferor Company becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

12.4. SRBC & Co LLP, an independent chartered accountant firm, and Manuj Singhal, chartered accountant and registered valuer have issued valuation reports on the Share Exchange Ratio adopted under the Scheme for both the Companies. Saffron Capital Advisors Private Limited, a SEBI registered merchant banker, has provided its fairness opinion on the Share Exchange Ratio to the Transferor Company and Pantomath Capital Advisors (Private) Limited, a SEBI registered merchant banker, has provided its fairness opinion on the Share Exchange Ratio to the Board of Directors of the Transferee Company.

12.5. Equity shares to be issued by the Transferee Company to the respective Transferor Company Shareholders as above shall be subject to 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.

12.6. Equity shares in the Transferee Company shall be issued only in dematerialized form to the Transferor Company Shareholders whether or not they hold shares of the Transferor Company in physical or dematerialized form, in to the account in which the Transferor Company shares are held or such other account as is intimated by the shareholders to the Transferee Company and/or its Registrar. All the Transferor Company Shareholders who hold equity shares of the Transferor Company in physical form shall receive the equity shares in the Transferee Company, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferee Company and/or its Registrar. If not so notified, such equity shares shall be kept in abeyance and shall be issued to a Share Suspense Account maintained by the Company. Voting Rights on such shares shall be frozen as long as such shares are held in such Share Suspense Account. All corporate benefits accruing on such shares shall also be credited to such Share Suspense Account for a period of seven years and shall thereafter be transferred by the Transferee Company in accordance with provisions of Section 124(5) read with Section 124(6) of the Act and rules made thereunder.

12.7. The Board of Directors of the Transferee Company and the Transferor Company shall, if and to the extent required, apply for and obtain any approvals from all appropriate Governmental Authorities for the issue and allotment of equity shares to the Transferor Company Shareholders pursuant to Clause 12.1 of the Scheme.

12.8. Equity shares to be issued by the Transferee Company to the Transferor Company Shareholders pursuant to Clause 12.1 of this Scheme shall, subject to the receipt of necessary approvals, be listed and/or admitted to trading on the Stock Exchanges, where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the said Stock Exchanges. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated Stock Exchange.

12.9. The equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the Act or otherwise shall, pending allotment or settlement of dispute by order of

a court or otherwise, also be kept in abeyance by the Transferee Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any of the Transferor Company Shareholders, the Board of Directors of the Transferee Company shall be empowered to take such actions as may be necessary in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the shares issued by the Transferee Company pursuant to the Scheme.

12.10. Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the Transferor Company Shareholders, as provided in this Scheme and there shall be no need to pass a separate shareholders' resolution at a general meeting for the same, as is required under Section 62 and other applicable provisions of the Act.

12.11. The equity shares of the Transferee Company issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and the Transferee Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee Company may elect to rely upon. In the event the Transferee Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the effectiveness of the Scheme, the Transferor Company shall be dissolved without winding up and the Board of Directors of the Transferor Company shall, without any further act, instrument or deed, be and stand dissolved.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation of the Transferor Company in its books, in accordance with Appendix C to Ind AS 103, business combination of entities under common control, notified under Section 133 of the Act, Companies Indian Accounting Standards ('Ind AS') Rules, 2015 and other relevant provisions of the Act, and on the date determined in accordance with Ind AS.

15. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY

15.1. As an integral part of the Scheme, and, upon the Scheme becoming effective, the authorized share capital of the Transferor Company, as on the Effective Date, shall be deemed to be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of

stamp duty or registration fees and Clause V of the Memorandum of Association of the Transferee Company shall be altered accordingly.

15.2. It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association of the Transferee Company under the provisions of Section 13 and 61 of the Act and other applicable provisions of the Act. Pursuant to this Scheme, the Transferee Company shall file requisite forms with the relevant Registrar of Companies to give effect to the increase in its authorized equity share capital and payment of requisite fee and duty, as may be directed.

16. BOOKS AND RECORD OF THE TRANSFEROR COMPANY

The Transferor Company acknowledges that all books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic of the Transferor Company shall be transferred to the Transferee Company on the Effective Date.

CHAPTER 3

GENERAL TERMS AND CONDITIONS

17. APPLICATION TO NCLT

17.1. The Transferor Company and the Transferee Company shall file joint applications before the NCLT for convening meetings of their respective members and creditors, if any, for considering, and if thought fit, approving this Scheme, with or without modification.

17.2. Upon this Scheme being agreed to by requisite majority of the members / creditors, if any, of the Transferor Company and the Transferee Company at such meetings, the Transferor Company and the Transferee Company shall file a joint application before the NCLT for sanctioning the Scheme and for passing appropriate orders of transfer and vesting under Section 232 of the Act.

18. LISTING AGREEMENT AND SEBI COMPLIANCE

18.1. Since the Transferor Company and Transferee Company are listed companies, this Scheme is subject to compliances of all requirements under the SEBI Listing Regulations and all statutory directives of SEBI in so far as they relate to sanction and implementation of the Scheme including the SEBI Circular.

19. DECLARATION OF DIVIDEND, BONUS, ETC.

19.1. During the period between the date of approval of this Scheme by its Board of

Directors and up to and including the Effective Date, the Transferor Company shall not declare or pay any dividends.

19.2. 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 Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of the Companies and subject, wherever necessary, to the approval of the shareholders of the concerned Company.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

20.1. The Transferor Company and the Transferee Company agree that if, at any time, the NCLT or any Governmental Authority directs or requires any material modification or amendment of the Scheme, such material modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior written consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company. Notwithstanding the above, if any modification or amendment to the Scheme, whether material or not, adversely affects the interest of the Transferor Company or the Transferee Company, then, such modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company.

20.2. In the event a modification or amendment to the Scheme as required by the NCLT or any Governmental Authority is not approved in accordance with this Clause 20, the Transferor Company and the Transferee Company shall enter into good faith discussions on the manner in which they shall proceed in relation to consummation of the transactions contemplated under the Scheme.

20.3. Notwithstanding anything contained in Clauses 20.1 and 20.2, any modification to the Scheme by any of the Companies, after receipt of sanction by the NCLT and/or the Stock Exchanges, shall be made only with the prior approval of the NCLT and/or the Stock Exchanges.

21. CONDITIONALITY OF THE SCHEME

21.1. This Scheme is and shall be conditional upon and subject to:

21.1.1. Receipt of written approval from the Directorate of Industries, Government of Maharashtra under the eligibility certificate issued for the Mega Project under Package Scheme of Incentives 2007.

21.1.2. The Scheme being approved by requisite majorities of such classes of Persons, including the respective members and/or creditors of the

Companies as may be directed by the NCLT under Sections 230 to 232 of the Act.

21.1.3. Receipt of no-objection letters from the Stock Exchanges in respect of the Scheme and the transaction contemplated therein, which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith.

21.1.4. The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act, either on terms as originally approved by the Companies, or subject to such modifications approved by the NCLT, which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith.

21.1.5. The Scheme being approved by the shareholders of the Companies through resolutions (including by the Public Shareholders through e-voting) passed in terms of paragraphs 9(a) and 9(b) of Annexure I of the SEBI Circular, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by the Public Shareholders in favour of the Scheme are more than the votes cast by the Public Shareholders against it.

21.1.6. Making the necessary filings with, and obtaining approvals from, such authorities, as may be required, and any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

21.1.7. Certified copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction over the Companies.

21.1.8. The fulfillment, satisfaction or waiver (as the case may be) of such other conditions precedent as may be agreed *inter-alia* between the Transferor Company and the Transferee Company.

21.1.9. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Companies.

21.2. The Scheme shall come into operation from the Effective Date but with effect from the Appointed Date.

22. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

22.1. In the event the Scheme does not come into effect within 24 (Twenty Four) months from the date on which the Board of Directors of the Companies have approved this Scheme (**"Long Stop Date"**), either the Transferor Company or the Transferee Company may opt to terminate this Scheme and if required may file appropriate proceedings before the concerned NCLT in this respect. Provided however, that the Transferor Company or the Transferee Company shall have the right to mutually extend the Long Stop Date, in writing.

22.2. If any part or provision of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.

23. EXPENSES CONNECTED WITH THE SCHEME

23.1. Except as stated in Clause 23.2 below, each Company shall bear its own costs, charges and expenses in relation to the transactions contemplated herein.

23.2. All costs, charges and expenses in respect of the Amalgamation of the Transferor Company with the Transferee Company in terms of or pursuant to the Scheme and in relation to the registration and the stamping of the Sanction Order including registration charges, stamp duty, transfer charges/duty/fees and all other expenses in respect of the Amalgamation, including transfer of all properties, if any, in terms of or pursuant to the Scheme shall be borne by the Transferee Company.

24. POWER TO REMOVE DIFFICULTIES

The Board of Directors of the Companies may jointly and as mutually agreed:

24.1. give such directions (acting jointly) as may be mutually agreed by the Companies as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those.

24.2. do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

25. RESIDUAL PROVISIONS

25.1. The consent of the shareholders and creditors of each of the Companies to the Scheme in accordance with the Act and the SEBI Circular, as applicable, shall be deemed sufficient for the purposes of effecting all the actions set out in this Scheme and no additional actions of the Companies or their respective shareholders and / or creditors shall be separately required.

25.2. Upon the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted and completed by the parties concerned. For the avoidance of doubt, it is hereby clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Transferor Company have been replaced with the name of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary.

25.3. The Transferee Company may, at any time after the Scheme becomes effective in

accordance with the provisions hereof, if so required under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any contract or arrangement to which any of the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes specified above by the Transferor Company.

25.4. Upon the Scheme becoming effective, all licences, incentives, remissions, tax incentives, subsidies, privileges, consents, sanctions, and other authorisations, to which the Transferor Company are entitled, shall stand vested in the Transferee Company and permitted or continued by the order of sanction of the NCLT. The Transferee Company shall file the Scheme with applicable Governmental Authorities, including the Registrar of Companies, for their record, who shall take it on record pursuant to the Sanction Order of the NCLT.



Annexure - 2

DIAGEO
INDIA

United Spirits Limited

Registered Office:
UB Tower
#24 Vittal Mallya Road
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
www.diageoindia.com

February 28, 2020

To,
General Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Dear Sir,

Subject: Certificate confirming changes made in the scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited and United Spirits Limited

Ref: Case No. – 102429

We hereby confirm that, except the changes stated in below table, there are no other changes have been made to the scheme.

Sl. No.	Para No. of the scheme	Existing clause		Changed clause	
1	3	**Particulars**	**Rupees**	**Particulars**	**Rupees**
		Authorized Capital		**Authorized Capital**	
		17,500,000 Equity Shares of Rs. 10/- each	175,000,000	17,500,000 Equity Shares of Rs. 10/- each	175,000,000
		2,500,000 Preference Shares of Rs.10/- each	25,000,000	2,500,000 Preference Shares of Rs.10/- each	25,000,000
		Total	200,000,000	**Total**	200,000,000
		Issued, Subscribed and Paid-up		**Issued, Subscribed and Paid-up**	
		13,388,200 Equity Shares of Rs. 10/- each	133,882,000	13,388,200 Equity Shares of Rs. 10/- each	133,882,000
		Forfeited shares 62,400 Equity Shares (Rs. 5/- each, paid up)	312,000	**Forfeited shares** 62,400 Equity Shares (Rs. 5/- each, paid up)	312,000
		Total	134,200,000	**Total**	134,194,000

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INDIA

2	12.3	In case any equity shareholder of the Transferor Company owns shares in the Transferee Company, such that it becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions: 12.3.1. consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements; 12.3.2. round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of additional equity shares to the relevant shareholders; or 12.3.3. deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the Transferor Company Shareholders and the Transferee Company.	Pursuant to issuance and allotment of the Amalgamation Consideration Shares, in case any equity shareholder of the Transferor Company becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

Revised scheme is enclosed as Annexure – 1 for ready reference.

Thanking you,

For **United Spirits Limited**

V Ramachandran
EVP & Company Secretary

Enclosed as above

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INDIA

United Spirits Limited

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www.diageoindia.com

February 28, 2020

To,
Mr. Mehul Vasaiya
Deputy Manager,
National Stock Exchange of India Ltd.,
Mumbai – 400 061

Dear Sir,

Subject: Response to your letter dated February 18, 2020

Ref: NSE/LIST/22715

This is with reference to your letter dated February 18, 2020 seeking further clarifications on our application for Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited. Our responses are provided below:

1. *As per telephonic conversation there is some typo error in the scheme, kindly provide the revised scheme along with an comparative statement of the changes made in the scheme and an undertaking mentioning changes made in the scheme and confirmation that the changes made in the scheme due to typo error and there is no other changes made in the scheme other than already mentioned.*

   Response – We have rectified the errors and revised draft scheme of amalgamation and arrangement enclosed as Annexure – 1. An undertaking in this effect is enclosed as Annexure – 2. Please note that the change specified at serial no. 1 (of Annexure – 2) is due to a typographical error, while the change specified at serial no. 2 (of Annexure – 2) is based on the comments received from BSE Limited.

Kindly accept the above and provide us with necessary approvals.

Thanking you,

For **United Spirits Limited**

V Ramachandran
EVP & Company Secretary

Enclosed as above

Annexure - 1

Certified True Copy
For UNITED SPIRITS LIMITED

V. RAMACHANDRAN
Company Secretary

SCHEME OF AMALGAMATION AND ARRANGEMENT

UNDER SECTIONS 230 to 232 OF THE COMPANIES ACT, 2013

AMONGST

PIONEER DISTILLERIES LIMITED
(Transferor Company)

AND

UNITED SPIRITS LIMITED
(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CHAPTER 1

GENERAL

(A) Background of Companies and Rationale

(i) This scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited ("**Transferor Company**") and United Spirits Limited ("**Transferee Company**") provides for (a) the amalgamation of the Transferor Company with the Transferee Company ("**Amalgamation**"), pursuant to the relevant provisions of the Act (defined below), as may be applicable; and (b) various other matters consequential or integrally connected therewith, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof.

(ii) The Transferor Company, a public limited company incorporated on November 25, 1992 under the Companies Act, 1956, with corporate identification number L24116KA1992PLC125992, has its registered office situated at UB Tower, Level-10, # 24, Vittal Mallya Road, Bangalore - 560 001. The equity shares of the Transferor Company are listed on the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**"). The Transferor Company is *inter alia* engaged in the Business (as defined below).

(iii) The Transferee Company, a public limited company incorporated on March 31, 1999 under the Companies Act, 1956 with corporate identification number L01551KA1999PLC024991, has its registered office situated at UB Tower, # 24, Vittal Mallya Road, Bangalore - 560 001. The equity shares of the Transferee Company are listed on the Stock Exchanges. The Transferee Company is engaged in the business of distilling, rectifying and blending of spirits, and production of ethyl alcohol from fermented material.

(iv) The Transferee Company and the Transferor Company are desirous of amalgamating the Transferor Company as a going concern with the Transferee Company in accordance with Sections 230 to 232 and/or other applicable provisions of the Act.

(v) The Amalgamation of the Transferor Company with the Transferee Company is sought to be undertaken to achieve the following:

(a) simplification of the corporate structure and consolidation of the group's business;

(b) realising business efficiencies, inter alia, through optimum utilisation of resources due to pooling of management, expertise and other resources of the Companies, and to achieve economies of scale;

(c) overcoming limitations on raising capital for the Transferor Company, ensuring improved allocation of capital and optimum cash flows contributing to better utilisation of capacity and the overall growth of the combined entity;

(d) creation of a larger asset base and facilitation of access to better financial

resources;

(e) savings on compliance / interest costs;

(f) uninterrupted operations of the Transferor Company's plant in order to stabilize its business;

(g) integration of the Transferor Company's operations with the Transferee Company resulting in benefits arising out of the synergies, especially since the Transferee Company is in the same line of business as the Transferor Company; and

(h) enhanced shareholder value pursuant to economies of scale and business efficiencies.

The Transferor Company has been incurring losses in the recent past and its entire net worth has eroded. The Transferee Company, holding 75% of the equity capital of the Transferor Company, has to account to the extent of 75% of the losses of the Transferor Company while consolidating its accounts. Continuity of the Transferor Company, without the active support of the Transferee Company, would be very difficult. Amalgamation of the Transferor Company with the Transferee Company would be beneficial to both the Companies, including with respect to ease of getting uninterrupted financial and technical support and the Transferee Company getting the full benefit of the Transferor Company's manufacturing facilities.

(vi) The Scheme is expected to be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.

(vii) The Amalgamation shall comply with the provisions of Section 2(1B) of the Income Tax Act, 1961.

(B) Chapters in the Scheme

The Scheme is divided into 3 chapters, the details of which are as follows:

1. **Chapter 1:** Chapter 1 of this Scheme sets forth the background of the Companies, overview and objects of the Scheme and definitions and interpretation which are common and applicable to all chapters of the Scheme.

2. **Chapter 2:** Chapter 2 deals with the Amalgamation and transfer and vesting of all assets and liabilities of the Transferor Company to/in the Transferee Company.

3. **Chapter 3:** Chapter 3 provides for general terms and conditions applicable to this Scheme.

4. Chapters 2 is further sub-divided into the following parts:

   (a) *Part 1* provides for the current capital structure of the Transferor Company and the Transferee Company;

   (b) *Part 2* deals with the Amalgamation of the Transferor Company with the

Transferee Company, in accordance with Sections 230 to 232 and/or other applicable provisions of the Act; and

(c) *Part 3* deals with consideration and accounting treatment.

1. GENERAL DEFINITIONS AND INTERPRETATIONS

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

"Act" means the Companies Act, 2013 and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactments or amendments thereof;

"Amalgamation Consideration Shares" has the meaning ascribed to it Clause 12.1 of the Scheme;

"Applicable Law" means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, requirement or any similar form of determination by or decision of any Governmental Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Board of Directors of the Companies or at any time thereafter;

"Appointed Date" means April 1, 2019 or such date as may be fixed or approved by the NCLT;

"Board of Directors" shall mean the board of directors or any committee thereof, of the Transferor Company or the Transferee Company, as the context may require;

"Business" means the business of manufacture and sale of extra neutral alcohol, malt spirits, Indian Made Foreign Liquor (IMFL) and other allied products, including bottling operations;

"Companies" shall collectively mean the Transferor Company and the Transferee Company;

"Contracts" with respect to a Person, means any agreement, contract, undertaking, or legally binding commitment entered into by such Person;

"Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 21.1 have been fulfilled, obtained or waived (to the extent possible under Applicable Law), as applicable. References in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construed accordingly;

"Encumbrance" means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint, or any other encumbrance of any kind or nature whatsoever, including any right granted by a transaction which, in legal terms, is not only the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

"Goodwill" means and includes the goodwill of Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the Business in succession to the Transferor Company and includes the Business related claims, information, records, relationships with customers, product registrations/approvals, skilled employees, trademark, technical know-how and other Intangible Assets, as defined below;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial, quasi-judicial or arbitral body in India or outside India and includes SEBI and the Stock Exchanges;

"Intangible Assets" means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, in each case whether registered or unregistered, and including but not limited to (i) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; (ii) copyrights and copyrightable subject matter; (iii) trademarks, service marks, names, corporate names, trade names, domain names, logos, slogans, trade dress, registered designs, design rights and other similar designations of source or origin; (iv) all know-how, patents, confidential information, trade secrets, ideas, proprietary processes, formulae, models and methodologies; (v) rights of publicity, privacy, and rights to personal information; (vi) moral rights and rights of attribution and integrity; or (vii) any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world;

"NCLT" means the National Company Law Tribunal at Bengaluru, or such other forum or authority as may be vested with the powers of the High Court under Sections 230 to 232 of the Act, as may be applicable;

"Person" means any individual, partnership, joint venture, firm, corporation, company, association, trust or other enterprise (whether incorporated or not) or government (central, state or otherwise), sovereign, or any agency, department, authority or political sub-division thereof, international organization, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs;

"Public" shall have meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly;

"Record Date" shall mean such date to be fixed by the respective Board of Directors of the Transferee Company and Transferor Company for the purpose of determining the members of the Transferor Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme;

"Sanction Order" means the order of the NCLT sanctioning the Scheme;

"Scheme" means this scheme of amalgamation and arrangement with such modification(s), if any made, in accordance with the terms hereof or the directions / observations of the Stock Exchanges or any other Governmental Authority including SEBI or the NCLT, and approved by the NCLT;

"**SEBI**" means the Securities Exchange Board of India;

"**SEBI Circular**" means the circular number CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by SEBI along with the amendments thereto;

"**SEBI Listing Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 along with the amendments thereto;

"Taxes" or "Tax" or "Taxation" means all forms of taxation with reference to profits, gains, net wealth, asset values, turnover, gross receipts, duties (including stamp duties), levies, imposts, including without limitation corporate income–tax, wage withholding tax, fringe benefit tax, value added tax, customs, service tax, excise duties, goods and services tax, fees or levies and other legal transaction taxes, dividend/withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties, any other similar assessments or other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, assessments, or addition to Tax, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction or country;

"Transferor Company Shareholders" has the meaning ascribed to it Clause 12.1 of the Scheme; and

"**Undertaking**" shall mean all the undertaking and entire business of the Transferor Company (including business, properties, assets, investments, goodwill and rights of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed, liabilities, obligations and commitments of the Transferor Company) on a going concern basis, and with the continuity of business of the Transferor Company, which shall include (without limitation):

(a) all assets wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, leaseholds and other interests of whatsoever nature, wheresoever situated including all lands, buildings, offices, marketing offices, liaison offices, furniture, fixtures, office equipment, appliances, accessories, inventories together with all present and future liabilities (including contingent liabilities) and all cash and bank balances appertaining or relating to the Transferor Company;

(b) all current assets, including sundry debtors, receivables, loans and advances, actionable claims, bills and credit notes of the Transferor Company;

(c) all permits, rights, entitlements, registrations and other licences, approvals, permissions, consents from various authorities, including municipal (whether granted or pending), trademarks, patents, copyrights, software programs and data (whether proprietary or otherwise), all other intellectual property, goodwill, receivables, benefit of any deposits, assets, properties or other interests, financial assets including investments of all kinds, funds belonging to or utilised for the

Transferor Company, bank accounts, privileges, all other rights and benefits including any tax exemptions, deferrals and other benefits or privileges including any unabsorbed tax depreciation, tax losses, deferred tax assets and refund claims made by the Transferee Company before the tax authorities, any tax (direct or indirect) including advance tax paid or any tax deducted in respect of any income received, exemptions, tax credits, minimum alternate tax credits as per Section 115JAA of the Income Tax Act, 1961, any credit in respect of indirect taxes including Goods and Services Tax (GST) credits, Eligibility Certificate for Mega Project under the Package Scheme of Incentives, 2007 issued by the Government of Maharashtra, tenancies in relation to office and / or residential properties for the employees, memberships, lease rights, powers and facilities of every kind, nature, and description whatsoever, rights to use and avail of telephones, internet, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements, letters of intent, memoranda of understanding, expressions of interest whether under agreements or otherwise and all other interests in connection with or relating to the Transferor Company;

(d) all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;

(e) all trade secrets, confidential information, inventions, know-how, formulae, processes, procedures, research records, records of inventions, test information, market surveys and marketing know-how of the Transferor Company;

(f) all patents (including all reissues, divisions, continuations and extensions thereof), patent applications, patent rights, trademarks, trademark registrations, trademark applications, service marks, trade names, business names, copyrights, copyright registrations, designs, design registrations, and all rights to any of the foregoing, of the Transferor Company;

(g) all contracts, leases, subleases, licenses, indentures, agreements, commitments and all other legally binding arrangements, whether oral or written, to which the Transferor Company is a party or by which the Transferor Company is bound;

(h) all raw material, work-in-progress, finished goods, supplies, parts, spare parts and other inventories of the Transferor Company (including in transit, on consignment or in the possession of any third party);

(i) all partnership interests or any other equity interest in any corporation, company, limited liability company, partnership, joint venture, trust or other business association;

(j) all rights in and to products sold or leased;

(k) all credits, prepaid expenses, deferred charges, advance payments, security deposits and prepaid items that are paid / held;

(l) all necessary records, files, papers, computer programmes, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical or electronic form in connection with or relating to the Transferor Company;

(m) all books of accounts, ledgers, general, financial, accounting and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, billing records, sales and promotional literature, manuals, customer and supplier correspondence (in all cases, in any form or medium), of the Transferor Company;

(n) all rights, claims, credits, advances, loans, fixed deposits, provisions and commitments, including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favour of the Transferor Company in respect of any other asset or any liability appertaining or relating to the Transferor Company;

(o) all liabilities, obligations, duties, undertakings, debt and commitments of the Transferor Company;

(p) all accounts payable of the Transferor Company; and

(q) any other assets and liabilities.

It is intended that the definition of Undertaking set out above would enable the transfer of all properties, assets, liabilities, employees, etc. of the Transferor Company to the Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF COMING IN TO EFFECT

The Scheme in its present form or with any modification approved or imposed or directed by the NCLT shall come into operation from the Effective Date with effect from the Appointed Date.

CHAPTER 2

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Part 1

3. SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31 March 2019 is below:

Particulars	Rupees
Authorized Capital	
2,740,000,000 Equity Shares of Rs. 2/- each	5,480,000,000
171,200,000 Preference Shares of Rs.10/- each	1,712,000,000
Total	7,192,000,000
Issued, Subscribed and Paid-up	
726,638,715 Equity Shares of Rs. 2/- each	1,453,277,430
Total	1,453,277,430

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company till the date of approval of the Scheme by the Board of the Transferee Company.

The equity shares of the Transferee Company are listed on the Stock Exchanges.

The authorized, issued, subscribed and paid up share capital of the Transferor Company as on 31 March 2019 is as under:

Particulars	Rupees
Authorized Capital	
17,500,000 Equity Shares of Rs. 10 /- each	175,000,000
2,500,000 Preference Shares of Rs.10/- each	25,000,000
Total	200,000,000
Issued, Subscribed and Paid-up	
13,388,200 Equity Shares of Rs. 10/- each	133,882,000
Forfeited shares 62,400 Equity Shares (Rs. 5/- each, paid up)	312,000
Total	134,194,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

The equity shares of the Transferor Company are listed on the Stock Exchanges.

Part 2

4. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company shall, in accordance with Sections 230 to 232 of the Act, without any further act or deed, stand amalgamated with the Transferee Company and consequently (i) the Undertaking of the Transferor Company shall, as on the Appointed Date, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, and (ii) the Transferor Company shall stand dissolved without being wound up.

4.1. TRANSFER OF ASSETS

4.1.1. Upon the Scheme becoming effective, as on the Appointed Date, the whole of the assets of Transferor Company, wherever situated and of whatsoever nature whether capable of passing by manual delivery and/or endorsement or otherwise however shall, under the provisions of Sections 230 to 232, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to vest in, become and form part of the Transferee Company along with all the rights, claims, title and interest of the Transferee Company therein.

4.1.2. Without prejudice to the generality of Clause 4.1.1 above, upon the Scheme becoming effective, as on the Appointed Date:

(a) All the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Transferor Company shall, without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, as a going concern, so as to become as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

(b) All movable assets including cash, if any, of Transferor Company which are capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company and shall become the property of the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same.

(c) Movable assets of the Transferor Company other than those specified in Clause 4.1.2(b) above and any intangible assets, including sundry debtors, loans, receivables, bills, credits, advances, if any, recoverable in cash or kind or for value to be received, bank accounts including bank balances, investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, and any related capitalized items and other tangible property of every kind, nature and

description, share of any joint assets, benefits of any bank guarantee, performance guarantee and any letter of credit, earnest money, advances and deposits, if any, with government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., the same shall, on and from the Appointed Date, stand transferred to the Transferee Company to the end and intent that the right of the Transferor Company to receive the benefit of such investments, cash equivalents, financial assets, insurance policies, provisions, funds, equipment, capitalized items and tangible property, share of any joint assets, bank guarantee, performance guarantee and any letter of credit, earnest money, advances or deposits or recover or realize all such debts (including the debts payable by such Persons or depositors to the Transferor Company) stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors or other Persons (although the Transferee Company may itself without being obliged and if it so deems appropriate at its sole discretion, at any time after coming into effect of this Scheme in accordance with the provisions hereof, or if so required under any law, give notices in such form as it may deem fit and proper, to each Person, debtors or depositors, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said asset stands transferred and vested in the Transferee Company and be paid or made good or held on account of the Transferee Company as the Person entitled thereto).

(d) All lease and license agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with use of the assets of the Undertaking of the Transferor Company, together with the security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company;

(e) All immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise, any tenancies in relation to warehouses, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company or the Transferee Company, and it shall not be necessary to obtain the consent of any third party or other Person in order to give effect to the provisions of this clause. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authority pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. Upon this Scheme becoming effective, until the

owned property, leasehold property and related rights thereto, license or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected in the record of the appropriate authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorised to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease and / or license, as the case may be, and the Transferee Company shall keep a record and account of such transactions. For purposes of taking on record the name of the Transferee Company in the records of the Governmental Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Board of Directors of the Companies may approve the execution of such documents or deeds as may be necessary, including deeds of assignment of lease or leave or license (as the case may be) by the Transferor Company in favour of the Transferee Company.

(f) All the licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, bids, tenders, letters of intent, expressions of intent, memoranda of understanding or similar instruments, incentives, exemptions and benefits, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become licenses, permissions, approvals, sanctions, consents, permits, entitlements, quotas, registrations, incentives, exemptions and benefits, grants, rights, claims, liberties, special status and other benefits or privileges of the Transferor Company and shall remain valid, effective and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Transferee Company. For the avoidance of doubt and without prejudice to the generality of the foregoing, all consents, no-objection certificates, certificates, clearances, authorities (including operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company.

(g) All cheques and other negotiable instruments, payment orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be deemed to be in the name of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company or received through electronic transfers and the bankers of the Transferee Company shall accept the same. Similarly, the banker of the Transferee Company shall honour all cheques/electronic fund transfer instructions issued by the Transferor Company for payment after the Effective Date. If required, the bankers of the Transferor Company and/or the Transferee Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques,

pay order and electronic transfers that have been issued/made in the name of the Transferor Company, subject to such accounts being operated by the Transferee Company.

(h) All Intangible Assets including but not limited to rights in intellectual property (whether owned, licensed or otherwise, whether registered or unregistered) used in relation to the Transferor Company, including with respect to the Business, including the logo and trademark of the Transferor Company, and all other trade names, service names, trademarks, trade dress, logos, brands, corporate names, brand names, domain names, mask works, copyrights, designs, know-how and trade secrets, software and all website content (including text, graphics, images, audio, video and date), confidential business information and other proprietary information, patents, along with all rights of commercial nature including attached Goodwill, title, interest, labels and brand registrations and all such other industrial or intellectual rights of whatsoever nature and advantages of whatever nature in connection with the above including any Goodwill relating to such intellectual property, whether or not provided in the books of accounts of the Transferor Company, shall under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the Intangible Asset of the Transferee Company.

(i) All books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form of the Transferor Company, including in connection with or relating to the Business, shall, under the provisions of Sections 230 to 232 of the Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, with effect from the Appointed Date.

(j) All benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/complied with by the Transferee Company.

(k) All electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Transferor Company, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant

electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connections and shall also be entitled to refund of security deposits placed with such utility companies, boards, agencies and authorities by the Transferor Company.

(l) All *inter se* contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Appointed Date, there will be no accrual of income or expense on account of any transactions, including any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or charges in respect of any *inter se* loans, deposits or balances between the Transferor Company and the Transferee Company.

(m) The borrowing and investment limits of the Transferee Company under the Act shall be deemed without further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company. Any corporate approvals obtained by the Transferor Company, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

(n) The secured creditors of the Transferor Company and / or other holders of security over the properties of the Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and / or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company: (a) the secured creditors of the Transferor Company and / or holders of security over the properties of the Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in the future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and / or holders of any security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Company and therefore such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

4.1.3. Any tax exemptions, deferrals and other benefits or privileges including (but not limited to) advance tax paid or any tax deducted in respect of any income received, exemptions, tax credits, minimum alternate tax credits as per Section 115JAA of the Income Tax Act, 1961, any credit in respect of indirect taxes including Goods and Services Tax (GST) credits, Eligibility Certificate for Mega Project under the Package Scheme of Incentives, 2007 issued by the Government of Maharashtra, advance taxes, credits in respect of taxes deducted at source, unabsorbed tax depreciation, tax losses, deferred tax assets and refund claims made by the Transferee Company before the tax authorities shall, upon the coming into effect of this Scheme, also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.

4.1.4. Any assets, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of this Scheme.

4.1.5. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all necessary instruments or documents or do all the acts and deeds as may be required, including making the necessary filings with the relevant Governmental Authority or any other third party, to give formal effect to the above provisions, if required.

5. TRANSFER OF LIABILITIES

5.1. Upon the Scheme becoming effective, all the liabilities of the Transferor Company, as on the Appointed Date, including all secured and unsecured debts (whether in Indian Rupee (INR) or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations, shall also, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred or deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, duties, losses, obligations of the Transferee Company and further that all the liabilities incurred/contracted by the Transferor Company during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by the Transferee Company and shall be deemed to be the liabilities and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any Person in order to give effect to the provisions of this Clause.

5.2. Where any of the loans, debts, liabilities, duties and obligations of the Transferor Company which are deemed to be transferred to the Transferee Company under this Scheme have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

5.3. Without prejudice to Clause 5.1, upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Transferor Company for the operations of the Business with effect from the Appointed Date and prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the liabilities and 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 which such liabilities have arisen in order to give effect to the provisions of this clause.

5.4. The Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Transferor Company which shall vest in the Transferee Company by virtue of the Scheme, including for the avoidance of doubt and notwithstanding anything contained herein, that no Encumbrances shall be extended to any of the assets of the Transferee Company.

5.5. It is expressly provided that, no term or condition of the liabilities that are being transferred to the Transferee Company as part of the Scheme and terms on which the liabilities are transferred to the Transferee Company as part of the Scheme, shall be modified by virtue of this Scheme.

5.6. Upon the Scheme becoming effective, with effect from the Appointed Date, all inter-se liabilities and other receivables and payables including any loans thereof, between Transferee Company and Transferor Company, if any, due or outstanding or which may at any time immediately prior to the Appointed Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of the Appointed Date and corresponding effect shall be given in the books of account and records of Transferee Company.

5.7. Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required.

5.8. The provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions.

6. TAXES AND TAXATION

6.1. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and income-tax/ indirect tax returns (where required) along with prescribed forms, filings and annexures under the Income Tax Act, 1961,

central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

6.2. Upon the Scheme becoming effective, all Taxes payable by, or refundable to, the Transferor Company, including any refund, claims or credits (including credits for income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax credit, central value added tax credit, goods and services tax credits, other indirect tax credits and other tax receivables) shall be treated as the tax liability, refunds, claims or credits, as the case may be, of the Transferee Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reductions, which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes on behalf of the Transferor Company.

6.3. All Taxes payable by the Transferor Company from the Appointed Date onwards for the operations of the Transferor Company, including the Business, shall be to the account of the Transferee Company; similarly all Tax credits pertaining to the Transferor Company, shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by Transferor Company. If, during the period between the Appointed Date and the Effective Date, any Tax returns or any other filings, representations or other submissions pertaining to the Transferor Company are required to be filed or made by the Transferor Company with or to the Tax authorities, the Transferor Company shall do the same in consultation with the Transferee Company and not without the prior written consent of the Transferee Company.

6.4. The provisions of this Scheme, as they relate to amalgamation of the Transferor Company into the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

7. EMPLOYEES

7.1. On the Scheme becoming effective, all staff and employees of the Transferor Company who are employed with the Transferor Company on the Effective Date ("**Transferred Employees**"), shall be deemed to have become the staff and employees of the Transferee Company with effect from the Effective Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them as employees of the Transferor Company on the Effective Date.

7.2. The services of the Transferred Employees with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Transferor Company.

7.3. It is expressly provided that, on the Scheme becoming effective, the contributions made by the Transferor Company in respect of the Transferred Employees under Applicable Law to the provident fund, gratuity fund, contribution towards employees state insurance, superannuation fund, retirement fund or any other special fund or trusts created or existing for the benefit of the Transferred Employees (collectively referred to as the "**Funds**") shall be deemed to be contributions made by the Transferee Company, and the Funds shall be transferred to similar Funds created by the Transferee Company and shall be held for their benefit pursuant to this Scheme or, at the Transferee Company's sole discretion, maintained as separate Funds by the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with Applicable Law. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said Fund or Funds.

7.4. In relation to any other fund created or existing for the benefit of the Transferred Employees, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

7.5. The Transferee Company shall comply with any agreement(s) / settlement(s) entered into with labour unions (if any) or employees by the Transferor Company. The Transferee Company agrees that for the purposes of the payment of any retrenchment compensation, gratuity and other termination benefits, the past services of employees with the Transferor Company, if any, shall also be taken into account, and further agrees to pay such benefits when they become due.

8. LEGAL PROCEEDINGS

All legal proceedings, including, quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date, including those arising under the Income Tax Act, 1961 and any other indirect tax laws, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be, in a manner and to a similar extent as would or might have been continued and enforced by or against the Transferor Company. The Transferee Company undertakes to have all legal or other proceedings specified in this clause, initiated by or against the Transferor Company, transferred to its name and to



have such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be. Following the Effective Date, the Transferee Company may initiate any legal proceedings for and on behalf of the Transferor Company.

9. CONTRACTS, DEEDS, ETC.

9.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately prior to the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto from inception.

9.2. Without prejudice to Clause 9.1, upon the Scheme becoming effective, with effect from the Appointed Date, all Contracts and arrangements in any form relating to the Business, including Contracts pertaining to, customers, vendors, benefits of all Contracts, whether registered or not registered, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

9.3. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if it considers necessary, enter into, or issue or execute deeds, writings, tripartite arrangements, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company. The Transferor Company shall execute such writings as may be reasonably required by the Transferee Company in this regard.

9.4. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold/licensed properties or otherwise of the Transferor Company, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, pursuant to Section 232(4) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder.

9.5. All other agreements entered into by the Transferor Company in connection with the

assets of the Undertaking of the Transferor Company shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

10. CONDUCT OF BUSINESSES TILL THIS SCHEME COMES INTO EFFECT

10.1. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:

10.1.1. shall carry on and be deemed to have been carrying on the Business and other activities in relation to the operations of the Transferor Company and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferor Company for and on account of, and in trust for, the Transferee Company;

10.1.2. all profits or income arising or accruing in favour of the Transferor Company whether or not in relation to the Business and all Taxes paid thereon or losses, expenditures arising or incurred by the Transferor Company in relation thereto shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, expenditures as the case may be, of the Transferee Company;

10.1.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Business exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Business that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;

10.1.4. shall cause the Business (including making applications to any Governmental Authority for the renewal of permits which have expired) to be conducted as a going concern in trust for the Transferee Company and in the ordinary course of business; and

10.1.5. shall not, except as may be expressly required or permitted under this Scheme, make any change in its capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio, except with the prior approval of the Transferee Company.

10.2. Except with the prior approval of the Transferee Company, with effect from the date on which the Board of Directors of the Companies approve this Scheme up to and including the Effective Date, the Transferor Company shall not take any actions prohibited in terms of any agreement, arrangement, undertaking, deed or other document executed in writing *inter-alia* between the Companies and/or any of their shareholders.

11. SAVINGS OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets and liabilities of the Transferor Company as above and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date or till the Effective Date in accordance with this Scheme.

Part 3

12. CONSIDERATION

12.1. Upon coming into effect of the Scheme and in consideration for the Amalgamation, the Transferee Company shall, without any further application or deed, issue and allot its equity shares, credited as fully paid up, to all the equity shareholders holding fully paid up equity shares of the Transferor Company, whose names appear in the register of members of the Transferor Company and / or whose names appear as the beneficial owner of the shares of the Transferor Company in the records of the depository, as on the Record Date, to be fixed for the purpose of reckoning names of the equity shareholders the Transferor Company ("**Transferor Company Shareholders**"), in the following ratio:

"10 (Ten) fully paid up equity shares of face value Rs. 2 (Rupees two only) each of the Transferee Company, to be issued for every 47 (Forty Seven) fully paid up equity shares of face value Rs. 10 (Rupees ten only) each held by the Transferor Company Shareholders" (the "**Share Exchange Ratio**").

The equity shares held by the Transferee Company in the Transferor Company shall stand cancelled as an integral part of the Scheme and no equity shares of the Transferee Company shall be allotted in respect of such equity shares. The 62,400 forfeited shares of the Transferor Company shall stand extinguished and cancelled and an amount of Rs 3,12,000 shall be transferred to the head 'Capital Reserve' in the financial statement of the Transferee Company.

The equity shares of the Transferee Company issued and allotted to the Transferor Company Shareholders based on the Share Exchange Ratio provided above shall be referred to as "**Amalgamation Consideration Shares**".

12.2. Upon equity shares being issued by the Transferee Company to the Transferor Company Shareholders in accordance with clause 12.1 above, the shares held by the said shareholders in the Transferor Company shall be deemed to have been canceled and extinguished and be of no effect on and from such issue and allotment.

12.3. Pursuant to issuance and allotment of the Amalgamation Consideration Shares, in case any equity shareholder of the Transferor Company becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

12.4. SRBC & Co LLP, an independent chartered accountant firm, and Manuj Singhal, chartered accountant and registered valuer have issued valuation reports on the Share Exchange Ratio adopted under the Scheme for both the Companies. Saffron Capital Advisors Private Limited, a SEBI registered merchant banker, has provided its fairness opinion on the Share Exchange Ratio to the Transferor Company and Pantomath Capital Advisors (Private) Limited, a SEBI registered merchant banker, has provided its fairness opinion on the Share Exchange Ratio to the Board of Directors of the Transferee Company.

12.5. Equity shares to be issued by the Transferee Company to the respective Transferor Company Shareholders as above shall be subject to 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.

12.6. Equity shares in the Transferee Company shall be issued only in dematerialized form to the Transferor Company Shareholders whether or not they hold shares of the Transferor Company in physical or dematerialized form, in to the account in which the Transferor Company shares are held or such other account as is intimated by the shareholders to the Transferee Company and/or its Registrar. All the Transferor Company Shareholders who hold equity shares of the Transferor Company in physical form shall receive the equity shares in the Transferee Company, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferee Company and/or its Registrar. If not so notified, such equity shares shall be kept in abeyance and shall be issued to a Share Suspense Account maintained by the Company. Voting Rights on such shares shall be frozen as long as such shares are held in such Share Suspense Account. All corporate benefits accruing on such shares shall also be credited to such Share Suspense Account for a period of seven years and shall thereafter be transferred by the Transferee Company in accordance with provisions of Section 124(5) read with Section 124(6) of the Act and rules made thereunder.

12.7. The Board of Directors of the Transferee Company and the Transferor Company shall, if and to the extent required, apply for and obtain any approvals from all appropriate Governmental Authorities for the issue and allotment of equity shares to the Transferor Company Shareholders pursuant to Clause 12.1 of the Scheme.

12.8. Equity shares to be issued by the Transferee Company to the Transferor Company Shareholders pursuant to Clause 12.1 of this Scheme shall, subject to the receipt of necessary approvals, be listed and/or admitted to trading on the Stock Exchanges, where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the said Stock Exchanges. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated Stock Exchange.

12.9. The equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the Act or otherwise shall, pending allotment or settlement of dispute by order of

a court or otherwise, also be kept in abeyance by the Transferee Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any of the Transferor Company Shareholders, the Board of Directors of the Transferee Company shall be empowered to take such actions as may be necessary in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the shares issued by the Transferee Company pursuant to the Scheme.

12.10. Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the Transferor Company Shareholders, as provided in this Scheme and there shall be no need to pass a separate shareholders' resolution at a general meeting for the same, as is required under Section 62 and other applicable provisions of the Act.

12.11. The equity shares of the Transferee Company issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and the Transferee Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee Company may elect to rely upon. In the event the Transferee Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the effectiveness of the Scheme, the Transferor Company shall be dissolved without winding up and the Board of Directors of the Transferor Company shall, without any further act, instrument or deed, be and stand dissolved.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation of the Transferor Company in its books, in accordance with Appendix C to Ind AS 103, business combination of entities under common control, notified under Section 133 of the Act, Companies Indian Accounting Standards ('Ind AS') Rules, 2015 and other relevant provisions of the Act, and on the date determined in accordance with Ind AS.

15. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY

15.1. As an integral part of the Scheme, and, upon the Scheme becoming effective, the authorized share capital of the Transferor Company, as on the Effective Date, shall be deemed to be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of

stamp duty or registration fees and Clause V of the Memorandum of Association of the Transferee Company shall be altered accordingly.

15.2. It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association of the Transferee Company under the provisions of Section 13 and 61 of the Act and other applicable provisions of the Act. Pursuant to this Scheme, the Transferee Company shall file requisite forms with the relevant Registrar of Companies to give effect to the increase in its authorized equity share capital and payment of requisite fee and duty, as may be directed.

16. BOOKS AND RECORD OF THE TRANSFEROR COMPANY

The Transferor Company acknowledges that all books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic of the Transferor Company shall be transferred to the Transferee Company on the Effective Date.

CHAPTER 3

GENERAL TERMS AND CONDITIONS

17. APPLICATION TO NCLT

17.1. The Transferor Company and the Transferee Company shall file joint applications before the NCLT for convening meetings of their respective members and creditors, if any, for considering, and if thought fit, approving this Scheme, with or without modification.

17.2. Upon this Scheme being agreed to by requisite majority of the members / creditors, if any, of the Transferor Company and the Transferee Company at such meetings, the Transferor Company and the Transferee Company shall file a joint application before the NCLT for sanctioning the Scheme and for passing appropriate orders of transfer and vesting under Section 232 of the Act.

18. LISTING AGREEMENT AND SEBI COMPLIANCE

18.1. Since the Transferor Company and Transferee Company are listed companies, this Scheme is subject to compliances of all requirements under the SEBI Listing Regulations and all statutory directives of SEBI in so far as they relate to sanction and implementation of the Scheme including the SEBI Circular.

19. DECLARATION OF DIVIDEND, BONUS, ETC.

19.1. During the period between the date of approval of this Scheme by its Board of

Directors and up to and including the Effective Date, the Transferor Company shall not declare or pay any dividends.

19.2. 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 Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of the Companies and subject, wherever necessary, to the approval of the shareholders of the concerned Company.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

20.1. The Transferor Company and the Transferee Company agree that if, at any time, the NCLT or any Governmental Authority directs or requires any material modification or amendment of the Scheme, such material modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior written consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company. Notwithstanding the above, if any modification or amendment to the Scheme, whether material or not, adversely affects the interest of the Transferor Company or the Transferee Company, then, such modification or amendment shall not be binding on the Transferor Company or the Transferee Company, except where the prior consent of both the Transferor Company or the Transferee Company, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor Company and the Transferee Company.

20.2. In the event a modification or amendment to the Scheme as required by the NCLT or any Governmental Authority is not approved in accordance with this Clause 20, the Transferor Company and the Transferee Company shall enter into good faith discussions on the manner in which they shall proceed in relation to consummation of the transactions contemplated under the Scheme.

20.3. Notwithstanding anything contained in Clauses 20.1 and 20.2, any modification to the Scheme by any of the Companies, after receipt of sanction by the NCLT and/or the Stock Exchanges, shall be made only with the prior approval of the NCLT and/or the Stock Exchanges.

21. CONDITIONALITY OF THE SCHEME

21.1. This Scheme is and shall be conditional upon and subject to:

21.1.1. Receipt of written approval from the Directorate of Industries, Government of Maharashtra under the eligibility certificate issued for the Mega Project under Package Scheme of Incentives 2007.

21.1.2. The Scheme being approved by requisite majorities of such classes of Persons, including the respective members and/or creditors of the

Companies as may be directed by the NCLT under Sections 230 to 232 of the Act.

21.1.3. Receipt of no-objection letters from the Stock Exchanges in respect of the Scheme and the transaction contemplated therein, which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith.

21.1.4. The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act, either on terms as originally approved by the Companies, or subject to such modifications approved by the NCLT, which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith.

21.1.5. The Scheme being approved by the shareholders of the Companies through resolutions (including by the Public Shareholders through e-voting) passed in terms of paragraphs 9(a) and 9(b) of Annexure I of the SEBI Circular, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by the Public Shareholders in favour of the Scheme are more than the votes cast by the Public Shareholders against it.

21.1.6. Making the necessary filings with, and obtaining approvals from, such authorities, as may be required, and any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

21.1.7. Certified copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction over the Companies.

21.1.8. The fulfillment, satisfaction or waiver (as the case may be) of such other conditions precedent as may be agreed *inter-alia* between the Transferor Company and the Transferee Company.

21.1.9. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Companies.

21.2. The Scheme shall come into operation from the Effective Date but with effect from the Appointed Date.

22. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

22.1. In the event the Scheme does not come into effect within 24 (Twenty Four) months from the date on which the Board of Directors of the Companies have approved this Scheme (**"Long Stop Date"**), either the Transferor Company or the Transferee Company may opt to terminate this Scheme and if required may file appropriate proceedings before the concerned NCLT in this respect. Provided however, that the Transferor Company or the Transferee Company shall have the right to mutually extend the Long Stop Date, in writing.

22.2. If any part or provision of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.

23. EXPENSES CONNECTED WITH THE SCHEME

23.1. Except as stated in Clause 23.2 below, each Company shall bear its own costs, charges and expenses in relation to the transactions contemplated herein.

23.2. All costs, charges and expenses in respect of the Amalgamation of the Transferor Company with the Transferee Company in terms of or pursuant to the Scheme and in relation to the registration and the stamping of the Sanction Order including registration charges, stamp duty, transfer charges/duty/fees and all other expenses in respect of the Amalgamation, including transfer of all properties, if any, in terms of or pursuant to the Scheme shall be borne by the Transferee Company.

24. POWER TO REMOVE DIFFICULTIES

The Board of Directors of the Companies may jointly and as mutually agreed:

24.1. give such directions (acting jointly) as may be mutually agreed by the Companies as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those.

24.2. do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

25. RESIDUAL PROVISIONS

25.1. The consent of the shareholders and creditors of each of the Companies to the Scheme in accordance with the Act and the SEBI Circular, as applicable, shall be deemed sufficient for the purposes of effecting all the actions set out in this Scheme and no additional actions of the Companies or their respective shareholders and / or creditors shall be separately required.

25.2. Upon the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted and completed by the parties concerned. For the avoidance of doubt, it is hereby clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Transferor Company have been replaced with the name of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary.

25.3. The Transferee Company may, at any time after the Scheme becomes effective in

accordance with the provisions hereof, if so required under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any contract or arrangement to which any of the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes specified above by the Transferor Company.

25.4. Upon the Scheme becoming effective, all licences, incentives, remissions, tax incentives, subsidies, privileges, consents, sanctions, and other authorisations, to which the Transferor Company are entitled, shall stand vested in the Transferee Company and permitted or continued by the order of sanction of the NCLT. The Transferee Company shall file the Scheme with applicable Governmental Authorities, including the Registrar of Companies, for their record, who shall take it on record pursuant to the Sanction Order of the NCLT.



Annexure - 2

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United Spirits Limited

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February 28, 2020

To,
Mr. Mehul Vasaiya
Deputy Manager,
National Stock Exchange of India Ltd.,
Mumbai – 400 061

Dear Sir,

Subject: Certificate confirming changes made in the scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited and United Spirits Limited

Ref: Application No. – 22715

We hereby confirm that, except the changes stated in below table, there are no other changes have been made to the scheme.

Sl. No.	Para No. of the scheme	Existing clause		Changed clause	
1	3	**Particulars**	**Rupees**	**Particulars**	**Rupees**
		Authorized Capital		**Authorized Capital**	
		17,500,000 Equity Shares of Rs. 10/- each	175,000,000	17,500,000 Equity Shares of Rs. 10/- each	175,000,000
		2,500,000 Preference Shares of Rs.10/- each	25,000,000	2,500,000 Preference Shares of Rs.10/- each	25,000,000
		Total	200,000,000	**Total**	200,000,000
		Issued, Subscribed and Paid-up		**Issued, Subscribed and Paid-up**	
		13,388,200 Equity Shares of Rs. 10/- each	133,882,000	13,388,200 Equity Shares of Rs. 10/- each	133,882,000
		Forfeited shares 62,400 Equity Shares (Rs. 5/- each, paid up)	312,000	**Forfeited shares** 62,400 Equity Shares (Rs. 5/- each, paid up)	312,000
		Total	134,200,000	**Total**	134,194,000

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2	12.3	In case any equity shareholder of the Transferor Company owns shares in the Transferee Company, such that it becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions: 12.3.1. consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements; 12.3.2. round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of additional equity shares to the relevant shareholders; or 12.3.3. deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the Transferor Company Shareholders and the Transferee Company.	Pursuant to issuance and allotment of the Amalgamation Consideration Shares, in case any equity shareholder of the Transferor Company becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

Revised scheme is enclosed as Annexure – 1 for ready reference.

Thanking you,

For **United Spirits Limited**

V Ramachandran
EVP & Company Secretary

Enclosed as above

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March 17, 2020

To,
Mr. Mehul Vasaiya
Deputy Manager,
National Stock Exchange of India Ltd.,
Mumbai – 400 061

Dear Sir,

Subject: Response to your letter dated March 12, 2020

Ref: NSE/LIST/22715

This is with reference to your letter dated March 12, 2020, regarding the applicability of Regulation 24 of the SEBI (Delisting of Equity Shares) Regulations 2009 (***Delisting Regulations***) to the Scheme of Amalgamation and Arrangement Amongst Pioneer Distilleries Limited and United Spirits Limited (***Scheme***), due to the compulsory delisting of Kingfisher Airlines Limited (***KAL***) and United Breweries (Holdings) Limited (***UBHL***).

We would like to clarify at the very outset that the consequences of compulsory delisting provided in Regulation 24 of the Delisting Regulations will not be applicable to the present Scheme.

This is because, according to the public notice dated November 30, 2017 issued by BSE Limited (attached as **Annexure I**), SEBI has clarified that "*the consequences of compulsory delisting provided in Regulation 24 of the Delisting Regulations would not apply to companies which are 'Under Liquidation/ Liquidated' **if** the date of appointment of provisional liquidator or **the order of winding up is prior to the date of compulsory delisting.**".* Even NSE's public notices regarding delisting contain this clarification issued by SEBI (two recent examples enclosed as **Annexure II**)

In the case of KAL and UBHL, please note that an order of winding-up was passed against KAL on November 18, 2016 and against UBHL on February 7, 2017 (attached as **Annexure III** and **Annexure IV**, respectively). Clearly, these orders were passed well before the compulsory delisting of KAL and UBHL by the stock exchanges in 2018 (see further details below):

S. No.	Company	Date of winding up order	Date of compulsory delisting notice
1	KAL	November 18, 2016	BSE: May 9, 2018 (wef. May 11, 2018) **Annexure V (colly)**
2			NSE: May 19, 2018 (wef. May 30, 2018)

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			Annexure VI
3	UBHL	February 7, 2017	BSE: September 26, 2018 (wef. September 28, 2018) **Annexure VII**
4			NSE: August 17, 2018 (wef. September 11, 2018) **Annexure VIII**

Since the winding up orders against KAL and UBHL were issued prior to their delisting by the stock exchanges, in light of SEBI's clarifications, the consequences specified in Regulation 24 of the Delisting Regulations will not be applicable to the present Scheme

We wish to further highlight that issuance of shares pursuant to a merger would not fall within the ambit of "accessing the capital markets", and therefore, would not be covered under Regulation 24 of the Delisting Regulations. Please refer to paragraph 4(v) of the attached informal guidance dated April 20, 2018 issued by SEBI in the matter of Goldcrest Corporation Limited (**Annexure IX**).

Hope this clarifies. Please do let us know in case you have any further questions or clarifications.

Thanking you,

For **United Spirits Limited**

RAMACHANDRAN VENKATESAN IYER
Digitally signed by RAMACHANDRAN VENKATESAN IYER
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V Ramachandran

EVP & Company Secretary

Enclosed as above

EXPERIENCE THE NEW

BSE LIMITED

Registered Office: 25th Floor, P J Towers, Dalal Street, Mumbai - 400001
CIN: L67120MH2005PLC155188

PUBLIC NOTICE

In terms of Regulation 22(6) of the Securities and Exchange Board of India (Delisting of Equity shares) Regulations – 2009 **("Delisting Regulations")** and as per the rules made under Section 21A of the Securities Contracts (Regulation) Act, 1956 and the Rules, Bye-Laws and Regulations of BSE Limited **(Exchange),** the Exchange has compulsorily delisted companies from the platform of the Exchange and had issued final Public Notice dated January 21, 2017.

Recently, Securities and Exchange Board of India **(SEBI)** has issued clarification with respect to applicability of the consequences of compulsory delisting to companies that are under liquidation / liquidated, as follows:

a. *"If a company has been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, then the restrictions provided under Regulation 24 of Delisting Regulations shall be applicable.*

b. *If the company has not been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, the process of delisting will happen by operation of law and the restrictions under Regulation 24 of Delisting Regulations shall not be applicable."*

Accordingly, the consequences of compulsory delisting as provided for in Regulation 24 of the Delisting Regulations would not apply to the companies which are 'Under Liquidation/Liquidated', **if** the date of the appointment of provisional liquidator or the order of winding up **is prior to the date of compulsory delisting.**

For and On behalf of
BSE Ltd.

Date: November 30, 2017

National Stock Exchange of India Limited

'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

PUBLIC NOTICE

Public Notice for compulsory delisting of equity shares of companies in terms of Regulation 22 (6) of SEBI (Delisting of Equity Shares) Regulations, 2009.

Notice is now given that it has been decided to delist (withdraw the admission to dealings in) the equity shares of the companies w.e.f. March 2, 2020, in terms of Regulation 22(6) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Regulations"), Section 21A of Securities Contract (Regulation) Act, 1956, Securities Contract (Regulations) Rules, 1957 and Bye-Laws and Regulations of National Stock Exchange of India Limited ("Exchange").

Company Compulsorily Delisted

Entegra Limited (ENTEGRA)
***Registered Office Address:**
606, 6th floor, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400021.
**** As per MCA Website Registered Office Address:**
2, Niranjan, 99, Marine Drive, Marine Lines, Mumbai – 400002.
Fair Value: ₹ 6.09/-

Sr. No.	Name of Promoters	* Address of Promoter
1	Pratibha Warij Kasliwal	Not Available
2	Uravi Mukul Kasliwal	Not Available
3	S Kumars Power Gen And Dev Co P. Ltd	S. Kumars House, Plot No. 60, Street No. 14, Phase II, MIDC, Marol, Andheri (East), Mumbai - 400093.
4	Mw Infra Developers Limited	
5	Mw Corp Pvt Ltd	
6	Raj Infin Pvt Ltd	AE-50, Shalimar Bagh, New Delhi - 110088.
7	Girija Holding Pvt Ltd	Niranjan, Ground Floor, 99, Marine Drive, Mumbai – 400002.

Companies Delisted due to Liquidation

Sr. No.	# Company Name	* Registered Office Address of the Company
1	ABG Shipyard Limited (ABGSHIP)	Near Magdalla Port, Dumas Road, SURAT-395007.
2	Gemini Communication Limited (GEMINI)	1, Dr. Ranga Road, Alwarpet, CHENNAI-600018 **** As per MCA Website:** 63/14, First Floor, Corporation Complex NSK Salai, Kodambakkam, Chennai-600024.
3	Shilpi Cable Technologies Limited (SHILPI)	A-19 / B-1 Extension, Mohan Co Operative Indest P.O. Badarpur, Mathura Road, New Delhi-110044.
4	Surana Industries Limited (SURANAIND)	F67, 68 & 69, Sipcot Industrial Complex Gummudipoondi, Thiruvallur-601201.
5	Todays Writing Instruments Limited (TODAYS)	Survey No. 251/2, Valsad Falia, Near Jain Temple, Dadra & Nagar Haveli-396193.
6	Usher Agro Limited (USHERAGRO)	212 & 422, Laxmi Plaza, Laxmi Industrial Estate, Andheri (West), Mumbai-400053.

**** Address available as per the records of the Exchange.***

***** Address available as per the MCA website.***

 # Companies Delisted due to Liquidation.

Notes:

The consequences of compulsory delisting include the following:-:

a. The above company cease to be listed on the Stock Exchange with effect from March 2, 2020. It will be moved to the dissemination board of the Stock Exchange.

b. In terms of Regulation 24 of Delisting Regulations, the delisted company, its whole-time directors, promoters and group companies shall be debarred from accessing securities market for a period of 10 years from the date of compulsory delisting.

c. The onus of giving exit to the public shareholders and providing information to the Stock Exchanges for fair valuation is on the promoters of the company. In case, exit is not provided by the promoters, appropriate action would be taken against them.

These companies are under liquidation and hence:

a. The provisions of SEBI circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 07, 2016 do not apply to these companies.

b. For companies under liquidation the following directions have been received from SEBI in the matter:-

i. If a company has been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, then the restriction provided under Regulation 24 of Delisting Regulations shall be applicable.

ii. If the company has not been compulsorily delisted before the appointment of provisional liquidator or the order of winding - up, the process of delisting will happen by operation of law and the restriction under Regulation 24 of Delisting Regulations shall not be applicable.

Any queries can be addressed to Delisting Committee, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Tel: +91 22 26598100 (23409), e-mail: compliance_listinginfo@nse.co.in.

Place: Mumbai

Date: February 07, 2020

Nifty50

NSE

National Stock Exchange of India Limited

'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

PUBLIC NOTICE

Notice is now given that it has been decided to delist (withdraw the admission to dealing in) the equity shares of the companies w.e.f. October 17, 2019, in terms of Regulation 22(6) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Regulations"), Section 21A of Securities Contract (Regulation) Act, 1956, Securities Contract (Regulations) Rules, 1957 and Bye-Laws and Regulations of National Stock Exchange of India Limited ("Exchange").

Companies Delisted due to liquidation.

S.No.	Company Name	Registered Office Address*
1	Lanco Infratech Limited (LITL)	Plot no. 4, Software Units Layout, Hitec City, Madhapur, Hyderabad-500081 Telangana.
2	Moser-Baer (I) Limited (MOSERBAER)	38, Okhla Industrial Estate, Phase-III, Second Floor, New Delhi-110020.
3	Hanung Toys and Textiles Limited (HANUNG)	C-24, Greater Kailash Enclave-I, New Delhi-110048.
4	LML Limited (LML)	C - 3, Panki Industrial Estate, Site-I, Kanpur-208022, Uttar Pradesh.
5	Servalakshmi Paper Limited (SERVALL)	Kodaganallur Village, Vaduganpatti Post, I.C. Pettai, Tirunelveli-627010. Tamilnadu.
6	Hindustan Dorr-Oliver Limited (HINDDORROL)	Dorr – Oliver House, Link Road, Chakala, Andheri (E), Mumbai-400099.
7	Samtel Color Limited (SAMTEL)	501, 5th Floor, Copia Corporate Suites, District Centre, Jasola, Delhi-110025.
8	Supreme Tex Mart Limited (SUPREMETEX)	B-72, Focal Point, Phase - VIII, Ludhiana-141010.
9	Amar Remedies Limited (AMAR)	Block No. 3, 2nd Floor, Sane Guruji Premises, 386, S.V. Savarkar Marg, Opp.Siddhivinayak Temple, Prabhadevi, Mumbai City, Maharashtra-400025.

**Address available as per the records of the Exchange.*

Notes:

This company is under liquidation and hence:-

- The provisions of SEBI circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 07, 2016 do not apply to these companies.
- For companies under liquidation the following direction have been received from SEBI in the matter:-
  - If a company has been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, then the restriction provided under Regulation 24 of Delisting Regulations shall be applicable.
  - If the company has not been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, the process of delisting will happen by operation of law and the restriction under Regulation 24 of Delisting Regulations shall not be applicable.

Any queries can be addressed to Delisting Committee,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel: +91 22 26598100 (25123),
e-mail: compliance_listinginfo@nse.co.in.

Place: Mumbai Date: September 19, 2019

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IN THE HIGH COURT OF KARNATAKA, BENGALURU

DATED THIS THE **18th DAY OF NOVEMBER, 2016**

BEFORE

THE HON'BLE Dr.JUSTICE VINEET KOTHARI

COMPANY PETITION No.214/2012
a/w
C.A.No.1183/2012 And C.A.No. 1184/2012

BETWEEN:

AEROTRON LIMITED
A COMPANY INCORPORATED
AND EXISTING UNDER THE
LAWS OF ENGLAND AND WALES
HAVING ITS REGISTERED OFFICE AT
WESTLEY HOUSE, FLEMING WAY,
WEST SUSSEX, RH10(GA)
UNITED KINGDOM
REPRESENTED HEREIN BY ITS
CONSTITURED ATTORNEY,
MR.MOHIT GUPTA
NO.5, PURA NIVAS
27B ARTHUR BUNDIR ROAD
COLABA- MUMBAI – 400 005.

... PETITIONER
(COMMON)

(**By Sri. S.S.NAGANAND**, SENIOR COUNSEL FOR
Sri.ACHAPPA P.B FOR
M/S.NDA PARTNERS, ASSOCIATES, ADVOCATES)

AND:

KINGFISHER AIRLINES LIMITED
A PUBLIC LIMITED LIABILITY COMPANY
INCORPORATED UNDER
THE COMPANIES ACT, 1956
HAVING ITS REGISTERED OFFICE AT

UB TOWERS, LEVEL 12 UB CITY
24, VITTAL MALLYA ROAD
BANGALORE – 560 001.

...RESPONDENT
(COMMON)

(**By SRI. RAJESH S.V., ADVOCATE FOR** RESPONDENT
(MEMO OF RETIREMENT FILED ON 18.11.2016);
SRI.AJITH ANAND SHETTY, ADVOCATE
M/S.S.A.PARTNERS, ADVOCATES AND
SRI.SHREYAS JAYASIMHA, ADV. FOR SUPPORTING CREDITOR)

THIS CO.P IS FILED UNDER SECTIONs 433(e) & (f) R/W SECTION 434 & 439 (1) (b) OF THE COMPANIES ACT, 1956, PRAYING THAT FOR THE REASONS STATED THEREIN THIS HON'BLE COURT MAY BE PLEASED TO ORDER THAT THE RESPONDENT TO WOUND UP BY AND UNDER THE DIRECTIONS, SUPERVISION AND CONTROL OF THIS COURT UNDER THE PROVISIONS OF THE COMPANIES ACT, 1956 AND ETC.

THIS C.A.No.1183/2012 IS FILED UNDER SECTION 450 OF THE COMPANIES ACT, 1956, PRAYING THAT PENDING THE HEARING AND FINAL DISPOSAL OF THE ABOVE MENTIONED PETITION, THE OFFICIAL LIQUIDATOR OR SOME OTHER FIT AND PROPER PERSON BE APPOINTED AS PROVISIONAL LIQUIDATOR OF THE COMPANY TO TAKE CHARGE IMMEDIATELY OF THE BUSINESS AFFAIRS AND ASSETS OF THE COMPANY WITH ALL POWERS UNDER THE COMPANIES ACT, 1956 IN THE INTEREST OF JUSTICE.

THIS C.A.No.1184/2012 IS FILED UNDER ORDER XXXIX RULES 1 AND 2 READ WITH SECTION 151 OF CPC, PRAYING THAT PENDING THE HEARING AND FINAL DISPOSAL OF THE COMPANY PETITION, THE RESPONDENT BY ITSELF, ITS SERVANTS AND AGENTS BE RESTRAINED BY AN ORDER AND INJUNCTION FROM IN ANY MANNER ALIENATING, ENCUMBERING, TRANSFERRING, CREATING THIRD PARTY RIGHTS OR SELLING OR DISPOSING OF OR IN ANY MANNER PARTING WITH POSSESSION OR DEALING WITH THE PROPERTIES OR ANY OF ITS ASSETS OR PROPERTIES IN THE INTEREST OF JUSTICE.

THE CO.P NO.214/2012 A/W C.A.No.1183/2012 AND C.A.No.1184/2012 COMING ON FOR HEARING THIS DAY, THE COURT MADE THE FOLLOWING:-

ORDER

Mr. S.S.Naganand, Senior Advocate for
Mr.Achappa P.B. for M/s. NDA Partners,
Advocates for petitioner;
Mr. Rajesh S.V., Advocate for respondent-KFA Ltd., (Memo of Retirement filed on 18.11.2016);
Mr.Ajith Anand Shetty, Advocate
for M/s.S.A.Partners
Mr.Shreyas Jayasimha, Advocate for
Supporting Creditors.

1. Heard learned counsel for the petitioner Mr. S.S. Naganand, Senior Advocate. Mr. S.V.Rajesh, earlier appearing for respondent-Company, Kingfisher Airlines Limited (KFA Ltd.), has filed a memo withdrawing his Vakalath from the said case and he submits that he has no further instruction to appear and argue on behalf of the respondent-Company.

2. The said respondent-Company is a Company against which several winding up petitions have been filed in this Court and several of the Creditors are before this Court seeking the winding up of the said Company for failure to pay its admitted debts. Similarly, several winding

up petitions have also been filed against its holding company, M/s. United Breweries (Holdings) Ltd., (UBHL), which had also given guarantee to discharge the debts of the Respondent-KFA Ltd., and on account of alleged failure to honour and discharge its guarantee obligations, such winding up petitions were filed against UBHL by the consortium of Banks and Financial Institutions led by SBI. But while UBHL is hotly contesting those winding up petitions filed against it, it has not put forth any defence against the present winding up petition or against host of other winding up petitions against its own subsidiary KFA Ltd., though both batch of cases came up for hearing on the same day.

3. A detailed admission order was passed by the co-ordinate Bench of this Court on **6.12.2013** against which, the respondent-Company, at that point of time, took the matter before the Division Bench of this Court by way of intra-court appeal, namely, **O.S.20/2014 (Kingfisher Airlines Limited Vs. Aerotron Limited)** which too, came to be dismissed by the Division Bench of this Court on **15th**

July 2015. Admittedly, even thereafter, nothing was apparently paid to any of the creditors by the respondent-company towards its admitted debts and the respondent-company also does not appear to have made any alternative arrangements what-so-ever either for payment of any of its admitted dues of the petitioning creditors before this Court or even appearance of any other Advocate to oppose this winding up petition. Mr. Uday Holla, Senior Advocate, appearing for the holding company UBHL, to oppose winding up petitions against UBHL also refused to have any instruction to oppose the winding up petition against the respondent-company KFA Ltd.

4. The relevant extract of order of Admission passed on **6.12.2013** by the Hon'ble Mr.Justice Anand Byrareddy, is quoted below:

"

Mr. S.S.Naganand, Senior Advocate along with Sri.A.C.Achappa, Advocate, M/s,. NDA Partners for petitioner
Mr.K.G.Raghavan, Senior Advocate for Respondent.

Order

The petitioner is said to be a company incorporated under the laws of England and Wales,

having its registered office at West Sussex, United Kingdom. The petitioner seeks that the respondent company be wound up under the provisions of the Companies Act, 1956 and for the appointment of a Liquidator.

2. The respondent is a company incorporated under the Companies Act, 1956, having its Registered Office at Bangalore. It is said to be a scheduled commercial passenger airline and was incorporated in the year 1996. The share capital of the Respondent is Rs.4250 Crore, consisting of 165 crore equity shares of Rs.10 each and 26 crore Preference Shares of Rs.100 each. The issued and paid up capital of the Respondent is said to be Rs.10508792230.

The petitioner is said to be a supplier of rotable aircraft components and other allied activity. It is said to have supplied several rotable aircraft components to the respondent. One of the terms of sale was that the respondent should pay all invoices raised, within 30 days of the date of the invoice. The respondent is said to have defaulted in making payments. As of 31.1.2012, the respondent was said to be due to the petitioner, a sum of US $ 5616024.12, including interest.

As the respondent was unable to pay the dues, the parties had entered into an ***agreement dated 24.2.2012****, whereby the respondent had* ***acknowledged its liability to*** *pay the outstanding amount in installments spread over several months, between March and October, 2012.*

It transpires that the respondent was not able to make any payments in terms of the above agreement and hence a notice under Section 433 and 434 of the Companies Act, 1956, dated 1.6.2012 was said to have been issued calling upon the respondent to pay a sum of ***US $ 5939914.41.*** *The respondent is said to have failed to make any payment even pursuant to the same. It is contended that the respondent is in a very bad financial condition and is unable to pay its debts. It is also*

claimed by the petitioner, that the respondent is due phenomenal amounts of money to various other third parties and is said to be in complete default in repayments. It is in this background that the petition is filed.

*3. The respondent, has by way of Statement of objections, resisted the petition contending that the petitioner had supplied a number of rotable aircraft components relating to V2500-A5 engines manufactured by M/s. International Aero Engines AG ("IAE"). It is stated that there is a civil suit pending before the Court of the City civil Judge, Bangalore, against IAE and its associate companies, in case No.**O.S.No.6406/2012**, where in a serious dispute has been raised regarding the defects in design and manufacture of the engines made by it. On account of which the entire fleet of Airbus A320 family aircraft of the respondent have been rendered unfit for commercial use. And that the components supplied by the respondent form part of the defective engines. It is hence sought to be contended that the respondent is justified in denying payments for defective supplies.*

*It is contended that the respondent being a **"foreign company'** as defined under the Companies Act, 1956, has provided support teams at all places where the customers of the petitioner are located, including India and is hence carrying on business in India, without compliance with the provisions of Section 592 to 594 of the Companies Act and is hence prohibited under Section 599 of the Act from bringing any suit or instituting any legal proceeding in India, until compliance with the above.*

*The respondent has chosen to deny all liability to make any payment and has negated the settlement agreement referred to above. And **while attributing its operational and admitted financial woes to the allegedly defective engines**, some of the components for which were supplied by the petitioner, it is pleaded that the respondent be afforded an opportunity to revive its*

business. In this direction the respondent is said to be in dialogue with several foreign airlines who have evinced interest in investing in the respondent company.

4. In the light of the above, the petition having been considered for admission on hearing the learned Senior Advocate Shri. S.Naganand and the learned Senior Advocate Shri. K.G. Raghavan, appearing for the respective counsel for the parties, the ***matter was adjourned by four weeks as on 8.11.2013, to enable the respondent to demonstrate if there was any progress in its revival plans.***

The matter having been listed again to-day, though there is an endeavour on the part of Shri. K.G. Raghavan to demonstrate that the talks and negotiations with a certain foreign airline is progressing well, it is not shown that matters had come to a head, with any degree of certainty, to hold that the respondent was in a comfortable financial position.

Hence, the petition is admitted to file. *The petition to be posted for hearing, regarding the advertisement of the petition, during the second week of January, 2014. The respondent shall not, in the meanwhile, dispose of any of its assets without the leave of this court."*

5. The relevant extract of order of Division Bench of Hon'ble Mr.Justice Vineet Saran and Hon'ble Mr.Justice Aravind Kumar, dismissing **OSA No.20/2014** dated **15/7/2015** is also quoted below:

"Mr.S.V.Rajesh, Advocate for appellant,
Mr.S.S.Naganand, Senior counsel

along with Sri.A.C.Achappa, Advocate, M/s,. NDA Partners).

"Respondent company Aerotron Limited, having its office in United Kingdom, had filed company petition No.214/2012 under Section 433(e) and (f) read with Section 434 and 439(1)(b) of the Companies Act, 1956 for winding up of the appellant-company.

2. The case of respondent is that certain amounts were admittedly due to be paid by the appellant company to the respondent company for which an agreement was entered into between the two companies on 24.02.2012 whereby the appellant company had acknowledged its liability to pay the outstanding amounts in installments spread over several months between March and October, 2012. Appellant contested the matter by denying its liability to pay the said dues, on the ground that the same were disputed dues and it also raised an objection that since the respondent company was carrying on business in India with an established place of business in India and having failed to comply with the provisions of Section 592 to 594 of the Companies Act, it would be prohibited from bringing a suit or instituting legal proceedings in India, as provided under section 599 of the Companies Act. After hearing learned counsel for the parties, vide a reasoned order dated 06.12.2013 passed by the learned Company Judge, company petition has been admitted and posted for hearing on the question of advertisement of the petition. Challenging the said order of admission of the company petition, this appeal has been filed.

3. We have heard Sri.S.V.Rajesh, learned counsel for appellant as well as Sri.S.S.Naganand, learned Senior counsel along with Sri.A.C.Achappa, learned counsel for respondent and perused the records.

4. To support his contention that the respondent company is carrying on business activities in India, learned counsel for appellant has placed reliance on ***certain print outs of the website of the respondent company wherein it has been stated that the company provides support system to its customers in India*** *as well as other countries by providing technical assistance, spare supplies and distribution. It is submitted that on the website of the respondent company it is also mentioned that the* ***company has developed new markets in Egypt, India, Kazakhistan and Jordan.*** *On the basis of this, learned counsel for appellant has vehemently contended that the company is carrying on business in India.* ***However learned counsel has not been able to show any document in support of his contention that the respondent company is having any office, warehouse, store house etc., within the territory of India or any of its employees are permanently posted in India.*** *The documents on which the learned counsel for appellant has relied upon only goes to show that respondent company provides technical service in India by providing spare parts and other technical assistance which would not mean that they have any establishment or office in India but provide such services on demand, as and when required by staff or Engineers going to India temporarily for providing such services. As such,* ***we are not satisfied with the objection of the appellant that*** *in such circumstances* ***the respondent company would be obligated to comply with Section 592 to 594 of the Companies Act, 1956.***

5. Learned counsel for appellant has relied upon decision of the Delhi High Court rendered in the case of M/s.Dabur (Nepal) Pvt. Limited Vs M/s.Woodworth Trade Links Pvt. Limited reported in (2012)175 Comp. cases 338 to support his contention that if a company has an office or establishment within the territory of India it would have to comply with the provisions of section 592

to 594 of the Companies Act. On facts, the said decision would not be applicable as in the said case the company in question was a subsidiary of an Indian Company which admittedly had its warehouse, store house in India where the goods of the company was stored. Said company also had transactions within India and had an address of correspondence in India. As such, we are of the view that the ratio of the said Judgment would not be applicable to the facts of this case.

6. As regards admission of the debts by appellant company payable to the respondent company, ***learned company Judge has placed reliance on the agreement between the two companies dated 24.02.2012*** *whereby the appellant* ***company has acknowledged an outstanding of US $ 56,16,024.12 plus accrued interest after 31st January, 2012.*** *Admittedly said amount* ***has not been paid within the time provided*** *in the said agreement or even thereafter. Thus, being prima facie satisfied that the appellant company was* ***unable to pay its debts****, company petition has been admitted.* ***In such facts, admission of the petition cannot be faulted.***

7. In the end, learned counsel for appellant has also submitted that under the FOREIGN EXCHANGE MANAGEMENT (ESTABLISHMENT IN INDIA OF BRANCH OR OFFICE OR OTHER PLACE OF BUSINESS) REGULATIONS, 2000 there is a prohibition under Regulation 3 for establishing branch office in India by a Foreign company without prior approval of Reserve Bank of India. In view of the fact that we have already held above that the appellant has not been able to place any material on record to show that the respondent company has any office (be it a site office or project office or warehouse or store house) within the territory of India, the provisions of the Regulations of 2000 would not be applicable.

> *In view of the aforesaid, we do not find any good ground to interfere with the order of admission passed by learned Company Judge. Appeal is accordingly dismissed. However, there shall be no order as to costs.*

6. Thereafter, the winding up petition was advertised on **4th March 2014** in "The Hindu" and "Udayavani" newspapers.

7. That respondent-company filed its objections but no one else did. The relevant extract of such objections, though no body appeared for the respondent-company to press the same, is quoted below:

> *"6. It is pertinent to mention here that the Respondent Company has been served with a copy of a substantial suit filed in the City Civil Court, Bangalore against IAE and its constituent joint venture partners viz. Rolls-Royce plc, Pratt & Whitney, a division of United Technologies Corporation, Japanese Aero Engines Corporation and MTU Aero Engines GmbH,* ***by United Breweries (Holdings) Ltd., being Suit No.OS/6406 of 2012("the said suit")*** *making serious charges against IAE and its constituent joint venture partners contending that the IAE manufactured V2500-A5 Engines are inherently defective both in design and manufacture. The same engines are fitted on the entire fleet of Airbus A320 family aircraft of the Respondent Company (and include components supplied by the Petitioner herein to the Respondent Company), rendering them incapable of commercial use, and further stating that the operational and financial woes of*

the Respondent Company have been primarily or in any event decisively been caused by the defective engines supplied on account of false assurances/fraudulent mis-representations given/ made by IAE and/or its constituent joint-venture partners. A copy of the plaint in the said Suit No.OS/6406 of 2012 is hereto annexed and marked "Annexure R-1" hereto.

7. The Respondent Company says and submits that a number of the components supplied by the Petitioner relate to the said inherently defective in design and manufacture V2500-A5 engines manufactured by IAE and its constituent Joint Venture partners. The Respondent Company is in the process of considering the said Suit("Annexure R1 hereto") and its implications ***as it has a direct bearing on the present Company Petition and is in the process of seeking legal advice in respect of the same.*** *Therefore, assuming without admitting that the present Company Petition is maintainable it is humbly submitted that the present Company Petition be* ***stayed pending final hearing and disposal of the said Suit*** *("Annexure R-1 hereto").*

12. It is therefore evident that the Petitioner Company, being a ***"foreign Company"****, is carrying on business in India, has an established place of business in India but has failed to comply with the provisions of Section 592 to 594 of the Companies Act-* ***the Petitioner Company is therefore expressly prohibited under Section 599 of the Companies Act from bringing any suit, claiming any setoff,*** *making any counter-claim or instituting any legal proceeding in India in respect of any contract, dealing or transaction – including the present Company Petition – until it has complied, inter alia, with the aforesaid provisions of the Companies Act. On this ground alone the present Company Petition is not maintainable and is liable to be dismissed in limine*

with costs, and the Respondent Company prays accordingly. Hereto annexed and marked ***"Annexure R-4"*** *is an extract from the portal of the Ministry of Corporate Affairs which clearly states " No matches found" against the name of the Petitioner Company.*

21. With reference to paragraph 11 of the Company Petition, the Respondent Company repeats and reiterates what is stated hereinabove including that many of the components supplied by the Petitioner relate to the said inherently defective in design and manufacture V2500-A5 engines manufactured by IAE and its constituent Joint Venture partners in respect of which as mentioned hereinabove, ***the Respondent Company has recently been served with a copy of the said suit. The Respondent Company is in the process of considering the said suit****("Annexure P-1 hereto") and its implications as it has a direct bearing on the present company petition and is in the process of seeking legal advice in respect of the same. The Respondent Company craves leave to refer to and rely upon the "Terms and Conditions" referred to therein when produced, for their true meaning and effect thereof. In view of what is stated hereinabove, it is denied that the Respondent Company was supplied Components by the petitioner as per the Terms and Conditions or that the Respondent Company is obliged to make any payment to the Petitioner in respect of such Components, let alone there being any default in payment on the part of the Respondent Company to pay, as alleged or otherwise. In view of what is stated hereinabove, it is denied that any amounts were due from the Respondent Company to the Petitioner or that the Petitioner was entitled to call upon the Respondent to pay any amounts in respect of the Components supplied, as alleged or otherwise.*

25. With reference to paragraph 15 of the Company petition, in view of what is stated hereinabove, ***it is denied that the Respondent company owes any obligations to the petitioner either under the Settlement Agreement or otherwise,*** *so the question of any alleged breaches of the alleged Settlement Agreement by the Respondent Company or the Petitioner calling upon the respondent-Company to remedy any such alleged breaches or there being any failure or neglect on the part of the Respondent Company to make payment of any alleged amount due or owing to the Petitioner, under the Settlement Agreement or/otherwise, as alleged or at all, does not and cannot arise.*

26. With reference to paragraph 16 of the Company petition, in view of what is stated hereinabove, it is denied that the Respondent Company was or is obliged to make any payments to the petitioner, and therefore the question of the any alleged failure on the part of the respondent Company to pay any amounts either under the Settlement Agreement or otherwise, does not and cannot arise. The question therefore of any alleged breaches of the alleged Settlement Agreement by the Respondent Company or the Petitioner calling upon the Respondent Company to remedy any such alleged breaches or there being any failure or neglect on the part of the Respondent Company to make payment of any alleged amount due or owing to the Petitioner, under the Settlement Agreement or otherwise, as alleged or at all, does not an cannot arise. In view of what is stated hereinabove, it is denied that the petitioner was entitled to serve any notice on the Respondent company or call upon the Respondent Company to pay any amount pursuant to the Settlement Agreement or otherwise, much less an amount of US$ 5,854,825.62 or any part thereof, as alleged or otherwise.

33. With reference to paragraph 23 of the Company petition, in view of what is stated

hereinabove, it is denied that it is just or equitable that the Respondent Company be wound up as alleged or for the reasons alleged or at all. ***The Respondent Company until its operational and financial woes****, which have been primarily or in any event decisively been caused by the defective IAE V2500-A5 engines, was India's largest airline by market share operating more than 375 flights daily and had widest network of domestic destinations, with regional and long haul international services. It was consistently rated the best airline in India in terms of customer satisfaction, on–time performance, and operational reliability-the Respondent Company was India's only 5 Star Airline, with an outstanding reputation and goodwill with its passengers which was one of its most valuable assets-and the brand continues to enjoy significant support although its value has been considerably eroded on account of the financial and operational problems faced by it on account of the inherently defective, both in design and manufacture IAE-V2500-A5 engines. It is submitted that since the Respondent Company had suspended its flight operations, the public has had to contend with exorbitantly high air fares. It is therefore also in the public interest that the* ***Respondent-Company is given a reasonable opportunity to take advantage of the recently announced policy permitting Foreign direct investment in airlines, to try and revive its flight operations.*** *In addition, revival of the Respondent Company Airlines will also be in the interest of its approx.3150 employees and their families, whose livelihood depends on the revival of the respondent company. It is public knowledge that the Respondent company is in discussions with a number of foreign airlines who have shown interest in investing in the Respondent-Company. It is also public knowledge that the Respondent Company has submitted a revival plan to the Director General of Civil Aviation which is under consideration. In fact, recently Hindustan Petroleum Corporation Limited, Bharat Petroleum*

Corporation Ltd., Indian Oil Corporation Limited and Reliance Industries Limited, the principal suppliers of aviation fuel in the country have come forward to support the said revival plan by issuing their No objection Certificates for supply of aviation fuel to the Respondent Company. The Respondent Company craves leave to refer to and rely upon the aforesaid No objection Certificates. Any adverse order at this crucial stage will have a devastating impact on the revival of the airline operations, which would be against public interest.

8. The objection raised on behalf of the respondent-company were pressed at the admission stage only and thereafter, before Division Bench in its appeal filed against admission order but were not accepted or were overruled. Nobody appeared to press the same at the stage of hearing of this petition.

9. In the facts of the Company Petition **214/2012, M/s. Aerotron Limited Vs. Kingfisher Airlines Limited**, the learned counsel for petitioner, Mr. Naganand, Senior Advocate has urged before the Court that the Petitioner-Company originally incorporated under the Laws of England and Wales, had supplied certain rotable aircrafts components to the respondent-Company-

Kingfisher Airlines, KFAL for short, and for the dues of the petitioner-Company-Aerotron Limited, a Settlement Agreement was finally arrived at between the parties on 24th February 2012, under which, the respondent-company had agreed to pay the outstanding dues of the petitioner-Company to the extent of 5,616,024.12 in US Dollars (Five Million Six Hundred Sixteen Thousand and Twenty Four United States Dollars and Twelve Cents only) and despite the said Settlement Agreement, respondent-company failed to pay anything against these admitted dues of the petitioner-Company.

10. The relevant extract from the Legal Notice served by the Attorneys of the petitioner's Company vide **Document-6** dated **9th May 2012** is quoted below for ready reference:-

> *"We address this Notice to you for and on behalf of our client, Aerotron Limited, a company incorporated and existing under the laws of England and Wales, having its registered office at Westley House, Fleming Way, West Sussex, RH 10(GA) United Kingdom ("Aerotron"), with instructions to state as under:*
>
> *1. Aerotron had from time to time supplied a number of rotable aircraft components to Kingfisher (the "Components") pursuant to various orders*

placed by Kingfisher on Aerotron. Kingfisher defaulted in payment of the consideration in respect of the Components supplied by Aerotron to Kingfisher, as per the "Terms and Conditions" agreed upon between Aerotron and Kingfisher for the supply of the Components and as of 31st January, 2012 Kingfisher owed US$5,616,024.12 (Five Million Six Hundred Sixteen Thousand Twenty Four United States Dollars and Twelve Cents) (US$5,192,483.80 (Five Million One Hundred Ninety- Two Thousand Four Hundred and Eight- Three United States Dollars and Eighty Cents) being the principal amount payable and USD 423,540.32 (Four Hundred and Twenty-Three Thousand Five Hundred and Forty United States Dollars and Thirty- Two Cents) being payable by way of interest) ("Total Outstanding Amount".

2. Since Kingfisher expressed its inability to pay its dues in accordance with the agreed Terms and Conditions, Kingfisher and Aerotron entered into the Agreement whereby Kingfisher agreed to make payment of the Total Outstanding Amount in instalments as more particularly set out in the Agreement.

3. Under Clause 1.2 of the Agreement, Kingfisher was required to make payment of the first instalment of US$500,000 (Five Hundred Thousand United States Dollars) to Aerotron on 15th March, 2012. However, Kingfisher failed and neglected to make payment of the said amount of US$500,000 to Aerotron on 15th March, 2012.

4. The second instalment of US$500,000 under the Agreement was due on 30th March 2012, however Kingfisher once again defaulted in making payment of the said amount of US$500,000 to Aerotron, this being Kingfisher's second successive default under the Agreement.

5. Kingfisher further failed to pay the 3rd instalment of US$500,000 (Five Hundred Thousand United States Dollars) due on 30th April, 2012 to Aerotron.

6. As of as of 3rd May 2012, the total amount due and payable by Kingfisher to Aerotron is US$5,854,825.62 (Five Million Eight Hundred Fifty-Four Thousand Eight Hundred and Twenty- Five United States Dollars and Sixty Two cents) (US$5,193,107.19) (Five Million One Hundred Ninety- Three Thousand one Hundred and Seven United States Dollars and Nineteen Cents only) being the principal amount payable and USD$661,718.43 (Six Hundred Sixty One Thousand Seven Hundred and Eighteen United States Dollars and Forty three Cents) being payable by way of interest)

7. Aerotron has by its e-mails dated 2nd April 2012 (sent at 12.24 p.m.), 10th April, 2012 (sent at 11.36 a.m.) and 29th April, 2012 (sent at 10.53 a.m.) called upon Kingfisher to remedy the breaches under the Agreement. However, Kingfisher has failed and neglected to make payment of the amounts due and owing to Aerotron under the agreement.

8. In view of the aforesaid facts and circumstances, pursuant to Clause 2.3 of the Agreement, we hereby call upon Kingfisher to make payment to our client of the amount of USD$5,854,825.62 (Five Million Eight Hundred and Fifty-Four Thousand Eight Hundred and Twenty-Five United States Dollars and Sixty Two Cents) being the total outstanding amount as of date within a period of 5 (Five) days from the date of receipt of this Notice by Kingfisher, failing which our client shall be constrained to adopt appropriate legal proceedings against Kingfisher, as may be advised, which shall be at your sole risks as to costs and consequences, which you may please note."

11. Thereafter also, since the respondent-company failed to pay anything on account of the said admitted dues of the petitioner-Company, another Statutory Notice

under Sections 433 and 434 of the Companies Act, 1956, came to be served by the Advocates and Attorneys of the petitioner's Company, M/s. Wadia Ghandy & Co., Mumbai, vide **document-7 dated 1st June 2012** and referring to the earlier correspondence which took place between these two parties, a demand was again made from the respondent-company to pay the admitted dues to the petitioner-Company. Paras 9 to 11 of the said Statutory Notice is also quoted below for the reference:-

> *"9. In view of the aforesaid facts and circumstances, we hereby call upon you to make payment to our client of the amount of* ***US$5,939,914.41*** *(Five Million Nine Hundred Thirty Nine Thousand and Nine Hundred Fourteen United States Dollars and Forty One Cents Only) being the total outstanding amount as of date, due and owing by you to our client, for Components supplied to you by our client, within 21 (Twenty one) days from the date of receipt of this notice by you, failing which our client shall be constrained to adopt appropriate legal proceedings against you, at your sole risks as to costs and consequences.*
>
> *10. Please treat this as a statutory notice under Sections 433 and 434 of the Companies Act, 1956.*
>
> *11. This notice and the actions proposed to be taken by of our client hereunder are without prejudice to, any other rights and remedies which are client may have against you at law and at equity, with respect to your defaults under the Agreement and/or otherwise."*

12. Learned counsel for petitioner further urged that, despite all such notices and correspondences, without even replying to them, the respondent-company has failed to pay anything towards its admitted liability to the petitioner's Company against supply of goods and on the contrary, in its statement of objections filed before this Court, they have admitted in para-33 of their reply that the respondent-Company, was not operational and was in financial woes, but sham defences were sought to be raised against the present winding up petition in the said statement of objections, like, pendency of a **Civil Suit, viz., O.S.6406 of 2012** which was filed by the holding Company of the respondent-Company M/s. United Breweries (Holdings) Limited and not by the Respondent-KFA Ltd. itself for the reasons best known to them and in the said suit filed for the alleged defective supply of Aero-engines to the respondent-KFA Ltd, which caused a huge loss to the respondent-Company and that is why, the respondent-Company was not able to pay all the dues of

the petitioner-Company within the stipulated time. The said suit filed by the Holding Company UBHL of the respondent-KFAL against the manufacturers of the engines, namely, M/s. IAE International Aero Engines AG, Switzerland, M/s. Rolls Royce Plc, U.K., M/s. Pratt & Whitney, USA, Japanese Aero Engines Corporation, MTU Aero Engines GmbH, and Kingfisher Airlines Limited and the petitioner company, Aerotron Limited, who only supplied such engines, is not even arrayed as defendant in that suit, again for the reasons best known to the plaintiff, UBHL, was stated to be still pending and no decree as of yet has been passed in that Civil suit, but the learned counsel for the petitioner has urged before the Court that the pendency of that Civil Suit can not affect or discharge the admitted liability of the respondent-Company towards the petitioner-Company to pay off the said debt and in view of the clear inability of the Company to pay its admitted dues towards petitioner-Company as well as several of the creditors who have filed the winding up petitions before this Court against the respondent-

company, the said respondent-company deserves to be wound up. He further submitted that all aeroplanes of the respondent-company have been repossessed and taken back by the supplier-lessors and except some skeletonal assets, there are not many realizable assets left with the company against the huge debt liability and the main Promoter Mr. Vijay Mallya, the Chairman of the company has also left India or rather has absconded and various lenders, Banks and Financial Institutions and other Enforcement Agencies who opposed his effort to flee the country even before the Hon'ble Supreme Court of India and who are now seeking his extradition back to India. He also drew the attention of the Court towards the last Balance Sheet of the Company as on 31st March 2012 and thereafter, no such current Balance Sheet for last 4 years appears to have been filed by the respondent-company before this Court. The last Balance Sheet as on 31st March 2012 itself shows, prima-facie, that net worth of the respondent-company is in negative. It is no longer operational and a going concern and the substratum of the company has been

completely lost and there are no chances of any revival of the respondent-company.

13. Learned counsel for the petitioner also relied upon the following case laws in support of his submissions, viz., (i) **M/s. Madhusudan Gordhandas & Co., Vs. Madhu Wollen Industries Pvt. Ltd.(1971 (3) SCC 632)** para 20 and 21 thereon and the latest judgment from the Hon'ble Supreme Court in the case of **IBA Health (India) Private Limited Vs. Infor-Drive Systems Sdn. Bhd (2010) 10 SCC 553** paras 20,22,23 and 24 of the said judgment. These paras are quoted below for ready reference.

(i) **M/s. Madhusudan Gordhandas & Co., Vs. Madhu Wollen Industries Pvt. Ltd.(1971 (3) SCC 632)**

" 20. Two rules are well settled. First, if the debt is bona fide disputed and the defence is substantial one, the court will not wind up the company. The court has dismissed a petition for winding up where the creditor claimed a sum for goods sold to the sum demanded by contended that no price had been agreed upon and the sum demanded by the creditor was unreasonable. See London and Paris Banking Corporation. Again, a petition for winding up by a creditor who claimed payment of an agreed sum for work done for the company when the

company contended that the work had not been properly was not allowed. See Re.Brighton Club Horfold Hotel Co.Ltd.,

21. ***Where the debt is undisputed the court will not act upon a defence that the company has the ability to pay the debt but the company chooses not to pay that particular debt,*** *see Re.A Company. Where however there is no doubt that the company owes the creditor a debt entitling him to a winding up order but the exact amount of the debt is disputed the court will make a winding up order without requiring the creditor to quantify the debt precisely see Re.Tweeds Garages Ltd., The principles which the court acts are first that* ***the defence of the company is in good faith and one of substance****, secondly, the defence is likely to succeed in point of law and thirdly the company adduces prima facie proof of the facts on which the defence depends."*

(ii) IBA Health (India) Private Limited Vs. Infor-Drive Systems Sdn. Bhd (2010)10 SCC 553:

"20. The question that arises for consideration is that when there is a substantial dispute as to liability, can a creditor prefer an application for winding-up for discharge of that liability? In such a situation, is there not a duty on the Company Court to examine whether the company has a genuine dispute to the claimed debt? ***A dispute would be substantial and genuine if it is bona fide and not spurious, speculative, illusory or misconceived.*** *The Company Court, at that stage, is not expected to hold a full trial of the matter. It must decide whether the grounds appear to be substantial. The grounds of dispute, of course, must not*

*consist of some **ingenious mask invented to deprive a creditor** of a just and honest entitlement and must not be a mere wrangle. It is settled law that if the creditor's debt is bona fide disputed on substantial grounds, the court should dismiss the petition and leave the creditor first to establish his claim in an action, lest there is danger of abuse of winding-up-procedure. The Company Court always retains the discretion, but a party to a dispute should not be allowed to use the threat of winding-up petition as a means of forcing the company to pay a bona fide disputed debt.*

21. xxx xxxx

*22. The above mentioned decision was later followed by this Court in **Madhusudan Gordhandas and Co. v. Madhu Woollen Industries Pvt. Ltd. 1971) 3 SCC 632.** The principles laid down in the above mentioned judgment have again been reiterated by this Court in Mediquip Systems (P) Ltd. v. Proxima Medical Systems (GMBH) (2005) 7 SCC 42, wherein this Court held that **the defence raised by the appellant-company was a substantial one and not mere moonshine** and had to be finally adjudicated upon on the merits before the appropriate forum. The above mentioned judgments were later followed by this Court in **Vijay Industries v. NATL Technologies Ltd. (2009) 3 SCC 527**.*

23. The principles laid down in the above mentioned cases indicate that if the debt is bona fide disputed, there cannot be "neglect to pay" within the meaning of Section 433(1)(a) of the Companies Act, 1956. If there is no neglect, the deeming provision does not come into play and the winding up on the ground that the company is unable to pay its debts is not

substantiated and non-payment of the amount of such a bona fide disputed debt cannot be termed as "neglect to pay" so as to incur the liability under Section 433(e) read with Section 434(1)(a) of the Companies Act, 1956.

COMMERCIALLY SOLVENT

24. The Appellant Company raised a contention that it is commercially solvent and, in such a situation, the question may arise that the factum of commercial solvency, as such, would be sufficient to reject the petition for winding up, unless substantial grounds for its rejection are made out. A determination of examination of the company's insolvency may be a useful aid in deciding whether the refusal to pay is a result of the bona fide dispute as to liability or whether it reflects an inability to pay, in such a situation, solvency is relevant not as a separate ground. If there is no dispute as to the company's liability, the solvency of the company might not constitute a stand alone ground for setting aside a notice under Section 434 (1)(a), meaning thereby, if a debt is undisputedly owing, then it has to be paid. ***If the company refuses to pay on no genuine and substantial grounds, it should not be able to avoid the statutory demand.*** *The law should be allowed to proceed and if demand is not met and an application for liquidation is filed under Section 439 in reliance of the presumption under Section 434(1)(a) that the company is unable to pay it debts, the law should take its own course and the* ***company of course will have an opportunity on the liquidation application to rebut that presumption."***

14. All these submissions made by the learned counsel for petitioner-Company have remained un-answered and un-rebutted, as nobody has appeared on behalf of the respondent-company-KFA Ltd, to controvert any of these submissions and the learned counsel who was earlier appearing in the said matter on behalf of respondent-Company, Mr.Rajesh S.V. has also today filed his Retirement Memo before this Court which was taken on record.

15. One of the counsel Mr. Ajith Anand Shetty, for M/s. S.A.Partners, appearing on behalf of the Creditor, urged that his client provided manpower under the contractual agreement to the respondent-company and for the dues of those workmen, he submitted that, if the respondent-company some how survives or becomes operational, then, the workmen dues may be paid off by the respondent-company. The learned counsel for the said creditor, however, fairly submitted that, he has only a fond hope that the respondent-company-KFAL may again become operational.

16. This submission raised on behalf of the Creditors is not really in opposition of the winding up of the respondent-company but is only to safeguard the interest of his own clients viz., the workmen supplied through contractual agreement to the respondent-company. These workmen like any other workmen of the respondent-company and other creditors of the Company are certainly entitled in law under the provisions of the Companies Act, to make their respective claims before the Official Liquidator, once the winding up order is passed by this Court and the Official Liquidator is appointed to take the control and possession of the assets of the respondent-company and proceed further for the winding up of the respondent-company under the provisions of the Companies Act and Rules made there-under.

17. There has been no opposition as such to the present winding up petition and such of other winding up petitions against the respondent-company. The alleged defences of pendency of civil suit filed by holding company against the manufacturers but not against petitioner-Aerotron Ltd., *locus*

standi of petitioner company to file this winding up petition, there being chance of revival of the business etc., are all, moonshine and sham defences raised without any material basis for them. The respondent-company is commercially insolvent and is unable to pay its huge debts and there appears to be no useful purpose to keep this company out of the process of winding up or to keep these winding up petitions pending unnecessarily waiting for some magic to happen for a turnaround of this company, which has been left to fend for itself even by its own holding company, even though UBHL facing similar winding up petitions against itself filed allegedly for not discharging its own guarantee obligations for discharging the debts of its own subsidiary-the Respondent company, and UBHL is hotly contesting winding up petitions filed against itself. This is nothing but self serving suicidal contradiction of these two companies.

18. The failure of the respondent- company even to make any alternative arrangement to argue and oppose the present case and other such petitions on behalf of the respondent-company against the petitioning creditors also

shows that the Company is not interested in seriously opposing these winding up petitions against it. The objections raised in the statement of objection though not pressed again were considered but are found to be unsustainable and flimsy. There is no bona fide dispute against the admitted liability of the respondent-company and no substantial defence has been put-forth by it to show that it is not commercially insolvent.

19. Therefore, this Court, considers it just and proper to wind up the respondent-company for failure to pay the admitted liability and accordingly, the said respondent, Company-Kingfisher Airlines Limited deserves to be wound-up. Therefore, this Court is of the considered opinion that respondent-company, KFA Ltd., deserves to be wound up under the provisions of 433 (e) and (f) read with 439 of the Companies Act, 1956. Accordingly, the respondent-company, Kingfisher Airlines Limited having its registered office at U.B. Tower, Level-12, U.B.City, No.24, Vittal Malya Road, Bangalore-560 001, is ordered to be wound up.

This winding up order be published in 'The Hindu' and 'Udayavani' having circulation in Karnataka in terms of Rule 114 of Companies (Court) Rules, 1959, read with relevant provisions and notice of this order may also be sent to Official Liquidator, Regional Director and the Registrar of Companies, Karnataka, the respondent company itself and the petitioner company.

The Official Liquidator is appointed as the Liquidator of the said Company and is further directed to proceed further in accordance with the provisions of the Act and Company Court Rules, in pursuance of this Winding Up order.

The Official Liquidator may file a status report within a period of four weeks from today about taking over the control and possession of the assets of the respondent-company and also about the pending litigation or cases against the respondent-company at various other forums/courts or Tribunals or before this Court, within a period of four weeks.

In view of the disposal of main Company petition, prayers sought in C.A.No.1183/2012 for appointment of provisional liquidator of the Company to take charge immediately of the business affairs and assets of the company with all powers under the Companies Act, 1956 and in C.A.No.1184/2012 for restraining the respondent by itself, its servants and agents by an order of injunction from in any manner alienating, encumbering, transferring, creating third party rights or selling or disposing of or in any manner parting with possession or dealing with the properties or any of its assets or properties, do not survive for any further consideration and hence, they are disposed of in aforesaid terms of main winding up order, accordingly.

Sd/-
JUDGE

tsn*

IN THE HIGH COURT OF KARNATAKA, BENGALURU

DATED THIS THE 7TH DAY OF FEBRUARY 2017

BEFORE

THE HON'BLE Dr.JUSTICE VINEET KOTHARI

Co.P.No.57/2012
C/W
Co.P.No.121/2012, Co.P.No.122/2012,
Co.P.No.185/2012, Co.P.No.248/2012,
Co.P.No.51/2013, Co.P.No.99/2013,
Co.P.No.162/2013, Co.P.No.265/2013 &
Co.P.No.148/2016

Company Petition No.57/2012

Between:

IAE International Aero Engines AG
628 Hebron Avenue, Suite 400
Glastonbury
Connecticut 06033, USA
Represented herein by its
Attorney, Mr. Parminder Singh Dadhwal.

... Petitioner

(By Mr. Shreyas Jayasimha, for AZB & Partners)

And:

United Breweries (Holdings) Limited
UB City, Level 12, UB Tower
24 Vittal Mallya Road
Bangalore – 560 001.

... Respondent

(By Mr. Udaya Holla, Senior Counsel for
M/s. Holla & Holla,

Mr. C.K. Nandakumar, Advocate for Opposing Creditors
Mr. Sajjan Poovayya, Senior Counsel for
Mrs. Nalina Mayegowda & Mr. Praveen Kumar, for
Poovayya & Co., for Objectors
S.A. Partners, for Objectors
M/s. Fox Mandal Assts., for Objector
Mr. Ramanand Mundkur for M/s. Mundkur Law Partners,
for Creditors)

****

This Company Petition is filed under Section 439(1)(b) r/w Sections 433(e), 433(f), 434 and 450 of the Companies Act, 1956, praying to order that the Respondent - Company be wound up under Section 433 of the Companies Act, 1956, pass such interim and other orders as deemed necessary to preserve and protect the assets of the Respondent - Company and that of the petitioner & etc.,

Company Petition No.121/2012

Between:

RRPF Engine Leasing Limited
Having its registered office at
65 Buckingham Gate, London
SW1E 6AT, England
Represented herein by its
Authorised Signatory
Mr. Jitendra Panda.

... Petitioner

(By Mr. Pramod Nair, for Arista Chambers)

And

United Breweries (Holdings) Limited
Having its registered office at
UB Tower, Level 12, UB City
No.24, Vittal Mallya Road
Bangalore – 560 001, Karnataka.

... Respondent

(By Mr. Udaya Holla, Senior Counsel for
M/s. Holla & Holla, Mr. C.K. Nandakumar, Advocate for
Opposing Creditors,
Mr. Sajjan Poovayya, Senior Counsel for
Mrs. Nalina Mayegowda & Mr. Praveen Kumar for
Poovayya & Co., for Objectors
S.A. Partners, Advocate for Objectors
Fox Mandal, Advocate for Objectors
Mr. Ramanand Mundkur for
M/s. Mundkur Law Partners
Advocate for Creditors)

****

This Company Petition is filed under Section 433(e), 434 and 439 of the Companies Act, 1956, praying to pass an order winding up of the above named Respondent, United Breweries (Holdings) Limited, under the provisions of the Companies Act, 1956 on the ground of its inability to pay debts and pass such other or further order(s)/direction(s) as this Hon'ble Court may deem just and proper in the facts and circumstances of this case.

Company Petition No.122/2012

Between:

Rolls-Royce & Partners Finance Limited
Having its registered office at
65 Buckingham Gate, London SWIE 6AT
England
Represented herein by its Authorised Signatory
Mr. Jitendra Panda.

... Petitioner

(By Mr. Pramod Nair, for Arista Chambers)

And

United Breweries (Holdings) Limited
Having its registered office at
UB Tower, Level 12, UB City
No.24, Vittal Mallya Road
Bangalore – 560 001, Karnataka.

... Respondent

(By Mr. Udaya Holla, Senior Counsel for
M/s. Holla & Holla,
Mr. C.K. Nandakumar, Advocate for Opposing Creditors
Mr. Sajjan Poovayya, Senior Counsel for
Mrs. Nalina Mayegowda & Mr. Praveen Kumar for
Poovayya & Co., for Objectors
S.A. Partners, for Opposing Creditors
Fox Mandal Assts., for Opposing Creditors
Mr. Ramanand Mundkur for
M/s. Mundkur Law Partners
for Creditors)

***

This Company Petition is filed under Section 433(e), 434 and 439 of the Companies Act, 1956, praying to pass an

order of winding up of the above named Respondent, United Breweries (Holdings) Limited, under the provisions of the Companies Act, 1956 on the ground of its inability to pay debts and pass such other or further order(s)/direction(s) as this Hon'ble Court may deem just and proper in the facts and circumstances of this case.

Company Petition No.185/2012

Between:

Avions de Transport Regional GIE
1 Allee Pierre Nadot, 31172 Blagnac
France
Represented herein by its Attorney
Mr. Sudarshan Pradhan
R/at. Mausleri House, 7 Kapashera Estate
New Delhi – 110037.

... Petitioner

(By Mr. C. Muralidhar, for Murali & Co.)

And:

United Breweries (Holdings) Limited
Having its Regd. Office at UB City
Level 12, UB Tower
24, Vittal Mallya Road
Bangalore – 560 001.

... Respondent

(By Mr. Udaya Holla, Senior Counsel for M/s. Holla & Holla)

*****

This Company Petition is filed under Sections 433(e) and 433(f) r/w Section 434 and 439(1)(b) of the Indian Companies Act, 1956, praying to pass an order to wind up the Respondent Company. Pass such interim and other orders as may be necessary to preserve and protect the assets of the Respondent Company. Pass such other and further order(s) as this Hon'ble Court may deem just and appropriate in the facts and circumstances of the case.

Company Petition No.248/2012

Between:

BNP Paribas
a company incorporated under the
laws of the Republic of France
having its registered office at
16 Boulevard des Italiens, 75009
Paris, France
Represented herein by its Constituted Attorney
Mr. Sabesan Ananthanarayanan &
Mrs. Hyacinth Munshi
working at 3rd Floor, Land Mark Building
#21/15, M.G. Road, Bangalore – 560001.

.... Petitioner

(By Mrs. Fereshte Sethna, Mr. Shanthanu Singh & Mr. Prashanth G, Advocates)

And:

United Breweries (Holdings) Limited
a public limited company incorporated
under the Companies Act, 1956
Having its registered office at

12th Floor, UB Tower, UB City
No.24, Vittal Mallya Road
Bangalore – 560 001.

... Respondent

(By Mr. Udaya Holla, Senior Counsel for
M/s. Holla & Holla,
AZB & Partners, Advocate for Supporting Creditors
Mr. C.K. Nandakumar, Advocate for Opposing Creditors
Mr. Sajjan Poovayya, Senior Counsel for
Mrs. Nalina Mayegowda & Mr. Praveen Kumar for
Poovayya & Co., for Objectors
Mr. A. Murali & Co., for Objector
Mr. D.L.N. Rao, Senior Counsel for
Mrs. S.R. Anuradha, Advocate for Objector
Mr. Ramanand Mundkur,
M/s. Mundkur Law Partners, for Objector)

This Company Petition is filed under Section 439(1)(b) r/w Sections 433(e), 433(f), 434 and 450 of the Companies Act, 1956, praying to order that the Respondent be wound up under the provisions of the Companies Act, 1956. Award costs of the proceedings to the Petitioner and pass such other and further orders as this Hon'ble Court deem just and appropriate in the facts and circumstance of the case.

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Company Petition No.51/2013

Between:

United Bank of India
A Banking company constituted under the

Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Registered office at 11, Hemanta Basu Sarani Kolkata-700001 and having amongst others a Bangalore Branch office at 40 K.G. Road Bangalore-560 009.

... Petitioner

(By Mr. M.V. Kini, Advocate)

And:

United Breweries (Holdings) Ltd.,
Having its Registered office at
UB Tower, Level-12, UB City
Bangalore-560 001.

... Respondent

(By Mr. Udaya Holla, Senior Counsel for
M/s. Holla & Holla
Mr. C.K. Nandakumar, Advocate for opposing Creditors
Mr. Sajjan Poovayya, Senior Counsel for
Mrs. Nalina Mayegowda & Mr. Praveen Kumar for
Poovayya & Co., for Objectors
S.A. Partners, for Objectors
FOX Mandal Assts., for Objectors in C.A.322/15)
Mr. Ramanand Mundkur for
M/s. Mundkur Law Partners, Advocate for Creditors)

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This Company Petition is filed under Section 433(e) & 434(1)(a) & (c) of the Companies Act, 1956, praying that the said company United Breweries (Holdings) Ltd., be wound up under the direction and order of this Hon'ble Court as per the provisions under Companies Act, 1956 & etc.,

Company Petition No.99/2013

Between:

Hindustan Petroleum Corporation Ltd.
A Company incorporated under the
Provisions of the Companies Act, 1956 and
Having its Registered office at
Petroleum House, 17, Jamshedji Tata
Road, Mumbai-400 020.

... Petitioner

(By Mr. V.S. Arabatti, for Mulla & Mulla & Craigie Blunt)

And:

United Breweries (Holdings) Ltd.
A Company incorporated under the
Provisions of the Companies Act, 1956 &
Having its Registered office at
UB Tower, Level-12, UB City
24 Vittal Mallya Road, Bangalore-560 001.

... Respondent

(By Mr. Udaya Holla, Senior Counsel for
M/s. Holla & Holla,
Mr. C.K. Nandakumar, Advocate for Opposing Creditors
Mr. Sajjan Poovayya, Senior Counsel for
Mrs. Nalina Mayegowda & Mr. Praveen Kumar for
Poovayya & Co., for Objectors
S.A. Partners, for Objectors
Fox Mandal Assts., for Objectors
Mr. Ramanand Mundkur for M/s. Mundkur Law Partners
for Creditors)

This Company Petition is filed under Sections 433(e) and (f) & 434 of the Companies Act, 1956, praying that the Respondent company United Breweries (Holdings) Ltd., be ordered to be wound up by and under the orders, directions and supervision of this Hon'ble High Court.

Company Petition No.162/2013

Between:

1. **State Bank of India**
   A banking corporation
   constituted under the
   State Bank of India Act, 1955
   (23 of 1955),
   having its Corporate Centre at
   State Bank Bhavan
   Madame Cama Road
   Nariman Point
   Mumbai-400021.
   And having its Industrial Finance
   branch at 61, Residency Plaza,
   Residency road, Bengaluru-580 025.

2. **Axis bank limited**
   A company incorporated under
   the Companies act, 1956 and
   a banking company within the
   meaning of Section 5(c) of
   the Banking Regulation Act
   1949 and having its
   registered office at Trishul
   Third floor, opp. Samartheswar temple
   Law Garden, Ellisbridge
   Ahmedabad-380006
   Gujarat, India
   And having its corporate
   office at Axis House, C-2

Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai-400025.

3. **Bank of Baroda**
a body corporate under the
Banking Companies (Acquisition
and Transfer of Undertaking)
Act, 1970 (5 of 1970)
having its head office at
Baroda House
P.B.No. 506, Mandavi
Vadodara-396006
Acting through its branch
office at P.O.Box 11745
Samata Building
General Bhosale Marg
Nariman Point, Mumbai-400021.

4. **(Deleted as per order dated 25.01.2017)**

5. (Deleted as per order dated 25.01.2017)

6. **Corporation Bank**
a body corporate under
Banking Companies (Acquisition and Transfer
Undertaking) Act, 1980
(40 of 1980) having its
Corporate Office at
Mangaladevi Temple Road
Pandeshwar, Mangalore-575001
And having its Industrial
Finance Branch at Rallaram
Memorial bldg., 1st floor
CSI Compound, Mission Road
Bengaluru-560027.

7. **The Federal Bank Limited**
a company within the meaning
of the Companies Act, 1956

having its registered office
at Federal Towers
Aluva-683101, Kerala
and having its branch office
at St. Marks road
9, Halcyon complex
St. Marks Road
Bangalore-560001.

8. IDBI Bank Limited
a company incorporated
under the companies act, 1956
and a banking company within
the meaning of the Banking
Regulation Act, 1949 having
its head office at IDBI Tower
WTC complex, Cuffe Parade
Mumbai-400005
Maharashtra, India
And acting through its branch
office at Corporate Banking
Group-FAMG, 9th floor
IDBI tower, WTC complex
Cuffe Parade
Mumbai-400005

9. **Indian overseas bank**
a body corporate under the
Banking Companies (Acquisition
and Transfer of Undertaking)
Act, 1970, having its central
office at 763, Anna Salai
Chennai-600002
And its branch office at
'Harikripa', 26-A, S. V.Road
Santacruz (W), Mumbai-400054.

10. **Jammu & Kashmir Bank Limited**
a banking company incorporated
under the provisions of the

Jammu & Kashmir Companies
Act No. XI of 1977 (Samvat)
having its registered office
at Corporate Headquarter
Maulana Azad Road
Srinagar, Kashmir-190001
And its branch office at
Syed House, 124
S. V. Savarkar Marg
Mahim (West), Mumbai-400016.

11. **Punjab & Sind Bank**
a body corporate under
Banking Companies (Acquisition
and Transfer of Undertaking)
Act, 1980,
having its Head office at 21,
Rajendra place, New Delhi-110008
And having amongst others
a branch office at J.K. Somani
Building, British Hotel Lane
Fort, Mumbai-400023.

12. **Punjab National Bank**
a body corporate under the
Banking Companies
(Acquisition and Transfer
of Undertaking) Act, 1970
(5 of 1970) having its head
office at 7, Bhikaji Cama
Place, New Delhi-110607
Acting through its Large
Corporate Branch at Centenary
Building- 28, M.G.Road
Bengaluru-560001.

13. **State Bank of Mysore**
a body corporate constituted
under The State Bank of India
(Subsidiary Banks) Act, 1959

having its head office at
Kempe Gowda Road
Bengaluru-560009
And its Corporate Accounts
Branch at No.18, Ramanashree Arcade,
M.G. Road, Bangalore-560001.

14. **UCO Bank**
a body corporate constituted
under the Banking Companies
(Acquisition & Transfer of
Undertakings) act, 1970 and
having its head office at
10, BTM Sarani, Kolkata-700001
West Bengal, India
And its branch office at
1st floor, 13/22
K.G.Road, Bengaluru-560009.

15. JM Financial Asset Reconstruction
Co.Pvt. Ltd.
Having its registered office at
7th floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai-400 025.
(Inserted as per order dated 25.01.2017)

... Petitioners

(By Mr. S.S. Naganand, Senior Counsel for
Mr. Shrikara P.K., for DUA Associates)

And:

United Breweries (Holdings) Limited.,
A public company incorporated under the
Provisions of the Companies Act, 1956 &
Having its Registered office at
UB Tower, Level-12, UB City,
24 Vittal Mallya Road,

Bangalore-560 001.

... Respondent

(By Mr. Uday Holla, Senior Counsel for
M/s. Holla & Holla,
Mr. C.K. Nanda Kumar, Advocate for opposing Creditors
Mr. Sajjan Poovayya, Senior Counsel for
Mrs. Nalina Mayegowda & Mr. Praveen Kumar for
Poovayya & co., for Objectors
S.A. Partners, for Objectors
FOX Mandal Assts., Advocate for Objectors in C.A.320/15)
Mr. Ramanand Mundkur for M/s. Mundkur Law Partners for Creditors)

This Company Petition is filed under Section 433(e) & (f) r/w Sectiosn 434 and 439 of the Companies Act, 1956, praying to order that the Respondent company be wound up under Section 433(e) & (f) of the Companies Act, 1956 & Etc.,

Company Petition No.265/2013

Between:

Oriental Bank of Commerce
A body corporate, Constituted under the
Banking, Companies (Acquisition and
Transfer of undertakings) Act, 1980
And having its corporate office at
Plot No.5, institutional area, Sector 32
Gurgaon, Haryana
And a Branch known as large
Corporate Branch, 'The Land Mark'
#21/15, M.G. Road, Bangalore – 560001
Represented by its
Assistant General Manager

Mr. T.S. Bhangu.

... Petitioner

(By Mr. M. Mohamed Ibrahim, Advocate)

And:

M/s. United Breweries (Holdings) Limited
Registered Office
UB Tower, Level-12, UB City
#24 Vittal Malya Road
Bangalore-560 001
Represented by its
Managing Director.

... Respondent

(By Sri. Udaya Holla, Senior Counsel for M/s. Holla & Holla)

This Company Petition is filed under Section 433(e) & (f) r/w 434(1)(a) & 439(1)(b) of the Companies Act, 1956, praying that the Respondent be wound up by this Hon'ble Court under the provisions of the Companies Act, 1956. That the official Liquidator of this Hon'ble Court or some other suitable person be appointed as Liquidator of the Respondent to conduct its affairs and distribute its assets in accordance with law and etc.,

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Company Petition No.148/2016

Between:

IDBI Bank Limited
Infrastructure Corporate Group
2nd Floor, Mafatlal Centre
Nariman Point, Mumbai – 400 021.

Represented by

Sri. S. Ajay Kumar Seshadri
Assistant General Manager.

... Petitioner

(By Mr. T.P. Muthanna, Advocate)

And:

1. United Breweries (Holdings) Limited
UB Tower, Level-12, UB City
No.24, Vittal Malya Road
Bengaluru-560 001.

2. UB Engineering Limited
Sahyadri Sadan
Tilak Road, Pune-411030.

... Respondents

(By Sri. Udaya Holla, Senior Counsel for
M/s. Holla & Holla, R1
R2 - served & unrepresented)

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This Company Petition is filed under Section 433(e) & (f) r/w 439, Companies Act, 1956, praying to pass an order for winding up of the Respondent No.1, i.e., M/s. United Breweries (Holding) Ltd., under the provisions of the Companies Act, 1956 to enable the petitioner to recover the huge debt which is public money. Pass orders that may be deemed fit under the facts and circumstances of the case in the interest of justice.

These Company Petitions having been heard and reserved for Orders on **11-01-2017**, coming on for Pronouncement of Orders, this day, ***Dr Vineet Kothari, J***, made the following:

O R D E R

1. These winding up petitions have been filed by host of creditors in this Court, seeking the winding up of the Respondent – Company, **United Breweries (Holdings) Limited ('UBHL**' for short) and in these ten winding up petitions, the secured creditors, consortium of Banks, 14 in number, led by State Bank of India (SBI) and various unsecured creditors like suppliers of Aero Engines, Lessors of Aircrafts and Service Providers who have invoked Corporate Guarantees furnished by the Respondent – Company, UBHL, to them to secure their loans, advances and supplies to King Fisher Airlines Limited (KFAL), have approached this Court, against the Respondent Company – UBHL, which was initially a Holding Company of the King Fisher Airlines Limited, but, later on diluting its shareholding in that, the said King Fisher Airlines Limited (KFAL) did not remain a Subsidiary Company, however, the existence and

validity of Corporate Guarantees given by the Respondent Company – UBHL continued.

2. The King Fisher Airlines Limited (KFAL) has already been ordered to be wound up recently by this Court in its judgment and order dated ***18/11/2016*** *in* ***Company Petition No.214/2016 a/w. C.A.No.1183/2012 & C.A.No.1184/2012 (Aerotron Limited Vs. Kingfisher Airlines Limited)*** and various other winding up petitions against KFAL.

3. It is also reported that the Founder - Promoter and Chairman of the Respondent - Company UBHL, Dr. Vijay Mallya has since left the Country, India, for the last about one year and various Civil and Criminal proceedings are pending in different Forums and Courts of law in the Country against him and Group Companies including Respondent – UBHL and the concerned Enforcement Agencies, including Central

Bureau of Investigation (CBI) are pursuing him for their respective recoveries.

4. The Debt Recovery Tribunal, Bengaluru Bench, recently after the arguments in the present winding up petitions were concluded before this Court on **11/01/2017,** vide its judgment and order dated **19/01/2017,** a copy of which was placed before the Court when the matter was again listed before the Court on **25/01/2017**, has directed a sum of **₹6203.35 crores** to be recoverable from the Respondent – Company, UBHL, for the default in repayments made by the KFAL and invoking the Corporate Guarantees given by the Respondent - Company, UBHL has been held to be under a legally valid obligation to pay off its dues and the petitioning Banks have been allowed to proceed to recover the said sum of ₹6203.35 crores from the Respondent Company, UBHL.

5. While the winding up petition against the KFAL was decided *ex-parte* and without any contest and it was ordered to be wound up, even though both the batch of cases including the present winding up petitions against UBHL, were listed on the Board of this Court simultaneously and it was also indicated to the learned Senior Counsel who opposed the present batch of winding up petitions against the Respondent – Company, UBHL that whether the Respondent UBHL intends to defend the winding up petitions against KFAL also or not, the learned Senior Counsel, Mr. Udaya Holla answered in 'negative' and therefore, the said Company, KFAL, almost defence-less and unopposing, was ordered to be wound up, on account of its failure to pay the admitted liability and the dues towards the petitioning creditors. About fifty-five (55) winding up petitions against KFAL were thus allowed by the Court and the Official Liquidator was appointed to take charge

of the assets of the said Company, KFAL and file a Status Report before this Court.

6. That soon thereafter, when the present set of winding up petitions against the Respondent - Company, UBHL were taken up for hearing, a serious contest was put up against these winding up petitions by Mr. Udaya Holla, Senior counsel for UBHL and other counsels appearing for the supporting creditors to oppose the winding up by Mr. Sajan Poovayya, Senior Advocate and Ms. S.R. Anuradha, learned counsels appearing for workmen of the Respondent – Company, UBHL and other allied companies.

7. The dues claimed from the Respondent - Company were relating to the KFAL and it is on the anvil of the Corporate Guarantees of UBHL and personal Guarantees given by Dr. Vijay Mallya to these petitioning creditors, which were invoked and on account of the failure to discharge the said Guarantee

obligations, these winding up petitions were filed by the different secured and unsecured creditors and the learned counsel appearing for the petitioning creditors also made emphatic arguments before this Court for seeking the winding up of the Respondent – Company, as they submitted that not only the Respondent – Company, UBHL has failed to pay its admitted liability and debts arising under these Corporate Guarantees but the defences put forth by them are flimsy and unsustainable and the Respondent – Company, UBHL cannot wriggle out of its Guarantee obligations and the net-worth of the Respondent - Company is also in negative and there is not even an iota of hope of the said Company, UBHL reviving its net worth in positive in such a manner to meet the financial obligations of the petitioners against it and it is not only a commercially insolvent Company, but otherwise also it is absolutely just and equitable to wind up the Respondent -

Company. The winding up is thus sought under Section 433(c),(e) and (f) of the Companies Act, 1956.

8. They have also contended before the Court that the surreptitious deals made by the Ex-Chairman, Dr. Vijay Mallya of transfer of shares held by Respondent Company, UBHL in its Group Company, United Spirits Limited (USL) is also a matter pending investigation and the said Ex-Chairman, Dr. Vijay Mallya has absconded from India for the last one year and the matter is being pursued even before the Hon'ble Supreme Court and various Enforcement Agencies including CBI, who are seeking the extradition of the said Dr. Vijay Mallya who is said to be residing presently in the United Kingdom.

9. Though the new Companies Act, 2013 has been enforced in India and some jurisdictions under that new Law have been transferred from this Court to **National Company Law Tribunal**, but under the recently issued **Notification** dated **07/12/2016** by the Central

Government, the winding up petitions in which Respondent - Company had already been served with the Court summons have been retained in High Courts and are to be disposed of by the High Courts only.

10. The various contentions raised by both the sides will be dealt with by this Court elaborately hereinafter.

11. But before doing so, a brief introductory facts of all the ten winding up petitions filed by the various creditors, secured and unsecured, is found appropriate here.

Company Petition No.162/2013 - SBI and 13 other Banks Vs. UBHL:

12. The consortium of 14 Banks led by SBI have filed this winding up petition claiming a sum of ₹6,203.35 crores from the Respondent-Company, UBHL as on **31/05/2013** by virtue of its obligations under the

Corporate Guarantee executed by Respondent – Company, UBHL in favour of the petitioners to secure the obligations of KFA Limited (KFAL).

13. The petitioners have specifically stated in the petition that they are standing out side the winding up insofar as their secured interest are concerned and that they have not relinquished their rights and interest as secured creditors and are also pursuing other remedies available to them for realization of the Securities created in their favour, without the assistance of this Court for sale/realization of the secured assets. However since according to them, the dues of the petitioners are far in excess of the security interest, which they hold with them, therefore, they are before this Court, seeking the winding up of the Respondent – Company, UBHL.

14. The petitioners have stated before the Court that the petitioners, State Bank of India (SBI), Axis

Bank Limited, Bank of Baroda, Bank of India, Central Bank of India, Corporation Bank, The Federal Bank Limited, IDBI Bank Limited, Indian Overseas Bank, Jammu and Kashmir Bank Limited, Punjab & Sind Bank, Punjab National Bank, State Bank of Mysore, and UCO Bank have stated before the Court that in April 2010, at the request of KFAL, some of the petitioners – Banks, since 2005, have provided Working Capital facilities, both fund based and non fund based and Rupee Term loan facilities including Short Term loan to KFAL and subsequently in view of the financial difficulties faced by it, KFAL requested the petitioners - Banks to re-cast the Working Capital facilities and term loan facilities. Accordingly, in April 2010, a Lenders' meeting was held between the petitioners- Banks and KFAL and a Master Debt Re-cast Agreement (**MDRA**) was entered into on **21/12/2010** and the various Rupee Term loan facilities provided to KFAL is treated as Single Rupee facility and the various Working Capital

facilities provided to KFAL were treated as Single Working Capital facility and the financial documents and securities were created in pursuance of the said MDRA.

15. The State Bank of India was appointed as Lenders' Agent by other petitioners and the borrower, KFAL and other subsidiaries, that is, Respondent – Company, UBHL and Dr. Vijay Mallya executed the Corporate Guarantee in favour of the petitioners. The State Bank of India Cap Trustee Limited (SBICAP) was appointed as Security Trustee for the benefit of petitioners - Banks and the KFAL, the Respondent - UBHL and King Fisher Finvest (India) Limited (KFFIL) entered into a Pledge Agreement dated **21/12/2010** for the purpose of pledging certain shares owned by the pledgors in favour of SBI, kept for the benefit of petitioners – Banks. The Respondent – Company, UBHL executed a Corporate Guarantee Agreement on

21/12/2010 with the petitioner No.1 – SBI and Dr. Vijay Mallya also executed a Personal Guarantee under the said MDRA and other financial documents, on **21/12/2010.**

16. The petitioners have submitted further that due to non servicing of the interest to the invocation of the Letters of Credit and Bank Guarantees and non repayment of loan instalments by KFAL, all the petitioning Banks classified the Accounts of KFAL as Non-Performing Assets (NPA) and invoking the guarantees given by the Respondent Company and personal guarantee of Dr. Vijay Mallya, the petitioners – Banks called upon the Respondent – Company, UBHL to pay the debts due under the said Guarantee Agreements, amounting to **₹6,203.35 Crores,** which the Respondent – Company, UBHL failed to pay.

17. The petitioners have also submitted that they have initiated action against the Respondent -

Company, UBHL, under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement Security Interest Act, 2002 ('SARFAESI' Act) and the representations and objections filed by the Respondent - UBHL, were rejected by the said Tribunal.

18. The petitioners have also stated before the Court in para.29 of the petition that the Respondent – Company, UBHL, has filed a Civil Suit, namely Suit No.263/2013 (R311/2013) before the Bombay High Court, *inter alia,* challenging the validity of the Corporate Guarantee given by it and sought a declaration to that effect and also another collusive Suit filed by the United Spirits Limited in **Special Civil Suit No.31/2013/A,** before the Civil Judge, (Sr.Dvn.) at Mapusa, Goa, whereas these Companies had no jurisdiction and the whole purpose of the said Suit was

to some how create as many hurdles for recovery of outstanding dues to the petitioners as possible.

19. The petitioners have also submitted that the Respondent – Company, led by its Chairman, Dr. Vijay Mallya surreptitiously entered into a deal of sale of shares owned by Respondent – Company, UBHL to Diageo Plc and Relay B.V., Foreign Companies and the said shares held by it in its Group Company, USL was intended to be sold at ₹1440/- per share as against the much higher market price available and thus on account of failure of the Respondent - Company to pay its admitted dues under the Corporate Guarantees and raising sham defences which deserve to be overruled, the petitioners have prayed for winding up of the Respondent - Company and appointment of Official Liquidator to take charge of all the remaining assets of the Company for realization and pro-rata distribution amongst the secured and unsecured creditors as per

Section 529, 529-A and other relevant provisions of the Indian Companies Act, 1956.

20. They also contended that Dr. Vijay Mallya took huge amount as compensation or gift for stepping down from the post of Chairman of Respondent – Company, UBHL and has diverted those funds for his personal gains and has absconded from India last year and is reported to be living in London, United kingdom and Indian Enforcement Agencies and CBI are hotly pursuing him by seeking his extradition and come here to account for all such Civil and Criminal liabilities which he has incurred.

21. Besides all serious arguments, on lighter side to a query as to what was the subject of Ph.D. of Dr. Vijay Mallya, the learned Senior Counsels appearing on defence side without being specific, only passed an intriguing smile.

Company Petition No.57/2012 - IAE International Aero Engines AG Vs. UBHL

22. The petitioner – Company, **IAE International Aero Engines AG,** incorporated in Switzerland and having a permanent place of business in USA, has approached this Court by way of aforesaid winding up petition with the case that the petitioner manufactures and sells Aircraft Engines and related Equipments and it has leased a number of Aircraft Engines to KFAL, a subsidiary of the Respondent – UBHL and *inter alia*, executed on **27/10/2010** an Agreement called "**V2500 Rework Agreement"** for maintaining various Aircraft Engines to KFAL. Another Agreement between these parties on **27/10/2010** was named as "**Repayment Agreement"** regarding the repayment of various Bills and Invoices for these supplies of goods and services between 2005 and 2010.

23. The Respondent – Company, UBHL executed two Corporate Guarantees, **Guarantee No.1** under Repayment Agreement on **10/11/2010** for **USD 27,804,678** and **Guarantee No.2** under "**V2500 Rework Agreement"** on **01/08/2011** for **USD 18,500,000**. Both the Guarantees were unconditional and irrevocable as Principal Obliger and it took obligation to pay all monies whether actual or contingent, due owing or incurred by KFAL under these Agreements, upon failure of KFAL to pay its dues towards petitioner – Company. The petitioner – Company, on **15/02/2012,** invoked its two Guarantees and called upon the Respondent - UBHL to pay the entire outstanding amount of **USD 11,877,573.01** under "**V2500 Rework Agreement** and **USD 18,804,678** under "**Repayment Agreement"**. The statutory notice under **Sections 434 and 439 of the Companies Act, 1956** was served on **29/02/2012** which was not responded to by the Respondent -

Company. However, on **21/03/2012,** the Respondent – Company, UBHL only replied stating that they are trying to resolve the issue amicably. Thus, a total sum of **USD 30,682,251.01** (approximately **₹153 crores**) was due for which the petitioner -Company filed the present winding up petition in this Court on **26/03/2012**.

Company Petition No.121/2012 & Company Petition No.122/2012 - RRPF Engine Leasing Limited & Rolls-Royce & Partners Finance Limited Vs. UBHL.

24. The petitioner - Company (in Co.P.No.121/2012) incorporated under the Laws of England is engaged in the business of renting Air Transport Equipments including Aircraft Engines.

25. The petitioner and its Holding Company, Rolls-Royce & Partners Finance Limited (RRPF) (petitioner –Company in Co.P.No.122/2012) entered into a Master Engine Lease Agreement on **30/09/2005** with

KFAL to provide a standing facility permitting the Lessee to lease Aircraft engines and Associated Equipments from the petitioner and RRPF from time to time.

26. The Engine Lease Agreement No.1 was entered into between petitioner and KFAL on **30/09/2005** and according to that, the lessee agreed to make payment of loan to the petitioner in advance on each Rent Date and **the Engine Lease Agreement No.2** dated 30/09/2005 was in respect of the new Aircraft Engine being IAE V2527–A5 Engine with MSN V12416 (Engine 2) and the lessee and both the parties also entered into a Maintenance Reserves Letter dated **07/10/2005.** The Respondent – Company, UBHL executed a Corporate Guarantee on **25/01/2006** in favour of the petitioner and RRPF in respect of amounts due and payable by the KFAL, the lessee.

27. In 2007, on **28/03/2007**, the Engine Lease Agreement No.4 was also executed and Respondent

UBHL again executed a Corporate Guarantee in favour of the petitioner, on **27/09/2007.** Since the Respondent – UBHL, lessee failed to pay its outstanding amount of **USD 11,580,055.72 (₹64,28,08,893/-**) despite its demand vide letter dated **08/02/2012**, the petitioners demanded the said amount from the Respondent, Guarantor, UBHL to pay the said outstanding amounts to the petitioner - Company. After terminating the lease on **29/03/2012,** a statutory notice was served on the Respondent - Company also under Section 434 of the Companies Act, claiming a sum of **USD 533, 268, 97 (₹2,96,01,760.52)**.

28. In **Company Petition No.122/2012**, petitioner – Company, **RRPF** made claim of **USD 10,437,866 (₹57,94,05,941.70)** vide paragraph 12 of its Company Petition from the Respondent, UBHL and *inter alia,* both the Companies contended that the Respondent, UBHL has failed to discharge its

Guarantee obligations and therefore deserves to be wound up by this Court.

Company Petition No.185/2012 - Avions de Transport Regional GIE Vs. UBHL

29. The petitioner - Company incorporated in France, engaged in the business of manufacture, sale and lease of Aircraft and related Equipments claims to have leased a number of Aircrafts to KFAL in pursuance of Agreement executed on **21/07/2006** called, "**Global Maintenance Agreement"** and to supply spare parts to KFAL under the said Agreement. It claims outstanding dues against KFAL to the tune of **USD 20,988,224.42** under the Payment Agreement dated **22/09/2011** and the Respondent, UBHL is said to have executed an unconditional and irrevocable Corporate Guarantee to the maximum amount of **USD 25,000,000,** vide Guarantee dated **14/10/2011**, **Annexure E** of this Company petition.

30. On **23/03/2012**, the said Guarantee was invoked and upon failure of the Respondent to discharge its related obligations, the statutory legal notice was served by the petitioner on the Respondent vide **Annexure J** on **03/08/2012** claiming an amount of **USD 16,899,970.60 (₹101,39,98,200/-).**

Company Petition No.248/2012 - BNP Paribas Vs. UBHL

31. The said **BNP Paribas** also registered in France claims to be a Bank, having financed for the purchase of three ATR 72-212A Aircrafts or Engine bearing Number, **"MSN 699", "MSN 728"** and **"MSN 730"** under the Loan Agreements facilitated by ***"campagnie Franqaise d' Assurance pour le Commerce Exterieur ("Coface")*** the Export Credit Agency of France. According to petitioner, all three parties to Agreement dated **05/06/2006** Kingfisher Airlines Limited, KF Aero, and the petitioner, BNP

Paribas. The KF Aero, lessor agreed to purchase the Aircrafts from *G.I.E. Avoins de Transport Regional* (the Manufacturer) of Blagnac, France and KF Aero agreed to immediately lease its Aircraft to KFAL pursuant to lease Agreements dated **05/06/2006,** the Hypothecation lease was executed on **21/06/2006** by KFAL in favour of KF Aero. Under each Loan Agreement, a Dollar term facility loan was made available to KF Aero by the petitioner, in the aggregate amount equal to the Total Commitment. KF Aero was obliged to repay the petitioner, BNP Paribas, by way of bi-annual instalments of principal and interest under the Loan Agreements and in the event of default in payment of loan to KF Aero by KFAL, within five business days following due date, was authorized to proceed by appropriate action to enforce performance by KFAL of the relevant Lease Agreements. The governing law and the jurisdiction qua its Lease Agreements was agreed to

be of the English Courts according to the petitioner – Company.

32. Learned counsel, Ms.Fereshte Sethna, appearing for BNP Paribas explained that an integral aspect to the financing arrangements was the execution and delivery by the Respondent, UBHL of three Guarantees, all dated **17/06/2006,** pursuant to which the Respondent, UBHL unconditionally and irrevocably agreed to guarantee and indemnify as Principal Obliger and not merely as Surety, on demand from KF Aero or its assignee, all monies due and payable by KFAL to KF Aero under or pursuant to the Lease Agreements, within 15 days of first written demand on the Respondent. The petitioner - Company has placed Security Assignments, Notices of Assignment, Lease acknowledgments and Guarantee acknowledgments, all dated **21/06/2006** as Annexure T to CC of the winding up petition and the petitioner, BNP Paribas is therefore claiming to be an

assignee and chargee to put in force and exercise all rights and powers in relation to the Guarantees. Since KFAL, in breach of Lease Agreements failed to make payments to KF Aero for these three Aircrafts, a sum total of **USD 724,246.29** and second demand of **USD 742,653.77.**

33. The learned counsel further submitted that the petitioner - Company sought a decree by instituting the proceedings in the High Court of Justice, Queen's Bench Division, Commercial Court, in London against KFAL and Respondent - UBHL on **23/12/2011** seeking decree of **USD 2,936,175.30**. Upon termination of the lease of the three Aircrafts vide terminating Notice dated **23/02/2012**, the petitioner demanded a sum of **USD 26,634,728** (approximately ₹146.11 crores), by serving a Notice dated **15/07/2012,** under Sections 433 and 434 of the Companies Act, a copy of which is placed on

record as Annexures NN and PP respectively, the present winding up petition was filed on **05/11/2012**.

Company Petition No.51/2013 - United Bank of India Vs. United Breweries (Holdings) Limited

34. The petitioner – Bank claims that initially it had sanctioned credit limits to M/s. Deccan Aviation Limited since October 2003 and further credit limits were also sanctioned to KFAL since November 2005 and M/s.Deccan Aviation Limited was taken over by KFAL vide Merger of the two, sanctioned by the Karnataka High Court on **16/06/2008** in **Company petition Nos.45, 46 and 47 of 2008.**

35. The Respondent – Company, UBHL had granted a Corporate Guarantee in favour of the petitioner - Bank and other Banks on 25/02/2003 which was invoked by the petitioner - Bank on **25/02/2013**. The petitioner Bank is not a part of the

SBI and 13 other banks in a consortium which have filed **Company Petition No.162/2013** in this Court, on its own head, claiming a sum of **₹386.62,31.757.07** along with interest by serving a legal notice on the Respondent Company, UBHL and KFAL on **08/11/2012** against various lease facilities extended to KFAL including cash credit facilities, Working Capital Term Loan (WCTL), Funded Interest Term Loan (FITL) Term Loan (PDP), with interest, the petitioner Bank claims a sum of **₹450,02,31,757.07** against the Respondent – UBHL and filed the present winding up petition in this Court on **21/06/2013**.

Company Petition No.99/2013 - Hindustan Petroleum Corporation Limited Vs. UBHL

36. The petitioner, a Government of India Enterprise and Supplier of Aviation Fuel to KFAL, has filed this winding up petition, claiming a sum of ₹66,72,44,516.73 as outstanding **delayed payment**

service charges (interest) payable by KFAL for which the Respondent, UBHL stood Guarantor. The petitioner supplied Aviation Fuel under the Aviation Fuel Agreement on **07/06/2010** with KFAL and though the Principal amount towards supply appears to be paid with delay, the said outstanding amount is claimed as interest for such delayed payments in terms of the Agreement. The petitioner – Company, serving statutory notice upon the Respondent - UBHL also under Sections 433 and 434 of the Companies Act, claimed the said amount vide statutory notice dated **06/03/2013**, and upon failure to pay the same, has filed the winding up petition on **11/05/2013**.

Company Petition No.265/2013 by Oriental Bank of Commerce against UBHL.

37. The petitioner - Bank has also filed this separate winding up petition, invoking its Guarantee for the dues of the KFAL and for recovery of a sum of

₹58,88,87,231.76 plus interest vide statutory Notice dated **07/02/2013, Annexure J,** against the Respondent - UBHL.

Company Petition No.148/2016 - IDBI Bank Limited against UBHL

38. The petitioner - Bank claims to have granted financial assistances to M/s. U B Engineering Limited (UBEL), Respondent No.2 and Associate Company of Respondent No.1 ,UBHL by way of Working Capital Loan Agreement amounting to **₹190.00 crores** and under the unconditional and irrevocable Corporate Guarantee executed by Respondent No.1, UBHL in favour of petitioner on **03/08/2010**, to the extent of ₹15.00 crores for Fund based limits. The petitioner - Bank has served a statutory Notice under Sections 433 and 434 of the Companies Act on Respondent – UBHL, claming a sum of **₹46,89,15,617.87** vide its Notice

dated **03/03/2016** and thereafter has filed this winding up petition on **28/06/2016.**

The contentions of the Petitioners

39. Since the different creditors, secured and unsecured creditors, Banks and Financial Institutions and other trading creditors like suppliers and service providers have filed various winding up petitions, it is considered appropriate to deal with the contentions of the petitioners raised by various learned counsels appearing for the different petitioners as follows:-

For SBI & 13 other Banks : Mr.S.S.Naganand, Senior Advocate for Petitioner (Co.P.No.162/2013)

40. For State Bank of India and other Banks Mr.S.S.Naganand, Senior Advocate made submissions on behalf of the State Bank of India, the lead Bank representing the consortium of various banks who had

made advances and extended loans to the Company – Kingfisher Air Lines Ltd., **('KFAL'** for short) and the Respondent-company United Breweries (Holdings) Limited (**'UBHL'** for short) was earlier the Holding company *qua* its subsidiary KFAL and the claim of these petitioning creditors are based on the Corporate Guarantees given by the Respondent-company UBHL to secure the loans and advances by these petitioner-Banks to KFAL, which company has already been ordered to be wound up by this Court on **18.11.2016**.

41. Mr.S.S.Naganand, learned Senior Advocate has made the following submissions:-

That Respondent – UBHL was incorporated way back on **23.03.1915** about 100 years ago but the relevant facts for these winding up petitions have been dealt with in these petitions commenced from the year 2005 onwards, when these Banks had provided loan

facilities to the KFAL and since 2010, the said Company KFAL started making losses and its business operations stopped in the year 2011 and therefore, on **21.12.2010**, the Master Debt Recast Agreement **(MDRA)** was recast for restructuring of the various loans of KFAL and even further loans were advanced by these Banks to KFAL. The Security Trustee Agreement was also entered into and SBICAP Trustee Company Ltd.,(SBICTCL) was appointed as trustee of the petitioner –Bank to receive and recover the dues from the said borrower KFAL. The Corporate Guarantee Agreement was executed by the Respondent-UBHL in favour of the petitioner-Bank on 21.12.2010. Since 2011-12, the borrower company KFAL failed to service the loans and repay the principal and interest under MDRA Agreement. The various Banks classified the loan accounts as 'NPA' (Non Performing Assets) and the loans were recalled and recovery action was initiated against the said company KFAL.

42. Learned Senior counsel, Mr.S.S..Naganand submitted that dues of the petitioner-Bank for which, the action was also initiated under the provisions of 'SARFAESI' Act, 2002 before the Debt Recovery Tribunal ('DRT' for short), vide **O.A.No.766/13**, the total dues are to the extent of **₹6203.35 crores** as on **25.06.2013** which, with continuously accruing interest, coupled with other Banks outside this consortium and unsecured creditors now may be well over ₹10,000 crores against UBHL.

43. Mr.S.S.Naganand, further submitted that the corporate guarantee given by the respondent-UBHL to secure the financial obligations of KFAL under various loan agreements, was co-extensive with that of the principal borrower KFAL and on account of failure to discharge its guarantee obligations under these Corporate Guarantee Agreements, the respondent-UBHL has also become commercially insolvent and is

unable to pay its huge liability and dues under the said Corporate Guarantees and therefore, the Respondent company UBHL also deserves to be wound up under the provisions of Section 433(e) r/w Section 433(f) of the Companies Act, 1956.

44. Mr.S.S.Naganand submitted that the petitioner-Banks being secured creditors, standing outside the winding up proceedings, insofar as secured interest are concerned, they have initiated action against the respondent-company before the DRT, Bangalore also, but that does preclude them from pursuing the present winding up petitions against the Respondent-company UBHL. He also drew the attention of the Court towards one settlement proposal dated **29.03.2016** filed on behalf of KFAL and Respondent-company UBHL and Kingfisher Finvest(India) Ltd., through its Chairman Dr.Vijay Mallya, but he submitted that the said proposal was an

eyewash and a ruse to wriggle out of the winding up proceedings initiated by the petitioners-Bank and several other creditors before this Court and such proposal was filed before the Hon'ble Supreme Court in **Special Leave Petition Nos.6828-6831/2016** was not accepted even by the Hon'ble Supreme Court and the counter filed by Dr. Vijay Mallya in the aforesaid SLP before the Hon'ble Supreme Court itself was clearly admitted that the assets of the Respondent company are presently worth only **₹4,986/-** crores, whereas, the liabilities of the respondent aggregated to about **₹11,452** crores and thus on the own showing of the Respondent company, it was clear that it was not commercially solvent and was not capable of discharging its admitted debts and was therefore, liable to be wound up under the provisions of the Companies Act.

45. Mr.S.S.Naganand, also drew the attention of the Court towards the audited Balance Sheets of the Respondent-company in public domain for the Financial Year 2012-13 to Financial Year 2015-16 and he submitted that the Respondent-company was consistently making huge losses and it's net worth has completely eroded and turned negative and it was impossible for the Respondent Company, UBHL to pay off all its creditors who are seeking winding up of the Respondent Company, UBHL and since it was a commercially insolvent Company and there was no chance of its revival and retrieval and the substratum of the company has been completely lost and it had already run into several litigations, petitions, suits and recovery proceedings and the operations of Airlines Company KFAL, for which, it stood guarantor had stopped operations long back in 2011 and that it has already been wound up by this Court in the recent past,

therefore, the present Respondent company UBHL also deserves to be wound up by this Court.

For M/s.IAE International Aero Engines AG in Co.P.No.57/2012:-

46. Mr.Shreyas Jayasimha, learned counsel on behalf of petitioner-**IAE International Aero Engines AG** in **Co.P.No.57/12** submitted that the petitioner is a Company incorporated under the laws of Switzerland and has its Registered office in Switzerland and it was engaged in the business of manufacturing, maintaining, selling and leasing etc., of Aircraft Engines and all related equipments. He submitted that the Respondent – UBHL had executed Deeds of Guarantee in favour of the Petitioner-company as security for amounts due to the petitioner from KFAL, to whom such engines and equipments were supplied during the contemporary period under various agreements. The amounts due to the petitioner- company as per the statutory notice

served upon the Respondent company is to the extent of **USD 3,06,82,251,** equivalent to **₹184,09,35,060/-** (an average conversion rate of ₹60/- for one (1) of USD for approximate value). The said amounts were due towards the supply of Aircraft Engines and expenses incurred by the petitioner towards maintaining the Aircrafts leased by the petitioner to KFAL. He submitted that the Corporate Guarantees executed by the Respondent-company in favour of the petitioner on **01.08.2011** and **10.11.2010** were unconditionally irrevocable and same contained covenant to pay to the petitioner-company within 5 business days of a written demand and the said Undertaking was given by the Respondent – UBHL in the capacity of Principal Obligor and not merely as a Surety.

47. Mr.Shreyas Jayasimha, submitted that series of Agreements were executed between the petitioner and KFAL including the Agreement called **V2500 Rework**

Agreement dated **27.10.2010** and FPA (Fleet Power Agreement) Termination Agreement and Agreement for mutual release and waiver of claims between the petitioner and KFAL, Deeds of lease for Aircraft Engines and for repayment of outstanding amounts which fell due between 2005-10 and all these series of Agreements were executed on 27.10.2010. The Corporate Guarantees were executed by UBHL in favour of the petitioner on 10.11.2010 and on 01.08.2011 and upon the default in payment by KFAL under Rework Agreement and Repayment Agreement, the petitioner-company invoked the Guarantees by issuing two Notices to the Respondent company UBHL on **15.02.2012** and served Statutory Notice under Sections 434 and 439 of the Companies Act, 1956 on **29.02.2012** followed by a Reminder Notice on **16.03.2012.** The Respondent company UBHL replied to the said Statutory Notice on **21.03.2012** denying its liability to pay the amount demanded by the petitioner-company and hence, the

present winding up petition No.57/12 was filed in this Court on **26.03.2012.**

48. The learned counsel for the petitioner-company, Mr.Shreyas Jayasimha also submitted that the defences raised by the Respondent company are merely an eyewash and moonshine defences and mere filing of the suit bearing **O.S.No.6406/12** by the Respondent-UBHL against the petitioner-company IAE International AG and others in City Civil Court at Bangalore, does not amount to a valid defence against the winding up petition filed by the petitioner- company and due to the admitted failure of Respondent-company to pay all its dues for which it stood guarantor for KFAL against the supplies of Aero Engines and Equipments made by the petitioner-company to KFAL, the Respondent Company-UBHL deserves to be wound up like KFAL itself.

49. He also submitted that the petitioner-company had obtained the decree for recovery against the Respondent-company from the Queen's Bench Division, High Court of Justice (Commercial Court in U.K.) on **05.07.2013,** by which, the said Court in U.K., ordered the Respondent company UBHL to pay the guaranteed amounts or related expenses and he submitted that the Respondent company deliberately chose to remain absent and ex-parte before that Commercial Court at U.K. and the petitioner company is entitled to recover the said amounts from the Respondent company even in execution of that decree of U.K. Court held by it against the Respondent company in India.

50. He also submitted that while admitting the present winding up petition, the co-ordinate bench of this Court on **02.01.2015** held, although, prima-facie, that the defences raised by the respondent-company

were not valid defences and were merely moonshine and unsustainable and therefore, admitting the present winding up petition had directed publication of the same in terms of the Companies (Court) Rules, 1959 and accordingly, publication was carried out on **02.02.2015** in Newspapers, "the Hindu" and "Udayavani".

51. He, therefore submitted that the Respondent company also deserves to be wound up, so that the Official Liquidator can take charge of whatever assets of the Respondent company are available and by realizing the sum by sale of assets of Respondent company UBHL and distribute the same to the petitioner company and others like, who have filed various winding up petitions before this Court in accordance with the provisions of the Companies Act.

The total dues of all the petitioners in the form of a Chart are given below:-

Sl. No.	Case No.	Petitioner	Date of filing the Co.P.	Date of Statutory Notice U/S.433, 434 & 439 of Co.Act,1956.	Amount claimed in USD	Amount in Indian Rupee converted in approximate rate of ₹60/USD
1	**Co.P.No.57 of 2012**	IAE International Aero Engines AG **(IAE)**	26/03/2012	a) 29/02/2012 b) 16/03/2012	* 1,18,77,573 **1,88,04,678 **3,06,82,251**	**184,09,35,060/-**
2	**Co.P.No.121 of 2012**	RRPF Engine Leasing Limited **(RRELL)**	12/06/2012	28/03/2012	7,32,710	**4,39,62,600/-**
3	**Co.P.No.122 of 2012**	Rolls-Royce & Partners Finance Limited **(RRPFL)**	12/06/2012	28/03/2012	1,04,37,866	**62,62,71,960/-**
4	**Co.P.No.185 of 2012**	**Avions** de Transport Regional (GIE)	03/09/2012	03/08/2012	1,68,99,970	**101,39,98,200/-**
5	**Co.P.No.248 of 2012**	BNP Paribas	05/11/2012	05/07/2012	2,66,34,728	**159,80,83,680/-**
6	**Co.P.No.51 of 2013**	United Bank of India **(UBI)**	19/03/2013	25/02/2013		**450,02,31,757/-**
7	**Co.P.No.99 of 2013**	Hindustan Petroleum Corpn.Ltd.**(HPCL)**	27/05/2013	06/03/2013		**66,72,44,516/-**
8	**Co.P.No.162 of 2013**	**SBI** & 13 Banks	19/08/2013	02/04/2012 (Para.37 of ptn.)		***5823,75,41,697/-**
9	**Co.P.No.265 of 2013**	**Oriental Bank** of Commerce (OBC)	16/11/2013	07/02/2013		**58,88,87,231/-**
10	**Co.P.No.148 of 2012**	**IDBI** Bank Ltd.	28/06/2016	03/03/2016		**46,89,15,617/-**
				Total	**8,53,87,525**	**6,958,60,72,318/-**

* Amount claimed under Rework Agreement

** Amount claimed under Repayment Agreement

*** Amount as determined by **Debt Recovery Tribunal, Bengaluru,** vide its order dated **19/01/2017** in **O.A.No.766/2013** filed by SBI & ors against KFAL, UBHL, KFIL is **₹_6203,35,03,879-42**

The contentions on behalf of the United Spirits Ltd., ('USL') (Mr.Ramanand Mundkur, Advocate)

52. Mr.Ramanand Mundkur, Advocate appearing for United Spirits Ltd., a Group company of the respondent-UBHL which was initially opposing the winding up of the respondent company-UBHL but shifted its stand from opposition to supporting of the winding up petition during the course of these winding up proceedings, was called upon to explain its position and accordingly, Mr.Ramanand Mundkur, learned Advocate filed the affidavit of one Ms.Mamata Sundara, General Counsel of USL claiming to be duly authorized to swear the affidavit.

53. Mr.Ramanand Mundkur, the learned counsel has urged that USL is a creditor of the respondent-UBHL who owes ₹1776.77 crores as on **31.12.2016** to USL under the Loan Agreement dated 03.07.2013 (₹1337.42 crores by way of principal and ₹439.35 lakhs

by way of interest at the rate of 9.5% p.a. simple interest computed for the period 03.07.2013 to 31.12.2016) and therefore, submitted that the Loan Agreement dated **03.07.2013** was approved by the Board of Directors of both the companies. Mr.Ramanand also submitted that the effective date of this Loan Agreement was 04.07.2013 as defined in the Shareholders Agreement amongst Respondent-UBHL and Kingfisher Finvest India Limited dated **09.11.2012,** which become effective upon completion of the purchase of USL shares by Relay B.V. and Diageo plc, Relay B.V. being indirect wholly owned subsidiary of Diageo plc, pursuant to the Agreement entered into with the Respondent-UBHL on 09.11.2012, as contemplated under the Shareholders Agreement, the USL entered into Deed of Adherence and thereby become the party to that Shareholders Agreement on 04.07.2013.

54. Mr.Ramanand Mundkur further submitted that in view of the events as developed later on, the prior affidavit of USL filed in this Court on **25.01.2016** seeking protection of the Court by appropriate orders in the present winding up petitions, the change of stand shifting from opposing winding up petition to supporting the same now by this Affidavit **10.01.2017** happened in the following circumstances:-

55. That the Company USL originally filed its Affidavit dated **25.02.2015** opposing the winding up of UBHL but slightly shifted its stand by subsequent affidavit dated **25.01.2016,** seeking protection against the respondent-UBHL from the court of its own interest and the financial exposure by way of loans given to UBHL and finally took a stand for supporting the winding up of the Respondent – UBHL by its Affidavit filed during the course of arguments on **10.01.2017**.

56. When the Respondent – Company, UBHL failed to discharge its loan obligations towards its own Group Company, the creditor USL, the USL started proceedings for recovery of the amounts owned under the Loan Agreement dated 03.07.2013 and initiated the arbitration proceedings by nominating former Supreme Court Judge Mr.Justice Santhosh Hegde (Retd.,) as an Arbitrator, by Arbitration Notice dated **14.07.2016** and the respondent company UBHL replied to USL Arbitration Notice on **13.08.2016** and UBHL appointed former Supreme Court Judge Hon'ble Mr.Justice B.P.Singh (Retd.,) as its arbitrator. These two Arbitrators jointly appointed the third arbitrator, namely, Former Supreme Court Judge Hon'ble Mr.Justice B.P.Jeevan Reddy (Retd.,) as the presiding Arbitrator, who accepted the said offer on **13.10.2016** and the first meeting of the said Arbitration Tribunal took place on **16.11.2016,** in the recent past.

57. The learned counsel for USL, Mr.Ramanand Mundkur, also submitted that the Respondent company UBHL started publicly disowning any loan outstanding towards USL and from the un-audited financial results for the period ended on **30.09.2016** submitted by the Respondent UBHL to Stock Exchanges on **10.11.2016**, the respondent company UBHL acknowledged that the effective date of loan agreements was the date of completion of the sale of the USL shares by the respondent company to the Diageo plc/Relay BV. In these un-audited results, the respondent company UBHL notes that the sale of shares in question was completed on **04.07.2013**, pursuant to the permission given by the High Court in its order dated **24.05.2013** and the said order dated **24.05.2013** was appealed against and the same was set aside by the Division Bench of this Court on **20.12.2013** and thereafter the appeal came to be filed before the Hon'ble Supreme

Court which by its order dated **11.02.2014** directed status-quo with regard to transaction of sales of shares.

58. Learned counsel further submitted that thereafter the respondent company UBHL for the first time in its response to USL notice of arbitration vide its reply dated 13.08.2016, for the first time stated that since the Hon'ble Supreme Court did not stay the operation of the order of the Division Bench of this Court, the Loan Agreement had not become effective and as a consequence thereof, there was no loan outstanding or interest payable by UBHL to USL under the said Loan Agreement. This disclosure of the Respondent UBHL according to the learned counsel, Mr.Ramanand Mundkur, was clearly a moonshine and demonstrates its malafide intention to evade and avoid payment of its legitimate dues. He further submitted that in all its audited statements and Balance Sheets, after the order of the Hon'ble Supreme Court dated

11.02.2014, for the Financial Years ending on 31.03.2014, 31.03.2015 and 31.03.2016, the respondent company UBHL has clearly recognized and recorded the amount owed to USL under the Loan Agreement as a liability and therefore, its U-turn taken in the un-audited financial statements submitted to the Stock Exchanges on 10.11.2016 that there is no loan outstanding to USL is completely contrary to the admission of the liability made by the Respondent company in its audited statements and the correspondence issued by the respondent company to USL in the year 2015-16.

59. Therefore, in paragraphs 8 and 9 of the said Affidavit dated 10.01.2017, the said USL company submits that it now supports the winding up petitions filed by the other petitioner-Creditors against UBHL for these reasons.

60. Paragraphs 8 and 9 of the said Affidavit dated **10.01.2017** are quoted below for ready reference:-

> *"8. In the above-circumstances, USL respectfully submits that the basis on which USL earlier opposed the winding-up of the Respondent-Company has been vitiated by the Respondent-Company's conduct that has occurred subsequent to February 2015.*
>
> *9. In light of the changed facts and the said subsequent conduct of the Respondent-Company, USL respectfully seeks leave of this Hon'ble Court* ***to withdraw its earlier opposition to the winding-up of the Respondent-Company, and to instead support the winding-up of the Respondent-Company.*** *It is further submitted that the interests of justice and equity require that this Hon'ble Court may also be pleased to pass such further orders protecting the interest of* ***USL, one of the largest single unsecured creditors of the Respondent-Company****, as also a large body of unsecured creditors. This is in the background of the facts that the Respondent-Company is unable to discharge its debts in the ordinary course and is desperately making every effort to dispute indisputable debts".*

The Defences/contentions on behalf of Respondent – UBHL by (Mr. Udaya Holla, Senior Advocate)

61. Mr. Udaya Holla, learned Senior Counsel representing the Respondent – **UBHL** made the following submissions and raised vehemently the following defences for opposing the host of winding up petitions and since the defences are common in nature against all the winding up petitions filed either by secured creditors like SBI and consortium of Banks or unsecured creditors like supplier of Aero Engines, IAE International Aero Engines and Lessor like BNP Paribas, which financed the lease of Aircrafts made by the Foreign Company KA Aero to King Fisher Airlines Limited (KFAL) the said submissions are noted below:-

62. The first and foremost submission made by Mr. Udaya Holla, before the Court was that the petitioner –Banks led by SBI in **Co.P.No.162/2013**

have initiated multiple recovery proceedings against the Respondent – **UBHL** which is not permissible in law and the winding up petitions filed by these Banks cannot be converted into money recovery suits resulting in deadly consequences of winding up against the Respondent – Company, **UBHL** which is a serious most consequence, against the Respondent – Company. He submitted that the recovery suits have been filed by these Banks before Debt Recovery Tribunal and they have initiated proceedings for recovery under special enactment, **the Securitization and reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('SARFAESI'** Act**)** and have also filed the winding up petitions.

63. The second most emphatic argument made by Mr. Udaya Holla, Senior Counsel is that the Respondent – **UBHL** itself has filed **Civil Suit No.6406/2012** in Bangalore City Civil Court against

the supplier of Aero Engines to KFAL not only claiming declaratory relief of declaring Corporate Guarantees given by UBHL to IAE International Aero Engines and others as *void* and *non-est* but have also claimed compensation to a large extent against these suppliers for supplying defective Aero Engines to KFAL which have not only resulted in huge losses to the said erstwhile subsidiary Company of the Respondent – **UBHL,** but for whose financial obligations, it gave the Corporate Guarantees in question in the year 2010-2011 when the Master Debt Re-structuring Agreement was executed between the parties and thus on account of failure of these suppliers and other Companies, who are defendants in the said **Civil Suit No.6406/2012**, in which KFAL itself is a defendant in the Bangalore City Civil Court and on account of non-execution of their part of the contract by these suppliers, the said Company, KFAL suffered huge losses and its business operations completely stopped in the year 2011 and

unless and until the said Civil Suit is decided and decreed by the Court concerned in which the effort made by the defendants for dismissal of the suit at the threshold by filing Applications under Order 7 Rule 11, of the Civil Procedure Code was rejected by the Trial Court and the Suit is now pending for trial. He urged that unless and until the said Suit is decreed, it would be wholly unjust and improper to wind up the Respondent – Company, **UBHL**.

64. Mr. Udaya Holla also submitted that another **Civil Suit No.311/2013** has been filed by the Respondent – **UBHL** in Bombay High Court also for declaration of the said Corporate Guarantees as *void* and *non-est* on the ground that the said Corporate Guarantees were obtained under duress and coercion exerted upon the Respondent - **UBHL** and the Bombay High Court in its original jurisdiction is yet to try the said Suit and till such Suit is decreed by Bombay High

Court, the winding up petitions deserve to wait and deserve to be stayed.

65. Another issue raised on behalf of the Respondent –Company, by Mr. Udaya Holla, Senior Counsel is that the law applicable as per the contracts between the Foreign Companies and KFAL clearly goes to say that they would be governed by the English law and in fact, the petitioner, IAE International Aero Engines obtained an *ex-parte* decree from English Court against the Respondent – **UBHL** also, but unless such English law is pleaded and proved as a fact as per the provisions of Section 57 of the Indian Evidence Act, the recovery of debt from the Respondent – **UBHL** on the basis of such *ex-parte* decree by English Court cannot be made and no such applicability of English law or English Court decree, as a fact has been pleaded or proved by the petitioners and creditors like IAE International Aero Engines and therefore, they cannot

seek the winding up from this Court of the Respondent – **UBHL.**

66. Mr. Udaya Holla also submitted that Section 599 of the Companies Act, 1956 bars the Foreign Companies to take any legal proceedings including the winding up proceedings before this Court without complying with the mandatory provisions of Section 592 of the Companies Act, 1956, which requires a Foreign Company which has an establishment in India, to seek requisite approval and Registration from the Registrar of Companies and RBI and since the petitioner – M/s. IAE International Aero Engines, while it was actively engaged in the business of supply of Aero Engines to KFAL, had a business establishment in India and was admittedly neither registered with the Registrar of Companies in India nor had obtained any approval from RBI and other competent Authorities, the winding up petitions filed by such Foreign Company before this

Court was not maintainable and deserved to be dismissed.

67. Mr. Udaya Holla, Senior Advocate also submitted that the Debt Recovery Tribunal where the secured creditors like SBI and other consortium of Banks had filed recovery proceedings was seized of the said case in **O.A.No.766/2013** filed on **25/06/2013** and the Debt Recovery Tribunal is yet to finally determine the amount outstanding and due to be paid by the Respondent Company to them and therefore the winding up proceedings cannot be undertaken in view of the yet unascertained amount of debt due to the petitioners.

68. Besides raising the aforesaid contentions, the learned Senior Counsel for the Respondent – Company, UBHL, Mr. Udaya Holla has also submitted the written arguments after the judgment was reserved on

11/01/2017, i.e. on **19/01/2017** and the summary of this written arguments is also reproduced below for ready reference.

69. The Respondent Company (United Breweries (Holdings) Limited) is the Holding Company for the UB Group and has investments in several other Companies. The Respondent - Company was incorporated way back in the year 1912 and has been in existence for over a century.

70. The Respondent - Company is a profit making Company and has been consistently making profits for the last several years. The revenues of the Respondent – Company is over ₹400 crores. The Respondent - Company also has assets of over ₹7,500 crores, which are detailed in **Annexure A** hereto. The Respondent Company directly and indirectly employs over 2000 persons. It is a Going concern which is carrying on

business, *inter alia,* as a Holding Company and as a Trading and Manufacturing concern.

71. This Respondent – Company also submits that there are deposits before this Hon'ble Court to the tune of nearly ₹1250 crores which more than adequately covers all the petitioners other than the Banks.

72. Thus, in all the winding up petitions, the Respondent - Company has put forth a *bona fide* defence and based on the same, the very petitions are not maintainable as against the Respondent and deserve to be dismissed. The Respondent - Company also has substantial assets and is a Going concern. Thus, having regard to the judgment of the Supreme Court in ***Pradeshiya Industrial & Investment Corp. v. North India Petrochemicals Ltd., reported in 1994 (3) SCC 348***, the petition for winding up ought to be dismissed.

73. Without prejudice to the foregoing, the Respondent sets forth its contentions in each of the company petitions as under:

CO.P.No.162/2013 – State Bank of India & Others v. United Breweries (Holdings) Limited

74. On 19th August, 2013, State Bank of India ("SBI") and other members of the Consortium of Banks ("Consortium") that had advanced facilities to Kingfisher Airlines Ltd. ("KFA") filed a winding up petition against UBHL, being **Company Petition No. 162 of 2013**. The Consortium's claim arises out of a purported Corporate Guarantee dated **21st December, 2010** issued by UBHL in favour of the Consortium.

Suit pending before the Bombay High Court challenging the very validity of the guarantees

75. UBHL, along with Kingfisher Finvest India Limited ("KFIL") and Dr. Vijay Mallya have filed a Suit in

the Hon'ble Bombay High Court, being **Suit No. 311 of 2013** on **26th March, 2013** ("Bombay High Court Suit"), *inter alia,* seeking a declaration that the Corporate Guarantee dated **21st December, 2010** given by UBHL ("Corporate Guarantee") and the Personal Guarantee dated 21st December, 2010 given by Dr. Vijay Mallya ("Personal Guarantee") are *void ab initio* and *non est*, *inter alia,* on the ground of coercion and duress. It is pertinent to note that the Bombay High Court Suit was filed even prior to recall of the Kingfisher Airlines facilities and/or invocation of either the Corporate Guarantee or the Personal Guarantee.

76. Each of the members comprising the Consortium is a party defendant to the Bombay High Court Suit. The issues raised in the Bombay High Court, are still pending, and are *sub-judice*. The Respondent herein has also made a counter claim of **₹3200 crores** against the petitioners - Banks in the said

Suit. In fact, none of the members of the Consortium have filed their Written Statement in Suit No. 311 of 2013.

77. In these circumstances, it is submitted that in the absence of a valid, binding and subsisting Corporate Guarantee from UBHL, the question of UBHL being liable to make any payment or being wound up does not and cannot arise.

78. Given that UBHL and others have previously instituted the Bombay High Court Suit, *inter alia,* for a declaration that the Corporate Guarantee is *void ab initio* and *non-est,* it is submitted that there being a bona fide dispute raised by UBHL as to the very validity of the Corporate Guarantee which forms the basis of the Petition, the Petition ought to be dismissed with costs.

79. The Karnataka High Court has in ***Globe Detective Agency v. Subbaiah Machine Tools, reported in***

1984 (2) Kar LJ 207 held that where there are claims and counter claims and disputed questions of fact, the Court will not entertain the petition for winding up. In the present case, the Respondent has instituted a Suit before the High Court of Judicature at Bombay and has sought for damages to the tune of ₹3200 crores in addition to a declaration that the guarantees are *void* and *non-est*. This being the case and there being claims and counterclaims, the winding up petition is not maintainable and deserves to be dismissed.

Breach of obligations by the Petitioner Consortium

80. Despite the fundamental terms of the Master Debt Recast Agreement dated 21st December, 2010 ("MDRA") entered into between KFA and the Consortium casting an obligation on the Consortium to provide for adequate working capital as agreed in the MDRA, and despite repeated requests to the Consortium to fulfill

their obligations under the MDRA and disburse the much needed working capital, the same was not provided to KFA. UBHL submitted that this is a breach of a fundamental term of the MDRA, releasing and discharging not only KFA, but also UBHL and Dr. Vijay Mallya from their respective obligations, if any, under the MDRA, the alleged Corporate Guarantee and the alleged Personal Guarantee.

81. The serious breaches of the Consortium's obligations under the "Lender's Liability" principles and especially the obligations of strict confidentiality with regard to which all the members of the Consortium have signed an undertaking binding themselves to maintain confidentiality of the information with regard to KFA, UBHL and Dr. Vijay Mallya, by the barrage of disparaging statements made in the media by or on behalf of the Consortium have hindered investment into KFA by external investors, resulting in UBHL and KFIL,

by themselves, and through their subsidiaries and associates, being compelled to fund KFA in an aggregate amount of ₹3199.68 crores just from 1st April, 2011 till the end of March, 2013. UBHL has claimed the said amount from the Petitioner Banks in Suit No. 311 of 2013 filed in the Hon'ble Bombay High Court.

82. The aforesaid constitute unlawful acts by the Consortium and are clearly in breach of the principles of good faith and fair dealings between the parties and the Consortium has now even gone to the length of attempting to initiate draconian measures in an attempt to leave KFA, UBHL and Dr. Vijay Mallya, without an avenue to pursue their legal remedies according to the procedure established by law.

83. The concerted action of the consortium in targeting KFA, UBHL and Dr.Vijay Mallya is a blatant example of a private enterprise being victimized and

being made an example to others in similar situations. In proceeding against KFAL, UBHL and Dr.Vijay Mallya in the manner as aforesaid, the Consortium has reinforced its decision to apply selective measures against KFAL, UBHL and Dr. Vijay Mallya to the detriment of KFAL, UBHL and Dr.Vijay Mallya. By reason of the Consortium's failure to ensure that its discretion is exercised in a fair and reasonable manner, the rights guaranteed to KFAL, UBHL and Dr.Vijay Mallya under the Constitution of India have been violated. For instance, as set out in a note dated 2nd February, 2013 handed over by KFA to the Consortium, there are a number of precedents of large borrowers where banks (including one or more of the Consortium) have shown considerable forbearance and/or facilitated multiple restructuring, viz. Suzlon (₹13,000 crores – 2nd restructuring under CDR), Jindal Stainless (₹7,900 crores – 2nd restructuring under CDR), Hindustan Construction (₹11,000 crores – restructuring approved

under CDR), Bharati Shipyard (₹11,000 crores – restructuring approved under CDR), Sterling Group (₹7,000 crores) and Ispat Group (₹7,800 crores). It is not without significance that each of the aforesaid restructuring cases, the total outstanding due to the banks was more than what which is demanded in Company Petition No. 162 of 2013.

Proceedings Pending before the Debts Recovery Tribunal

84. The Respondent submits that proceedings in OA No. 766/2013 filed by the petitioner banks is pending adjudication before the Debts Recovery Tribunal. The banks resorted to the proceedings before the Debt Recovery Tribunal prior to the very filing of the present winding up petition.

85. There is no final adjudication till date as against the Respondent herein in respect of the alleged

corporate guarantees and its liability there under. Therefore, the winding up petition does not survive. In fact, the Respondent has contested its liability before the Debts Recovery Tribunal and has also demonstrated the disparity in the interest charged as also the overcharging of interest.

The Petitioners have sought to pursue parallel remedies which are not maintainable.

86. That petitioners have invoked and are pursuing two parallel remedies i.e. before the DRT and winding up against UBHL, both the claims cannot be invoked on same subject matter, simultaneously. Hence same is bad in law.

87. The Supreme Court ***in 1977 (1) SCC 1*** and the Karnataka High Court in ***AIR 2000 Kar. 393*** have held that two parallel remedies cannot be pursued by a party in respect of the same matter at the same time. The

Bombay High Court in **Dalmia Cement v. Indian Seamless Steels and Alloys, reported in 2002 (112) Comp. Case. 314 and QSS Investors v. Allied Fibres, reported in 2001 (107) Comp. Case 587** and the Himachal Pradesh High Court in **Azeet International v. HPH Produce Marketing, reported in 2001 (107) Comp. Case. 587** have held that even in respect of winding up petitions, parallel remedies cannot be pursued.

The petitioners have admitted that Respondent is solvent

88. The State Bank of India (which is the lead bank in the consortium) has on the one hand declared UBHL as a Willful Defaulter stating that although UBHL has the means to pay, it has not paid the dues of the petitioners and therefore UBHL has been declared as a Willful Defaulter. A copy of the order has been produced by way of a memo. Further, the consortium of banks in their arguments before the DRT on 10th January,2017

have categorically made a statement that the Respondent has substantial assets to recover the whole of the claim before DRT in OA 766/2013 (approximately ₹6,280 crores), and if sold the realizable value of these assets will be sufficient for recovery of almost the entire dues of the Banks.

Proposals for Settlement have not been considered by the Petitioners

89. It is an admitted position that Banks make One Time Settlements with various defaulting customers, based upon their own Board approved policy, as directed by RBI to all the commercial banks in India. It is understood that the RBI has put in place a framework for Banks to consider such settlement offers. It is understood via RTI queries that each of the Public Sector Banks is required to consider an application through a process laid down by the Board of the respective bank. Two offers dated 29th March, 2016 and

6th April, 2016, made to the Banks for settlement were rejected patently without following due process and no offer was made by the Banks to engage with the Borrower / Guarantor in accordance with a settlement frame work approved by the respective Boards. The proposal of settlement which was rejected by the Consortium led by SBI bank was without justification/ reasoning and had no approval from the competent authority as envisaged in the policy.

90. The Consortium led by SBI has deliberately failed to give valid reasons for rejecting the proposal for settlement. Although, in absence of any counter offer the option of a negotiated settlement was not closed thereby. Whereas, in spite of being aware of their internal individual policies, the banks chose not to disclose the same, through which a reasonable settlement could have been arrived at. UBHL and KFA have not had an opportunity of a fit and proper

consideration of a settlement offer. It is to be noted that it is imperative for the banks to abide and adhere with their own Board Approved policies, which has to be non-discriminatory and non-prejudiced. It is submitted that based on representative information received form certain Banks the qualifying amount for settlement in KFA's case would in fact have been far lower than the offer made and referred to above. It will be seen that the settlement offer already made is largely from distribution of cash deposits and from the disposal of liquid assets with a transparent price determination on the Stock Exchange and therefore not subject to any conditionalities.

CO.P.No. 57/2012 – International Aero Engines v. United Breweries (Holdings) Limited

Pending Proceedings against IAE before the City Civil Court

91. The alleged debt that the Petitioner Company claims is allegedly due and payable by the Respondent Company, is the subject matter of a serious dispute arising out of and in view of the inherently defective, both in design and manufacture, IAE V 2500 – A5 Engines fitted on the entire fleet of Airbus A320 family aircraft of KFA, rendering them incapable of commercial use. The investment of the Respondent Company and its subsidiaries (including by way of equity share capital and shareholder loans) in KFA has been seriously damaged primarily on account of the operational and financial woes of KFAL, which in turn has been primarily or in any event decisively been caused by the defective engines supplied, and further on account of the false assurances/representations given made by IAE (the Petitioner Company) and/or its constituent joint-venture partners, viz. Rolls-Royce plc, Pratt & Whitney, a division of United Technologies Corporation,

Japanese Aero Engines Corporation and MTU Aero Engines GmbH.

92. As a result, the Respondent Company has been constrained to file a suit in the City Civil Court, Bangalore, being Suit in **O.S.No.6406 of 2012,** *inter alia,* against IAE (the Petitioner Company) and its aforesaid constituent joint-venture partners. From a mere perusal of the plaint it is clear that the Respondent Company has a substantial claim in excess of ₹1500 crores, *inter alia,* against the Petitioner Company herein, which is far in excess of the alleged debt claimed by the Petitioner Company to be allegedly due and payable. Since by an order dated 18th November, 2016, Kingfisher Airlines has been ordered to be wound up, and Kingfisher Airlines is a defendant in Suit No. O.S.No.6406 of 2012, the Respondent Company has filed an application before the Company

Court to transfer Suit No. O.S.No.6406 of 2012 to the Company Court, which application is pending.

93. It is the specific case of the Respondent in the suit before the City Civil Court that the problems with the V 2500-A5 Engines emerged on and from the end of 2008. At least two serious inherent defects in design and manufacture of the IAE V2500-A5 Engines emerged, which were as follows:-

a. The defect in the High Pressure Compressor 3 to 8 Drum ("HPC Stage 3 to 8 Drum"); and
b. The Hot Section Distress Defect in the combustion chamber of the engines.

94. As on 31st March, 2010 the aggregate accumulated losses incurred by KFA totaled ₹4,321 crores - the root cause of these operational and financial woes of Kingfisher Airlines being principally attributable to the inherently defective and commercially unviable

IAE V2500 – A5 Engines. Thus, by this time KFA was exposed as a soft target of economic duress at the hands of IAE.

95. Since KFA encountered problems with the IAE V 2500 – A5 engines it had been constrained to operate on a significantly truncated fleet – primarily on account of the engine problems. This had a dramatic effect on KFA's cash flow and revenue stream. The Indian business environment for civil aviation is very competitive, and thus the only way an airline can survive is by volumes of business. The operating margins are so small that any fall in volumes completely dislocates the cash flow. Fall in volumes are inevitable when aircraft remain grounded for want of and/or poor performance of engines, which was the result of the defective engines supplied by IAE to KFA.

96. In or around mid 2010, Kingfisher Airlines, which was already overburdened on account of the aforesaid huge accumulated losses totaling ₹4,321 crores, occasioned principally on account of the substandard, inherently defective and commercially unviable IAE V 2500 – A5 engines, was faced with no real choice. If it had to survive as an airline, it had to come to terms with IAE and get its fleet back in the air. It is in this background that KFA commenced negotiations with IAE sometime in mid 2010 to try and reach an amicable resolution of this issue. Oral representations were made, in the course of negotiations, by senior officials and officers of IAE to the representatives of KFA and the Respondent to the effect that steps taken by IAE by way of replacing the drums with fully silver coated nuts with new drums without fully silver coated nuts, and the proposed installation of Single Crystal Panels in the combustion chamber, were allegedly a “complete fix” for the HPC Stage 3 to 8 Drum

defect and the Hot Section Distress defect respectively. KFA and the Respondent were left with no alternative but to rely upon these representations. KFA and the Respondent accepted at face value the representations made by IAE regarding the complete fix of the problem of the engines. On the basis of such representations, KFA entered into the various Agreements and UBHL entered into the guarantee.

97. It has now come to the attention of KFA and the Respondent herein that the mandatory terminating action prescribed in the AD of the FAA of replacing the existing drums with new drums without fully silver plated nuts, is not a permanent fix to the HPC Stage 3 to 8 Drum defect. KFA and the Respondent were misled by IAE based on IAE's misrepresentations that there was a complete fix to the engine problems and were misled to execute the various Agreements including the corporate guarantee by the Respondent. Even as of

2011 and 2012, IAE has not been able to completely rectify the defect which is evident in the various directives that have been issued by IAE itself and which are part of the record. The representations made as to a solution being found by replacing the nuts was thus either false or at least made negligently. In any event, since the representation constitutes the fundamental basis of the aforesaid Agreements, as well as the guarantees given by the Respondent, the Agreements as well as the guarantees have been obtained on the basis of a misrepresentation, and thus, are void and/or in any event *voidable*. This necessitated the filing of the suit seeking a declaration that the guarantees obtained by misrepresentation are void and for recovery of an amount of ₹1500 crores from IAE.

98. Thus, it is evident that there are claims and counter claims between IAE and the Respondent. As held by courts when there are claims and counterclaims

and having regard to the fact that the very guarantees have been challenged before the City Civil Court, Bangalore, the winding up proceedings are liable to be dismissed. In the light of the same, no amounts whatsoever are payable by the Respondent Company to the Petitioner Company.

99. The Respondent has also sought a relief of an indemnity from IAE against all the claims against the Respondent herein as the petitioner herein (IAE) is the root cause of the downfall of KFA and it was based on the representations of IAE that Respondent gave corporate guarantees even to the consortium of banks.

Guarantees are governed by Foreign Law and the same needs to be pleaded and proved

100. The alleged guarantees are governed by English Law, which is a foreign law. The petitioner herein has in the petition neither pleaded the foreign

law in respect of the invocation of the guarantees nor proved the same.

101. The Supreme Court in ***Hari Shankar Jain v. Sonia Gandhi, reported in 2001 (8) SCC 233*** has held that a Court shall take judicial notice of all laws within the territory of India. Foreign law is not included. As the court does not take judicial notice of foreign law, it should be pleaded as any other fact, if a party wants to rely on the same.

102. The Bombay High Court in ***Iridium India Telecom v. Motorola Inc., reported in MANU/ MH/1125/2003 (BOM)*** has held that the legal position is well settled that foreign law is a question of fact and must be pleaded by the parties who relies upon it.

103. The petitioner in the present winding up petition has neither pleaded nor proved English law which is the foreign law. This being the case, the

guarantees being governed by English law, the same cannot be regarded by this Hon'ble Court and consequently the very petition is not maintainable as the very enforcement of guarantees is not shown before this Hon'ble Court.

Ex-Parte Decrees of Foreign Courts are not binding

104. The petitioner has contended that it has obtained a foreign judgment from the English Court in summary proceedings on the basis of which it is seeking to foist a liability on the Respondent in support of the winding up petition.

105. It is submitted that the said judgment of the English Court is a summary judgment which has been passed with the Respondent being *ex-parte.* Therefore, the same is contrary to Section 13(d) read with Section 44A of the Code of Civil Procedure, 1908.

106. The Supreme Court in ***International Woollen Mills v. Standard Wool, reported in 2001(5) SCC 265,*** has held that an *ex-parte* decree generally is not a judgment on merits and that decree and judgment granted by a foreign court can be said to be on merits by looking into the evidence lead by the plaintiff and documents proved before it as per its rules. The Supreme Court has also held that a decree would not be on merits if the court has not gone through and considered the case of the plaintiff and taken evidence of witnesses of the plaintiff.

107. The Madras High Court in ***K.M. Abdul Jabbar v. Indo Singapore Traders P. Ltd, reported in AIR 1981 MAD 118,*** has held that a decree passed by a foreign court under summary proceedings after refusing leave to defend sought for by the defendant is not a judgment on merits and hence, the judgment cannot be

considered as conclusive as contemplated under Sec. 13(b) of the C.P.Code.

108. The Delhi High Court in ***A. S. Sandhu v. Mithals International Private Limited, reported in 2001 (93) DLT 700,*** has held that if case is covered in any of the exceptions under Section 13(a) to (e) of the Code of Civil Procedure, 1908, decree passed by a foreign court will not be conclusive or binding.

Petitioner being a foreign Company has not complied with Section 592

109. The petitioner is a foreign company which is incorporated under the Laws of England is carrying on business in India. It has dedicated persons who are in India servicing the customer airlines in India. Therefore, there is a place of business in India and the petitioner ought to have complied with the provisions of Section 592 of the Companies Act, 1956. The petitioner

not having complied with the provisions of Section 592 is in terms of Section 599 of the Companies Act, 1956 barred from prosecuting any legal proceedings in India.

110. The Chancery Division in **Re: Tovarishstvo Manufacur Liudvig Rabenek, reported in 1944 (2) All E R 556,** if the representatives of foreign company were often coming and staying in hotel in England for purchase of machinery etc, the foreign company is deemed to have a place of business in England. The judgement of the Chancery Division has been affirmed in the judgement of the Delhi High Court in *Dabur (Nepal) P. Ltd.* v. *Woodworth Trade Links P. Ltd.*, reported in 2012 (175) Comp. Cas. 338.

COP 248 / 2012 – BNP Paribas v. United Breweries (Holdings) Limited

111. The Respondent had agreed to guarantee the amounts due to M/s KF Aero. In this regard an

application was submitted to the Reserve Bank of India (RBI) seeking permission to provide such a guarantee, guaranteeing the dues of KF Aero. However, the RBI gave permission only to issue the corporate guarantee in favour of KF Aero and not to its successors and assigns. KF Aero in turn appears to have assigned its rights in favour of BNP Paribas which is the petitioner in the present petition. Since RBI permission was not there for assigning the Corporate Guarantee in favour of BNP Paribas the same is void. It is hit by provisions of Section 13 of Foreign Exchange Management Act. Further, the very assignment has not been effected as BNP Paribas has not yet notified the Respondent in writing about the same as required by the very documents. In fact, even post the purported assignment by KF Aero in favour of BNP Paribas, KF Aero continued to raise invoices for lease rentals till termination of the lease in favour of Kingfisher Airlines. Thus, without

prejudice, the petition would be maintainable only by KF Aero and not BNP Paribas.

Obligation on the Assignee (BNP Paribas) to notify UBHL of the Assignment, which has not been done

112. In this respect, on 17.06.2006, three corporate guarantees (Annexures Q (pg. 530), R (pg.549) and S (pg.568) to the Petition) came to be given to KF Aero. On 21.06.2006, there was a notice of assignment. However, this notice of assignment itself was qualified in that it expressly stated (notwithstanding the assignment) that the Respondent *"shall owe your obligations under the guarantee exclusively in favour of the Assignor unless the Assignee notifies you in writing otherwise, from which time your obligations under the Guarantee falling due for performance after such notice shall be owed to the Assignee … ".(* Annexures AA (pg. 634), BB (pg. 636) and CC (pg. 638) to the Petition).UBHL put its signature on 21.06.2006 itself on

this very document. However, admittedly, no notice was given to the UBHL on or after 21.06.2006.

113. UBHL submits that the assignment which took place on 21.06.2006 was only partially complete in that the assignor's rights stood assigned to the BNP Paribas, but qua UBHL, there was no assignment because the notification of such assignment was deferred to a future date. UBHL acknowledged the first part and thereby accepted that if and when it was notified of a transfer of its obligations to the assignee under clause 2, the obligations would stand so transferred. No such notice was ever given and therefore, no obligations exist vis a vis BNP Paribas and the present petition is not maintainable.

No permission of the RBI allowing assignment of the three corporate guarantees to KF Aero's assignees:

114. As stated earlier, at the time of issuance of the three corporate guarantees, Kingfisher Airlines had

by its letter dated 7th June, 2006 applied for prior RBI approval through UTI Bank Ltd. to permit issuance of the three corporate guarantees by UBHL in favour of *"KF Aero, its successors and assigns"(* Annexure R-2 to the Objections of UBHL (pg. 20-23)). However, by its letter dated 12th June 2006 RBI conveyed that it had "*no objection from FEMA angle to issuance of corporate guarantee by M/s.United Breweries (Holdings) Ltd., Bangalore, in favour of lessor M/s. KF Aero".(*Annexure R-3 to the Objections of UBHL. (pg. 24)). Thus, there was no permission of the RBI allowing assignment of the three corporate guarantees to KF Aero's assignees, and although such permission had been expressly sought, it had not been granted.

115. It is submitted that unless prior permission was duly obtained from the RBI, the purported assignment of the three corporate guarantees in favour of BNP Paribas would be void and/or unenforceable in

law for such permission would have to precede and not follow the assignment. That BNP Paribas was aware of this position in law is evident from the legal opinion(s) given by M/s Rajinder Narain & Co. (Annexures R-2 (Pg 34), R-3 (Pg. 46) and R-4 (Pg. 58) of the Additional Objections of the Respondent dated 28.02.2014) to, inter alia, BNP Paribas who had duly examined the RBI Permission dated 12th June, 2006 and, inter alia, opined as follows:-

> *"The RBI has given approval for issuing the Guarantee in favour of the Lessor. Any change in its terms would require RBI's approval."* (emphasis supplied)

116. This position also emerges from the plain language of Regulation 3 of the Foreign Exchange Management (Guarantees) Regulations, 2000 as well as in light of the judgment of the Supreme Court in ***Mannalal Khetan v. KedarNath Khetan (1997) 2 SCC***

424. Regulation 3 of the Foreign Exchange Management (Guarantees) Regulations 2000 ("FEMA Guarantee Regulations") expressly provides as follows:-

> "*3. Prohibition: Save as otherwise provided in these regulations, or with the general or special permission of the Reserve Bank, no person resident in India shall give a guarantee or surety in respect of, or undertake a transaction, by whatever name called, which has the effect of guaranteeing a debt, obligation or other liability owed by a person resident in India to, or incurred by, a person resident outside India"*

117. In *MannalalKhetan v. KedarNathKhetan* (1997) 2 SCC 424, the Supreme Court held that:

> *"The contract is void if prohibited by statute under a penalty, even without explicit declaration that the contract is void because such a penalty implies a prohibition. If contact is made to do is prohibited act, that contract will be unenforceable. This contract is expressly or impliedly prohibited by*

statute, one has see not what acts the statute prohibits but what contracts is prohibits. One is not concerned with the intent of the parties."

118. It is submitted that Section 13 of the Foreign Exchange Management Act, 1999 expressly stipulates penalties for contravention of provisions of the Act, any rule, regulation, notification, direction or order issued in exercise of the powers under the Act, or any conditions subject to which an authorization is issued by the RBI. Therefore, in light of the aforesaid Regulation 3 and the judgment of the Supreme Court in ***Mannalal Khetan v. KedarNath Khetan (supra)***, it is submitted that the purported assignments of the corporate guarantees in favour of BNP Paribas are in violation of the law in India and unenforceable. Hence, BNP Paribas has no *locus standi* to file the present Company Petition, and the same ought to be dismissed *in limine* with costs.

119. It is pertinent to note that before the Division Bench of this Hon`ble Court, BNP Paribas cited the decision of the Calcutta High Court in ***Eurometal Ltd. v. Aluminium Cables and Conductors*** in support of its proposition that absence of a permission under the provisions of erstwhile FERA would not render a contract void. However, it is submitted that Eurometal as well as all the decisions following *Eurometal* (including *Eurometal)* do not refer to the decision of the Supreme Court in *Mannalal Khetan* and therefore are *per incuriam* and not good law.

120. The contention that the corporate guarantees are void and/or unenforceable in law is further buttressed by a perusal of Article VIII 2(b) of the Articles of Agreement of the International Monetary Fund. The said article states:

"Article VIII: General Obligations of Members

Section 2. Avoidance of restrictions on current payments

(b) Exchange contracts which involve the currency of any member and which are contrary to the exchange control regulations of that member maintained or imposed consistently with this Agreement shall be unenforceable in the territories of any member. In addition, members may, by mutual accord, cooperate in measures for the purpose of making the exchange control regulations of either member more effective, provided that such measures and regulations are consistent with this Agreement."

121. The International Monetary Fund has clarified that the meaning and effect of this provision is that Parties entering into exchange contracts involving the currency of any member of the Fund and contrary to exchange control regulations of that member which are maintained or imposed consistently with the Fund Agreement will not receive the assistance of the judicial

or administrative authorities of other members in obtaining the performance of such contracts. That is to say, the obligations of such contracts will not be implemented by the judicial or administrative authorities of member countries, for example by decreeing performance of the contracts or by awarding damages for their non performance. India joined the IMF on December 27, 1945, as one of the IMF's original members and adopted the Articles of Agreement. Furthermore, India expressly accepted the obligations of Article VIII of the IMF Articles of Agreement on current account convertibility on August 20, 1994.

BNP Paribas was obliged to invoke the Asset Value Guarantees provided by Avions De Transport Regionale (ATR) before approaching this Hon'ble Court by way of the present Petition.

122. The three aircraft in question were covered by Asset Value Guarantees provided by Avions De

Transport Regionale (ATR) under its purchase Agreement with erstwhile Kingfisher Airlines under which ATR guaranteed the Guaranteed Amount (as defined in Letter Agreement No.2 between ATR and erstwhile Kingfisher Airlines) which is an amount equal to the outstanding principal related to the portion of the Aircraft Final Price funded under the financing Agreement. By three tripartite Agreements all dated 21st June, 2006 by and between the erstwhile Kingfisher Airlines, KF Aero and ATR ("the Tripartite Agreements") (Annexures R-8 (pg. 96), R-9 (pg. 114) and R-10 (pg. 132) to the Objections filed by UBHL to the Company Petition), KF Aero in effect stepped into the shoes of erstwhile Kingfisher Airlines under the Purchase Agreement (as defined in the Tripartite Agreements – which, inter alia, includes the Letter Agreement between ATR and erstwhile Kingfisher Airlines which provided for Asset Value Guarantees from ATR in respect of the three Aircraft in question) between ATR and erstwhile

Kingfisher Airlines. KF Aero and its assignee – BNP Paribas were duty bound to invoke the Asset Value Guarantees against ATR. If KF Aero and/or BNP Paribas have or had so invoked the Asset Value Guarantees, ATR is contractually bound to pay to KF Aero and/or BNP Paribas the Guaranteed Amount, i.e. the entire alleged debt or at least the entire alleged outstanding principal amount claimed in the present Petition.

123. BNP Paribas was therefore, obliged to invoke the Asset Value Guarantees before approaching this Hon`ble Court by way of the present Company Petition.

The Guarantees are governed by Foreign Law, which has to be pleaded and proved

124. The guarantees are governed by English Law. The petitioner in the petition has neither pleaded nor proved English Law. Under the circumstances, the

very petition is not maintainable and no order of winding up can be passed against this Respondent.

CO.P.No.121/2012 – RRPF Engine Leasing Limited v. United Breweries (Holdings) Limited

CO.P.No.122/2012 – Rolls-Royce & Partners Finance Limited v. United Breweries (Holdings) Limited

Petitioners are part of the Rolls Royce group, which is a party to the IAE Suit

125. From (i) the websites of Rolls-Royce and IAE, (ii) the Annual Report of Rolls-Royce Holdings plc, and (iii) the Directors Report and Financial Statements for 2011 for Rolls-Royce plc – the details of which are set out in the statement of objections, it is clear that the petitioners are a constituent of the Rolls-Royce Group of companies which includes Rolls-Royce plc – which admittedly was at all material times a constituent joint venture partner in IAE and a key participant in the

manufacture and supply of the IAE V 2500 – A 5 Engines. In fact, the registered office of the petitioners is located at the same address as the registered of Rolls-Royce plc.

126. It is evident that the petitioners are an instrumentality used by IAE and/or the Rolls-Royce Group to facilitate and actively market and/or lease the defective IAE V 2500-A5 Engines. If the corporate veil is lifted, it is clear that these entities are instrumentalities of Rolls Royce Plc. UBHL has a claim in the aforesaid suit against IAE and its aforesaid constituent partners, including Rolls Royce Plc., far in excess of the alleged amount claimed in the present company petition.

Petitioners being Foreign Companies have failed to comply with Section 592

127. Petitioners are companies organized and existing under the laws of England having their

registered office and principal place of business in England. Petitions therefore are "foreign companies" as defined in the Companies, 1956 ("Companies Act"). From the aforesaid facts objections it is evident that Rolls-Royce being a 'foreign company', is carrying on business in India, but has failed to comply with the provisions of Section 592 to 594 of the Companies Act. It is therefore expressly prohibited under Section 599 of the Companies Act from instituting any legal proceedings in India, including the present Company Petition.

128. Under the provisions of the Foreign Exchange Management Act, 1999 ('FEMA") and the Foreign Exchange Management (Establishment in India of a Branch Office or other Place of Business) Regulations, 2000 ('the Regulations'), prior approval of the Reserve Bank of India is required for establishment of a branch or liaison office or office or any other place

of business in India by any entity resident outside India other than a banking company. Petitioners are admittedly not banking companies and have established a place of business in India as is evident from what is stated in the aforesaid objections. Petitioners have not obtain the requisite prior permission from the Reserve Bank of India prior to establishing such places of business in India and hence, are illegally carrying on business in India.

On this ground also the petition is liable to be dismissed.

CO.P.No.185/2012 – ATR v. United Breweries (Holdings) Limited

Petitioner being a Foreign Company has failed to comply with Section 592

129. The Respondent Company submits that erstwhile Kingfisher Airlines Limited ("erstwhile

Kingfisher"), which *inter alia*, operated Scheduled Air Transport Services within India and was a part of the UB Group of Companies, had entered into Agreements with the Petitioner for purchase of ATR 72-500 aircraft as well as General Maintenance Agreements ("GMA") for maintenance of these aircraft. Erstwhile Kingfisher had entered into a Purchase Agreement dated 13th December, 2005 ("the erstwhile Kingfisher PA"), and GMA dated 21st June, 2006 with the Petitioner ("the erstwhile Kingfisher GMA"). Similarly, Deccan Aviation Limited (now known as KFA) had also entered into a Purchase Agreement dated 11th February, 2005 ("the Deccan PA"), and GMA dated 11th June, 2003 with the Petitioner ("the Deccan GMA"). Both erstwhile Kingfisher and Deccan Aviation Limited prior to the de-merger, made payments titled "Pre Delivery Payments" to the Petitioner in respect of the aircraft booked under these purchase Agreements as also payments under the GMA for maintenance services and supply of parts by the

Petitioner. Thereafter, subsequent to the de-merger mentioned above, the Deccan PA and the Deccan GMA were terminated and, inter alia, the enlarged fleet was consolidated into the erstwhile Kingfisher GMA.

130. Further in terms of the Deccan GMA, the Repairer (petitioner) was to provide or cause to provide technical and operational support to Operator (KFA), including assistance and advise on engine performance and conditions follow up, airworthiness and OEM publications follow-up, life limited parts follow up, technical events follow up and engines removal forecast and staggering plan. This service was to be provided by the Repairer by assigning at Operator's main base of one (1) Engine specialist to assist and advise Operator's personnel on engines monitoring and follow up activities at Operator's main base. The Operator was to provide, at no cost to Repairer, suitable facilities with office, telephone, fax, Internet access line in order to enable

the specialist to fulfill its task properly. (Under the Deccan GMA entered into prior to the de-merger mentioned above, Deccan Aviation Limited (the Respondent Company herein) is the Operator and the Petitioner is the Repairer).

131. The Respondent Company believes and understands that the Petitioner Company has similar arrangements with other airlines in India who operate ATR fleet.

132. Accordingly, the Petitioner provided KFA, (and the Respondent Company verily believes is being provided by the Petitioner to other airlines in India who operate an ATR fleet) field service representation and/or a Customer Support Representative ("CSR") and/or a Logistics and Material Representative ("LMR) and/or an engine specialist at all material times.

133. KFA at all material times provided at no cost to the Petitioner Company in KFA's office space and other facilities to the Petitioner's representatives which included use of telephone, telefax, copying machine, Internet access etc. to assist the field service representation and/or the CSR and/or the LMR and/or the engine specialist to fulfill their task properly.

134. These representatives referred to hereinabove carried out the various functions required to be carried out by them under the relevant Agreements including providing dedicated technical support to the products and services supplied by the Petitioner, assistance as well as customer service support to the airline on a day to day basis in respect of the operating fleet of ATR aircraft and also acted as a communication channel between the airline and the Petitioner.

135. Thus, the petitioner had a place of business in India and accordingly had to comply with the requirements of Section 592 of the Companies Act, 1956, which the petitioner has not complied with. As a result of such non-compliance, Section 599 of the Companies Act bars the petitioner from instituting any legal proceedings. Thus, there is a bar to the present proceedings and the present proceedings are not maintainable.

CO.P.No.99/2013 – HPCL v. United Breweries (Holdings) Limited

Petitioners' claim is for interest

136. It is submitted that the entire claim of the petitioner herein is for delayed payment service charges (interest). The entire outstanding amount with respect to the fuel supplied has been paid in full by KFA. What is being claimed in the present petition is only the

amounts allegedly due from KFA on account of the interest.

137. The High Court of Karnataka in ***Southern Industrial Polymers (P.) Ltd. v. Amar Pharmalators and Electronics (P.) Ltd., reported in [(1984) 56 Comp. Cases 77]*** has held that where the agreed amount towards the principal amount was paid but the dispute was raised with regard to payment of the interest, the Karnataka High Court dismissed the winding-up petition in respect of the payment of interest of the principal sum on the ground that there was a dispute about the claim of interest.

138. The Allahabad High Court in ***Ultimate Advertising v. GB Marketing, reported in 1989 (66) Comp Cases 232*** ahs held that where there is a bona fide dispute regarding the interest, the petition for winding up cannot be maintained.

139. Thus, the claim is in the nature of damages, which will have to be proved by leading evidence and in respect of a claim for damages, before the same is ascertained by a court, the same does not amount to a debt and the very winding up petition deserves to be dismissed.

140. The Supreme Court in ***Union of India v. Raman Iron Foundry, reported in AIR 1974 SC 1265*** and the Karnataka High Court in ***Green hills Exports Private Limited v. Coffee Board, reported in [2001] 106 Comp. Cas. 391*** have held that a claim for damages is not a debt and becomes a debt only when the same is quantified by a competent court on enquiry. Thus, a winding up petition on a claim for damages would not lie.

Supporting Creditors, who are opposing Winding up of UBHL

141. The contentions of the unsecured creditors opposing the winding up petitions, are as follows:-

142. Mr. Sajjan Poovaiah, learned Senior Advocate representing **M/s. Prestige Estate Projects Limited (PEPL)**, an unsecured creditor of the Respondent – **United Breweries (Holdings) Limited (UBHL)** and also representing **HDFC Bank Limited (HDFC)**, **Lakshmi Vilas Bank Limited (LV Bank)** and **IFIN Securities Finance Limited (IFIN),** all three secured creditors of the Respondent – Company, opposed the present set of winding up petitions to support the Respondent – **UBHL** and made the following submissions:-

143. Mr. Sajjan Poovaiah urged that Respondent – **UBHL** is a profit making Company and is a Going concern and employs about 70 to 100 employees in its On-Going business of Leather Products manufacturing and Beer business and therefore, need not be wound up.

144. He submitted that as against the petitioning Trade creditors who have filed these winding up petitions, the objector, unsecured creditor, **M/s. Prestige Estate Projects Limited,** which has constructed the prestigious King Fisher building in Bengaluru for the Respondent – **UBHL** itself, has dues to the extent of ₹94.33 crores against the Respondent – Company. But, it is hopeful and quite positive that the Respondent – **UBHL** will repay its dues and winding up of **UBHL** therefore will not be the solution of the financial crisis, which the Respondent – **UBHL** may be temporarily facing.

145. He submitted that even the secured creditors like **HDFC Bank** who have their financial exposure in the Respondent – **UBHL**, want to oppose these winding up petitions. He urged that of course, with the sale of some of the share holding of the **UBHL,** by the said HDFC Bank, their exposure is much less

when compared to the debts claimed by the petitioning creditors, but they are also opposing these winding up petitions, because they are hopeful of the recoveries from the 'Going concern' of the Respondent – Company, **UBHL**.

146. Mr. Poovaiah also urged that under different orders passed by this Court in various proceedings, there is a huge sum of approximately **₹1,280 crores** lying deposited in the Account of the Respondent – **UBHL** with this Court itself**,** which is more than the total claims of the petitioning creditors, who are also unsecured creditors like the objector, Prestige Estate Projects Limited and except the secured creditors like SBI and consortium of 13 Banks, the dues of the other petitioning creditors Company can be squared-up by the funds lying deposited with this Court itself and therefore, there is no justification for winding up the Respondent – Company.

147. He also submitted that as far as the Consortium of Banks led by **SBI** is concerned, who are petitioners before this Court in **Company Petition No.162/2013,** since they have already approached the **Debt Recovery Tribunal (DRT)** for adjudication of quantum of their due recovery of their respective claims against the Respondent – **UBHL** and whereas the Debt Recovery Tribunal is yet to pass a final decree, if at all in their favour, adjudicating the exact amount of debt, the very basis on which the Respondent - **UBHL** is liable to be yet adjudicated in favour of these Banks, there is no justification for prematurely winding up the Respondent - **UBHL** at their instance without even awaiting for the Debt Recovery Tribunal to pass the final decree in favour of these petitioner – Banks. This argument stands negatived by the decree of the **Debt Recovery Tribunal** given later on **19/01/2017,** as discussed hereinafter in more detail.

148. He further urged that the substratum of the Company is not lost. He also drew the attention of the Court towards the **Civil Suit No.263/2013** filed by the Respondent – **UBHL** against **IAE and others** before the Bombay High Court, seeking declaration that the Corporate Guarantees given to the petitioning Banks including SBI was *void ab initio* and *non-est* on the ground that the said guarantee was executed under the duress and coercion and that is a question still pending trial before the Bombay High Court and therefore, the very basis for these creditors to seek winding up against the Respondent - **UBHL** on the basis of such Corporate Guarantee Agreements, is subject matter of adjudication before the Bombay High Court and therefore, winding up petitions cannot be proceeded and prosecuted by them.

149. He also drew the attention of the Court towards another Suit, in **O.S.No.6406/2012** filed by

the Respondent –**UBHL** in Bangalore City Civil Court, similarly raising a question on the validity of the Corporate Guarantee Agreements of the Respondent - **UBHL** with the Banks and other unsecured creditors on the ground that the Engines supplied by the creditor, IAE International were defective and various other grounds and even that suit is pending trial at Bengaluru and the application filed by the defendants under Order 7 Rule 11 of the Civil Procedure Code, 1908 seeking dismissal of the suit at the threshold has already been rejected by the learned Trial Court on 30/04/2016 and even though the Revision Petitions have been filed by the defendants before this Court, however, there is no stay order granted by this Court in such Revision Petitions and they are pending consideration before this Court.

150. Finally, Mr. Poovaiah also submitted that the winding up petitions cannot be converted into

Money Recovery Suits and as per the well settled legal position, if the liability to pay is seriously and *bona fide* disputed by the Respondent – **UBHL**, the present objecting creditors also have the right to save the Respondent – **UBHL** from winding up, in which, nobody's interest would be served and the economic and production activity of the Respondent – **UBHL** will come to a standstill causing loss of employment, devaluation of the worth of the assets of the Company and various other negative fallouts and therefore, the present winding up petitions deserve to be dismissed by this Court.

The contentions on behalf of the Workmen of UBHL:

151. The learned counsel, Ms. S.R. Anuradha has also made number of written submission on behalf of the workmen of UBHL, opposing the winding up petitions on the following grounds:

152. The learned counsel for the workmen contended before the Court by seeking intervention that the Respondent Company UBHL has a large workforce in its Associate Company and subsidiary Company which is dependent on the Respondent's Company for all support and the said workforce apprising of about 110 in number will not be able to make their survival if the Respondent – Company, UBHL is directed to be wound up.

153. They have stated in paragraphs 11 and 12 of their Written submissions that the subsidiary of Respondent, UBHL namely SEPL has been engaged in the manufacture and sale of ready to wear Apparels for the last ten years, which has employed a workforce of 1813 employees, comprising of 1587 workers and 220 staff and all of them are permanent employees of the said Company, SEPL and the winding up of the Respondent – Company, UBHL will perversely affect the

business of their employer Company, SEPL. They have also stated that the UBITL (M/s. UB International Trading Limited) is engaged in the footwear manufacturing business since 2002, exporting leather footwear to Europe, USA and UK and employs about 450 workers directly and 500 workers indirectly and therefore for their survival, they have submitted before the Court that the Respondent – Company does not deserve to be wound up.

The following case laws are relied upon by the learned counsel for the petitioners:-

154. The learned counsel for the petitioners relied upon the following judgments in support of their contentions and also to meet the objections raised by the Respondent company UBHL, they are also briefly discussed and quoted below for ready reference.

(i) In **Hegde & Golay Ltd., vs. State Bank of India (ILR 1987 KAR 2673)**, the Division Bench of this

Court held that the secured creditor like Bank does not have to give up its security in order to pursue the winding up petition against the Respondent company and filing of the suit by the Creditor-Bank for recovery of the dues against the respondent company does not bar the filing up of the winding up petition as well. The relevant portions of the judgment are quoted below for ready reference:-

> "*These observations, in our opinion, do not advance the contention of Sri.Shetty any further. Section 529(1) of the 'Act' attracts the rules of insolvency to winding up in relation to "the respective rights of secured and unsecured creditors" and confines these Rules so attracted to matters that arise between these two classes of creditors. Sections 528 and 529 of the 'Act' are in the chapter "Proof and Ranking of Claims" and deal with the question of proof of debts and the rights of secured and unsecured creditors. Section 529(2) itself, in so far it expressly envisages, and provides for, the contingency that if a secured creditor proceeds to realize his security he should*

pay the expenses incurred by the Liquidator, by implication, rules out the construction contended for by Sri.Shetty. The words "in winding up of insolvent company" in Section 529(1) of the 'Act' has obvious reference to a post winding up stage.

The point to note is that this rule of insolvency is attracted to winding up in the matter of proof of debts. That is after the stage of the winding up order. A secured creditor is, under Section 439(2) of the 'Act' as much a creditor entitled to present a winding up petition as any other. The law in regard to the right of Secured Creditor to present a petition for adjudication under the Insolvency law is different from the right of a secured creditor to present a winding up petition".

"***49.*** *It is no doubt true that the Bank had, subsequent to filing of winding up petition, instituted* ***three suits.*** *Sri.Shekar Shetty stated that the claim in the first suit was* ₹*14 lakhs and that the Company would, if so directed, deposit this amount under protest, subject to the result of the suit. So far as the other two suits are concerned, Sri.Shekhar Shetty's contention is that the claims in the subsequent suits and the entire rest of the Bank's claim were hit at by Order 11*

Rule 2 of the Code of Civil Procedure. In our opinion, the sanctions of limits from time to time were distinct transactions giving rise to distinct causes of action. In some cases the sanctioned limits were operated, wholly or partially, in one account. In other cases, the sanctioned limits were operated upon in one current account. That would not make the limits, sanctioned from time to time, one transaction.

The pendency of a suit is no bar to the maintainability of a winding up petition. *If the Company fails to show that the debt is bonafide disputed it would not render the claim any the more dispute or any the less just, merely because the Creditor is driven to file suits for its recovery.* ***Though a winding up petition is a mode for recovery of a Just debt, the proceedings in winding up do not partake of the nature of a suit.*** *Therefore, incidents of Order II Rule 2 CPC are not attracted".*

(ii) The Delhi High Court Division Bench in the case of ***Bank of Nova Scotia vs. RPG Transmission Limited [ILR (2004) II Delhi 583],*** held that the Companies Act 1956 and Recovery of Debts due to the

Banks and Financial Institutions Act of 1993 (RDB Act) operate in two different and distinct fields and mutually exclusive jurisdiction and while the purpose of initiating proceedings under RDB Act is to recover the amount due and payable to the Bank/Financial Institutions, the purpose of invoking the winding up jurisdiction is to wind up the company on the ground that it has become commercially insolvent. Paragraph-30 is quoted below for ready reference.

> *"**30**. Therefore, it cannot be said that RDB Act covers the field for winding up an insolvent company and, therefore, the contentions of Mr.Tripathi are misconceived and are accordingly rejected. The contention that the petitioner could chose one of the remedies available in case where two or more than two remedies are available is applicable when the remedy provided for is one and the same but when two different remedies are provided for two different reliefs, in that event the plea of election of remedies is not applicable. We, therefore, hold that the winding up court is concerned with the issue as to whether or not a company could be declared as commercially*

insolvent and, therefore, comes within the ambit of provisions of Section 433 of the Companies Act. ***The Debt Recovery Tribunal does not have any jurisdiction to entertain any such application for winding up of a company*** *whether the same is by any bank and/or other financial institution. We also hold that both the remedies are jurisdictions are mutually exclusive of each other and, therefore, there cannot be any inconsistency between the two different remedies provided for in two different legislations".*

(iii) The Division Bench of this Court in the case of ***Kingfisher Airlines Limited*** itself, when the said company challenged the action of the Respondent-State Bank of India to stand outside the liquidation and realize its security with respect to 'Kingfisher House' held in the case of ***Kingfisher Airlines Ltd., vs. State Bank of India and others (ILR 2014 KAR 1739)*** that the proceedings initiated by the Respondent-Bank under SARFAESI Act are not alternate to winding up

petition. Paragraph-24 of the judgment is quoted below for ready reference.

> *"**24**. In the present case, the proceedings under the provisions of SARFAESI Act were initiated much before filing of winding up petition. Winding up petition was filed on 19-08-2013. While after completing other formalities contemplated under Section 13(1)(3A), notice under Section 13(4) of the SARFAESI Act, was issued on 13-7-2013 and symbolic possession of the Kingfisher House was also taken on 10-08-2013. When the winding up petition was filed, the respondents-Banks being certain that even if all secured assets are sold they would not realize all of their outstanding dues, **which admittedly as of today are more than 6000 crores.** In this backdrop they were constrained to file company petition. They clarified it in the petition, making their position unequivocably clear at the time of filing of company petition. In paragraph 4 of the memorandum of company petition, the respondents-Banks, specifically stated that they are "standing outside winding up" insofar as their secured interest, including Kingfisher House and the same is being filed without relinquishing their rights and interest as secured creditors.*

They also made it clear in the petition that they were pursuing other remedies available to them for realization of securities created in their favour without seeking assistance of this Court for sale/realization of secured assets. In the petition, they have also made a categoric statement that even if all secured assets are sold and their value realized, they would still not realize substantial/large portion of the outstanding dues. Learned Counsel for the parties are ad idem that the worth of Kingfisher House in nay case may not be more than ₹ 300 Crores as against total outstanding of ₹ 6200 Crores. The proceedings under the Act are not recovery proceedings and need to be filed for winding up of the company which is unable to pay its debts. The proceedings initiated by the respondent-Banks under SARFAESI are not alternate to the winding up petition".

(iv) In the case of ***Official Liquidator, Uttar Pradesh vs. Allahabad Bank & Others (2013) 14 SCC 381***, the Hon'ble Supreme Court has held that RDB Act is a complete code in itself and DRT has exclusive jurisdiction for sale of properties for

realization of dues of Banks and Financial Institutions. However, being protector of interests of workmen and creditors of the company in winding up petition, the Official liquidator shall mandatorily be associated at the time of auction and sale by Recovery Officer under RDB Act and if the Official Liquidator is not satisfied with the manner in which auction was conducted he can challenge the said auction by filing the appeal before the Debt Recovery Appellate Tribunal as a person aggrieved under Section 30 of the RDB Act. However, the official liquidator cannot approach the Company Court to set aside the auction/confirmation of sale under RDB Act, 1993.

(v) In ***Bank of New York Mellon vs. Cranes Software International Ltd., (2016) 195 Comp Case 17 (Karn),*** the Division Bench of this Court held that Section 9 of the Companies Act provides that the provisions of the Act shall have effect, notwithstanding

anything to the contrary contained in any agreement which may be executed, and therefore the Agreement which provided for applicability of the English law under clause 20.2 of the Trust Deed, it does not impose the blanket ban on the jurisdiction of Indian Courts to try the winding up here in the State where the registered office of the Respondent's company was situated. The relevant portion of the judgment is quoted below for ready reference.

> "*Section 9 of the Companies Act provides that the provisions of the Act shall have effect, notwithstanding anything to the contrary contained in any agreement which may be executed, meaning thereby that the Companies Act would override the provisions of the agreement or the trust deed. Section 10 of the Act provides that the court having jurisdiction under the Act would be the High Court having territorial jurisdiction in relation to the place at which the registered office of the company is situate. In the present case, it is not disputed that the registered office of the company is at Bangalore, which is within the territorial jurisdiction of the Karnataka*

High Court at Bangalore. Sub-section (11) of section 2 defines "court" to mean the court having jurisdiction under the Act, "with respect to that mater relating to that company, as provided in section 10". Sub-section(2) of section 439 provides that any trustee/s having been appointed in respect of the debentures, and the trustee for holders of debentures, shall have a right to file a petition for winding up of the company. Clause (e) of section 433 provides that the company can be would up if it is unable to pay it debts. Section 434 gives the details as to when the company would be deemed to be unable to pay its debts.

While passing the impugned order dismissing the company petition for lack of jurisdiction, the learned company judge has relied on the decision of ***Swastik Gases P. Ltd. Vs. Indian Oil Corporation Ltd.,[2013] 9 SCC 32,*** *wherein the issue was with regard to invoking of jurisdiction in Jaipur court, where a part of the contract had been performed by the parties in Jaipur and also in Kolkata, but the agreement provided that the Kolkata court would have jurisdiction to entertain all cases arising out of the dispute with regard to the agreement. In such facts, it was held that Kolkata court would have*

the jurisdiction and not Jaipur court. Relying on the said decision, the learned company judge has considered and interpreted clause 20 of the agreement and held that the English courts alone would have jurisdiction to try any case regarding a dispute with regard to the trust deed.

There cannot be any quarrel with regard to the law laid down by the apex court in the case of Swastik Gases P. Ltd. Vs. Indian Oil Corporation Ltd.,[2013] 9 SCC 32. However, the facts in the present case are quite different. The trust deed (clause 20) does not impose a blanket ban on the jurisdiction of the Indian courts to try any matter. It may be reiterated that what is stated in clause 20.1 is that the cases relating to the trust deed would be decided as per English law, and in clause 20.2, though it has been mentioned that the courts of England would have exclusive jurisdiction, but clause 20.4 would clarify that the embargo is not for the trustee/appellant or the bondholders. Clause 13.3 relates to legal proceedings which may be taken by the trustee "at any time after the bonds have become due and payable" and it provides that the trustee may, at his discretion and without further notice, take such proceedings against the issuer, i.e., the company, as it may think fit to enforce repayment

of the bonds and to enforce the provisions of the trust deed or the conditions.

In the case of Swastik Gases P. Ltd. Vs. Indian Oil Corporation Ltd.,[2013] 9 SCC 32, part of the contract was performed both at Kolkata and Jaipur and parties had agreed to the jurisdiction of Kolkata court to entertain all cases arising out of any dispute. Such is not the position in the present case. As such, in our view, the ratio of the said case will not apply to the facts of the present case".

(vi) The learned single Judge of Mumbai High Court while admitting the winding up petition against the Respondent's company in the case of ***Intesa Sanpaolo S.P.A. vs. Videocon Industries Limited (2014) 183 Comp Case 395 (Bom),*** dealt with the objections raised by the Respondent's company that since the creditor held an ex-parte decree from a Foreign court and had filed execution proceedings in Indian Court, such creditor could not maintain a winding up petition before the High Court. The learned

single Judge held that such an objection was unsustainable. The following relevant extract of paragraphs **46, 47, 48 & 67** are quoted below for ready reference:-

> ***"46.*** *If a creditor with or without a decree of an Indian Court can file a petition for winding up based upon a original cause or action, pending the suit and after decree, there is no warrant to deprive a creditor with a decree of foreign Court to present a petition for winding up, independently of the decree, in the Company court having jurisdiction. The Companies Act does not contemplate such exclusion. To deprive a creditor with a decree of foreign court of this statutory right, will also not be in larger public interest. If a foreign creditor with decree of foreign Court is barred from presenting a petition for winding up on the original course of action and till the decree by Indian Court is passed in it's favour, it will make a distinction between two classes of creditors. This will lead to the Indian companies adopting unhealthy practices of borrowing capital abroad and then refuse to repay admitted debts and resist winding up. This will have negative effect on the cross border*

flow of capital and international commerce. Thus there is no warrant to read such an exclusion of the statutory right by way of interpretation.

***47**. Therefore, there is no impediment in the way of the Petitioner to proceed on the basis of the Patronage Letter as a creditor of the Company for presenting this petition for winding – up. There is no question of merger of the Patronage Letter into the decree. The admissions as regards the liability given in the correspondence is sufficient to form basis of the petition for winding-up. Even assuming that there is a suit filed for enforcement of a foreign decree it cannot be said that the Petitioner has ceased to become a creditor of the Company.*

***48.** It was further contended by the Respondent in the Patronage Letter that the decree of Turin Court was an ex-parte decree and obtained by fraud and is opposed to principles of natural justice. In view above discussion this point does not have much relevance. Even other wise there is no substance in this grievance".*

***67**. To sum up: the petition is based on the guarantee contained in the Patronage Letter and the admissions, and not on the decree of the Turin court. Question of merger of the Patronage Letter in the decree of Turin Court therefore does*

not arise. Merely because the Petitioner has obtained a decree from the Turin court and has instituted a suit for enforcement of the same, the Petitioner cannot be deprived of its right to file a winding up petition. The jurisdiction to entertain a winding up petition is only with this court. No bonafide defence on merits has been raised by the respondent. The events of default contemplated under the Patronage Letter are clearly admitted in the correspondence between the parties. The ad-interim order in the suit instituted in Calcutta by one of the bond holders is not a bar for entertaining the petition. Commercial solvency of the Company is not a stand alone ground. Commercial morality and the need to instill confidence in the mind of international investors, are also matters of public interest".

(vii) In ***P.J.Johnson & Sons Vs. Astrofiel Armadorn S.A. of Panama, Panama City & Others (AIR 1989 Kerala 53)***, the Full bench of the Kerala High Court dealt with the question of residence of a foreign company in India with regard to its right to maintain the legal proceedings in India and had

concluded that mere presence of a representative of Foreign Corporation in India is not sufficient if his only authority is to elicit orders from customers but not to make contracts on behalf of the corporation. The Court held that unless the corporation has a fixed place of business in India for sufficiently and reasonably long period of time, it cannot be said to hold as being present in India. Paragraph-20 of the judgment is quoted below for ready reference.

> "***20***. *To sum up: The decisions discussed above evidence what is now generally accepted as a rule of Private International Law See Dicey & Morris, on cit; and Cheshire & North, e.g. cit; and what may be regarded as part of Indian Law, namely,* ***that a foreign corporation is resident in India only if it carries on business in India.*** *A foreign corporation carrying on business in India is amenable to the jurisdiction of the local courts and is for all practical purposes present in India. This test is satisfied only if its business is carried on at a fixed and definite place which is, to a reasonable extent a permanent place within India.* ***The***

mere presence of a representative of the foreign corporation is not sufficient if his only authority is to elicit orders from customers, but not to make contracts on behalf of the corporation. *The question really is, as stated by Lord Loraborn, does the corporation really keep house and does business in India? Its real business is carried on where the "central management and control actually abides".* ***De Beers Consolidated Mines Ltd. V. Howe, (1906) AC 455, 458 (see above).*** *While a company is domiciled where it is incorporated, it is resident where its controlling power and authority is vested. Although dual residence is conceivable where there is division of management and control, it is nevertheless imperative that in some degree, in some measure, to some extent it can be said that the foreign corporation is centrally managed and controlled in India. This test can by no means be satisfied unless the corporation has a fixed place of business in India for sufficiently and reasonably long period of time. Although in* ***Dunlop Pneumatic Tyre Co. Ltd. V. Actien-Gesellschaft Fur Motor Und Motor-fahrzeunbau Vorm. Cudell & Co., (1902) 1 KB 342****, a very short period of residence at a*

fixed place was considered to be sufficient on the special and peculiar facts of that case, it was nevertheless recognized in that case by Romer, L.J. that, in principle, to satisfy the concept of residence the ***business should be carried on for a "substantial period of time"*** *(p.349). These are the essential tests which must be satisfied if a foreign corporation has to be treated as present in India".*

(viii) About the foreign decrees where ex-parte order on merits and whether such a decree would be enforceable in Indian court or not, with reference to Section 13(b) and Section 44-A of the Code of Civil Procedure, 1908, the Hon'ble Supreme Court in the case of ***International Woollen Mills vs. Standarad Wool (U.K.) Ltd., (2001) 5 SCC 265,*** held as under:-

"The broad proposition that any decree passed in the absence of the defendant, is a decree on merits as it would be the same as if the defendant had appeared and contested the judgment cannot be accepted.

The proposition that the decree was on merits as all documents and particulars had been

endorsed with the statement of claim also cannot be accepted. It must not be forgotten that at the stage of issuance of writ of summons the court only forms, if it at all does, a prima facie opinion. Thereafter the court has to consider the case on merits by looking into the evidence led and documents proved before it, as per its rules. It is only if this is done that the decree can be said to be on merits.

Decree would not be on merits if the court has not gone through and considered the case of the plaintiff and taken evidence of the witnesses of the plaintiff.

In a given case it is possible that even though the defendant has not entered evidence the plaintiff may prove its case through oral and documentary evidence. If after consideration of oral and/or documentary evidence an ex-parte decree is passed, it would be a decree on merits.

Where, however, no evidence is adduced on the plaintiff's side and his suit is decreed merely because of the absence of the defendant either by way of penalty or in a formal manner, the judgment may not be one based on the merits of the case".

(ix) The leading case on the maintainability of the winding up petition when there is a bonafide dispute about the debt was rendered by the Hon'ble Supreme Court in the case of ***Madhusudan Gordhandas & Co., vs. Madhu Woollen Industries Pvt. Ltd., [1972]2 S.C.R. 201,*** the Hon'ble Supreme Court has laid down the principles in the following terms:-

> *"Two rules are well settled. First if the debt is bona fide disputed and the defence is a substantial one, the court will not wind up the company. The court has dismissed a petition for winding up where the creditor claimed a sum for goods sold to the company and the company contended that no price had been agreed upon and the sum demanded by the creditor was unreasonable* ***(See London and Paris Banking Corporation).*** *Again, a petition for winding up by a creditor who claimed payment of an agreed sum for work done for the company when the company contended that the work had not been done properly was not allowed.****(See Re. Brighton Club and Norfold Hotel Co. Ltd.)***
>
> *Where the debt is undisputed the court will not act upon a defence that the company has the*

ability to pay the debt but the company chooses not to pay that particular debt ***(See Re. A Company 94 S.J. 369).*** *Where however there is no doubt that the company owes the creditor a debt entitling him to a winding up order but the exact amount of the debt is disputed the court will make a winding up order without requiring the creditor to quantity the debt precisely* ***(See Re. Tweeds Garages Ltd.)*** *The principles on which the court acts are* ***first that the defence of the company is in good faith and one of substance, secondly, the defence is likely to succeed in point of law and thirdly the company adduces prima facie proof of the facts on which the defence depends.***

Another rule which the court follows is that if there is opposition to the making of the winding up order by the creditors the court will consider their wishes and may decline to make the winding up order. Under Section 557 of the Company Act 1956 in all matters relating to the winding up of the company ***the court may ascertain the wishes of the creditors.*** *The wishes of the shareholders are also considered though perhaps* ***the court may attach greater weight to the views of the creditors.*** *The law*

on this point is stated in ***Palmer's Company Law, 21st Edition page 742*** *as follows: "This right to a winding up order is, however, qualified by another rule, viz., that the court will regard the wishes of the* ***majority in value of the creditors, and if, for some good reason, they object to a winding up order, the court in its discretion may refuse the order".*** *The wishes of the creditors will however be tested by the court on the grounds as to* ***whether the case of the persons opposing the winding up is reasonable,*** *secondly, whether there are matters which should be inquired into and investigated if a winding up order is made. It is also well settled that a winding up order will not be made on a creditor's petition if it would not benefit him or the company's creditors generally. The grounds furnished by the creditors opposing the winding up will have an important bearing on the reasonableness of the case* ***(See Re. P. & J Macrae Ltd.)".***

155. The brief discussion of the case laws relied upon by Mr. Udaya Holla on behalf of the Respondent – **UBHL** at this stage would be appropriate.

156. In ***IBA Health (India) Private Limited Vs. Info-Driver Systems SDN. BHD. [(2010) 10 SCC p.553], decided on 23/09/2010***, the Hon'ble Supreme Court held that where the Company has a bona fide dispute, the petitioner cannot be regarded as a creditor of the Company for the purpose of winding up. In fact, the dispute implies the existence of a substantial ground for the dispute raised. The Court should dismiss the winding up petition and leave the creditor first to establish his claim in an action, lest, there is danger of abuse of winding up procedure. A dispute would be substantial and genuine if it is *bona fide* and not spurious, speculative, illusory or misconceived. The Company Court in a winding up proceedings is not expected to hold a full trial of the matter. If the debt is *bona fide* disputed, there cannot be **"neglect to pay"** within the meaning of Section 433(1)(a) of the

Companies Act, 1956. The relevant portion of the judgment is quoted below for ready reference.

> *" A party to the dispute should not be allowed to use the threat of winding-up petition as a means of enforcing the company to pay a bona fide disputed debt. A Company Court cannot be reduced to a debt collecting agency or as a means of bringing improper pressure on the company to pay a bona fide disputed debt and should not permit a party to unreasonably set the law in motion, especially when the aggrieved party has a remedy elsewhere. Of late, there are several instances where the jurisdiction of the Company Court is being abused by filing winding-up petitions to pressurize the companies to pay the debts which are substantially disputed and the courts are very casual in issuing notices and ordering publication in the newspapers which may attract adverse publicity. A creditor's winding-up petition implies insolvency and*

is likely to damage the company's creditworthiness or its financial standing with its creditors or customers and even among the public and which may also have other economic and social ramifications. Competitors will be all the more happy and the sale of its products may go down in the market and it may also trigger a series of cross-defaults, and may further push the company into a state of acute insolvency much more than what it was when the petition was filed. The Company Court, at times, has not only to look into the interest of the creditors, but also the interests of the public at large. The Company Courts are to be more vigilant so that its medium would not be misused. A Company Court, therefore, should act with circumspection, care and caution and examine as to ***whether an attempt is made to pressurize the company to pay a debt which is substantially disputed.***

If there is no dispute as to the company's liability, the solvency of the company might not constitute a stand alone ground for setting aside a notice under Section 434(1)(a), meaning thereby, if a debt is undisputedly owing, then it has to be paid. ***If the company refuses to pay on no genuine and substantial grounds, it should not be able to avoid the statutory demand.*** *The law should be allowed to proceed and if demand is not met and an application for liquidation is filed under Section 439 in reliance of the presumption under Section 434(1)(a) that the company is unable to pay it debts, the law should take its own course and the company of course will have an opportunity on the liquidation application to rebut that presumption."*

157. The Karnataka High Court in ***Ramakrishna Setty K.S. Vs. Clarian Fisheries Pvt. Ltd. And Others, decided on 10/09/1984,*** **[1985 (1) Kar.Law Journal 155]**, a learned Single Judge of this Court held that the

Company Court, while exercising its jurisdiction under Section 433 of the Act, cannot convert itself into a Court of Original Jurisdiction settling civil dispute including drawing up of a decree in favour of one or the other parties in proceedings under Section 433 of the Act and then convert itself into a kind of Executing Court by passing a winding up order and such an exercise of jurisdiction should be avoided. In paragraph 4 of the judgment, the Court has held as under:

> *"4. The Company Court under the provisions of the Act cannot convert itself into a Court of original jurisdiction setting civil disputes including drawing up of a decree in favour of one or the other of the parties in proceedings under Sec.433 of the Act. It is true, the Company Court does have original jurisdiction to settle claims of all kinds when it exercises its power under Sec.446 of the Act. But the nature of jurisdiction and the nature of power exercised under the two*

sections are widely different. Under the latter section jurisdiction is acquired only if an order is made under Sec.433 of the Act and not otherwise. If there is no order under Sec.433 of the Act, including the appointment of a provisional liquidator then there is no jurisdiction acquired by the Court under Sec.446 of the Act. If this is borne in mind then ***Sec. 433 of the Act which is normally a discretionary jurisdiction should necessarily be so understood only when the Court is fully satisfied that it is called upon to examine the merit of the need of a winding-up order*** *and not settling the disputes of civil nature that may arise out of a contract or obligations arising under an Agreement. In fact, I will go to the extent of stating that even if a company is sought to be wound up on the basis of a promissory note,* ***if the Company disputes either receipt of consideration or the execution thereof,*** *then this Court would be compelled to refer such a* ***petitioner to the civil Court*** *for obtaining the necessary decree before he can move the Company*

Court for a winding up order. In other words, the test would be whether this Court should first grant a decree for an alleged debt and then convert itself into a kind of executing Court by passing the winding up order. That should be avoided."

158. Mr. Udaya Holla also relied upon the Supreme Court decision in the case of **Amalgamated Commercial Traders (P.) Ltd. Vs. A.C.K. Krishnaswami and Another, decided on 08/01/1965, [1965 vol.35 Company Cases pg.456]** at page.463, where the Hon'ble Supreme Court held that a winding up petition is not a legitimate means of seeking to enforce payment of debt which is in fact disputed by the Company. The petition presented ostensibly for a winding up order, but really to exercise pressure will be dismissed, and under circumstances may be stigmatized as a scandalous abuse of the process of the Court.

159. Similarly, in ***Madhusudan Gordhandas and Co. Vs. Madhu Woollen Industries (P) Ltd.,[A.I.R. 2 (1971) 3 SCC 632]***, the Hon'ble Supreme Court held, that the principles on which the Court acts are first, that the defence of the Company is good faith and one of substance, secondly, **the defence is likely to succeed in a point of law** and thirdly, the Company adduces *prima facie* proof of the facts on which the defence depends.

160. Another case relied upon by Mr. Holla was also rendered by the same learned Single Judge of this Court, (Hon'ble Justice M.P. Chandrakantaraj Urs.) in the case of **Globe Detective Agency Vs. Subbiah Machine Tools P.Ltd. and others, decided on 09/03/1984, [1984(2)K.L.J.P.207],** wherein the winding up petition was filed by the petitioner – M/s. Globe Detective Agency had provided security guards to the Respondent - Company and some of the security

guards employed by the petitioner - Company took away the key bunch of the Factory premises resulting in loss of machine hours in one shift on 24/02/1982 and the Respondent - Company refused to pay the security charges to that extent of ₹4,450-60. The Court held that where there were certain allegations and counter allegations and claims and counter claims involving disputed question of facts, the substance of the defence of the Respondent - Company was that it was under no obligation to pay the amounts claimed by the petitioner - Company on account of the loss suffered by it due to the negligence of the Guards furnished by the petitioner - Company and in such circumstances, leaving the parties to settle the disputes in an appropriate Civil Court, the learned single Judge dismissed the winding up petition against the Respondent – Company.

161. The argument of Mr. Holla based on this case was, that when the Respondent – **UBHL** also has

raised claims against the petitioning creditors in Civil Suits filed by it and has disowned its Corporate Guarantees and there are claims and counter claims between the parties, the winding up petitions deserve to be dismissed.

162. On the issue of Foreign Law to be proved as a matter of fact, Mr. Holla relied upon the Supreme Court decision in the case of ***Hari Shanker Jain Vs. Sonia Gandhi, decided on 12/09/2001, [(2001) 8 SCC 233],*** paragraphs 27 to 28 where dealing with the question, whether the returned candidate, Mrs. Sonia Gandhi was a citizen of India and was so qualified to contest the election or not, the Court held, Italian Law is a Foreign Law so far as the Courts in India are concerned and under Section 57(1) of the Indian Evidence Act, 1872, the Court shall take judicial note of, *inter alia,* all laws in force in the territory of India. Foreign laws are not included therein and as the Court

does not take judicial notice of Foreign law, it should be pleaded like any other fact, if a party wants to rely on the same.

163. In para.28, the Court said that there is no doubt that in the Courts in India, a point of Foreign law is a matter of fact and therefore a plea based on a point of Foreign law must satisfy the requirement of pleading a material fact in an election petition filed before the High Court.

164. Mr. Holla submitted that similarly in the absence of English law applicable as claimed by the petitioner - Company in the present case, was not pleaded or proved as a fact by the petitioner and no judicial notice of that English law could be taken by the Courts in India, including this Court.

165. He also relied upon to the same effect the judgment of the Bombay High Court in the case of

Chloro Controls (India) P. Ltd. Vs. Severn Trent Water Purification Inc. and another, decided on 20th/21st February 2006, [(2006) 131 Comp.Case 501(Bombay)], in which the Division Bench of the Bombay High Court in the said judgment authored by Hon'ble Mr. Justice R.M. Lodha (as his lordship then was) held as under:

> *" The legal position is well settled that foreign law is a question of fact and must be pleaded by the party who relies upon it. The petitioner has not pleaded about the relevant laws of merger. The documents that have been placed on record only show that certain documents were filed by the petitioner in the office of the secretary of the State of Delaware. Nothing is pleaded about its legal effect. These documents only show that the certificate of ownership and merger merging Capital Controls (Delaware) Inc. (Delaware Corporation) into Severn Trent Water Purification Inc. were filed before the same authority. In the absence of pleading of the*

relevant laws of merger prevalent in the State of Delaware or under the law of the commonwealth of Pennsylvania under which merger is said to have taken place, it is very difficult to examine the aspect as to whether by virtue of the said merger, there is a blending of the two entities and the status of the two companies thereafter."

166. In support of his contention that where the Civil Suit had been filed by the petitioning creditor for recovery of the money in question, the same creditor cannot pursue the winding up proceedings against the Respondent – Company like the petitioning Banks, SBI and others are pleading before this Court, Mr. Udaya Holla relied upon the judgment of the Bombay High Court in the case of ***Dalmia Cement (Bharat)Ltd. Vs. Indian Seamless Steels and Alloys Limited, decided on 31st August, 2001 [2002(112) Comp.Case 314(Bom)]*** in which the learned Single Judge of the Bombay High Court held that the winding up petition is not a

legitimate means to seek to enforce payment of a debt which is *bona fide* disputed by the Company and merely because one creditor claiming a large amount of debt seeks the winding up of a Company, the Court will not admit such petitions and advertise the same to cause further damage and injury to the Company. The Court further held that the petitioner - Company had already resorted to its legitimate civil remedy by way of filing a Civil Suit which would examine the correctness of the contention of both the parties and thus having resorted to alternative remedy, it was not proper and legitimate for the petitioner - Company to seek winding up of the Respondent - **UBHL** on the basis of the same debt.

167. To the same effect, he relied upon the Himachal Pradesh High Court judgment in the case of ***Azeet International Pvt.Ltd. Vs. Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Ltd., decided on 10th December 1997, [1998***

(92) Com.P. Case 356 (HP)], the relevant portion of the said judgment is also quoted below for ready reference.

> *"There is yet another aspect of the case. Admittedly, a civil suit for the recovery of the amount, claimed in the present petition, has been filed by the petitioner-company against the Respondent-company and such suit is pending adjudication. Under these circumstances, the machinery for winding up cannot be allowed merely as a means for realizing a debt, which is disputed and is subject matter of a suit. The High Court of Punjab and Haryana in State Trading Corporation of India Ltd. V. Punjab Tanneries Ltd. (1989) 66 comp Cas 634, also had declined to exercise the powers under section 433 of the Act, in view of the fact that the petitioner therein had already resorted to a civil suit for recovery of the disputed debt."*

168. In ***QSS Investors Private Limited Vs. Allied Fibres Limited, decided on 08/09/2001, [(2001) 107***

Company Case 587 (Bom)], the learned Single Judge of Bombay High Court held on facts that although according to the petitioners, the sum advanced was a loan, the Respondent - Company had treated it as share application money in its Balance Sheet and there was no written Agreement to pay the interest at the rate of 24% as claimed by the petitioners on the alleged loan, the Court held, that the liability was *bona fide* disputed by the Respondent Company and the winding up petition was liable to be dismissed. Moreover, the petitioners had resorted to the civil remedy and therefore the petition could not be entertained.

169. In ***Divya Export Enterprises Vs. Producin Private Ltd. (I.L.R.1990 Kar.1610),*** the learned Single Judge of this Court held, that a mere assertion of debt payable was not sufficient to attract the discretion of winding up under Section 433 (e) of the Companies Act, 1956.

170. On the issue of compliance of Sections 592 and 599 of the Companies Act, 1956, Mr. Udaya Holla also relied upon a Foreign judgment, in the case of ***Re TOVARISHESTVO MANUFACTUR LIUDVIG RABENEK, decided on 12/06/1944,[1944(2) All E. Reporter 556],*** in which the Court there found that where it was the practice of the Director on such visits to stay at a Manchester Hotel which was used as regular place of business for the Company and to which, the correspondence was addressed and the Company kept Banking Accounts in London, but it was contended by the Respondent - Company that the Company could not be wound up under Section 338 of the Indian Companies Act, 1929, since it never had an established place of business under the jurisdiction of the Courts within the meaning of the Companies Act, 1929. Section 343, which refers to "companies incorporated outside Great Britain which....establish a place of

business within Great Britain" it was held, that it was sufficient for the purposes of the Companies Act, 1929. Section 338 for the Company to have a place, not an "established" place of business in England and thus there was jurisdiction of the Court to wind up the Company, since it had, through its Directors carried on business in England for a substantial period and at a fixed place.

171. In ***M/s. Greenhills Exports (P) Ltd., and others Vs. Coffee Board, decided on 16/03/2001,(ILR 2001 Kar.2950),*** a Division bench of this Court held that the petition for winding up on the ground that the Company is unable to pay its debts under Section 433 (e) of the Companies Act cannot be filed for claiming damages as the term 'debts' in that provision does not refer to the claims for damages. Since the Court held that a 'debt' is a sum of money which is now payable or will become payable in future by reason of a present

obligation. The 'damages' is money claimed by, or ordered to be paid to a person as compensation for loss or injury, and it merely remains as a claim till adjudication by a Court and becomes a 'debt' only after a Court awards it.

COURT'S REASONS & FINDINGS:

172. Having considered the rival submissions made at length on both the sides with all vehemence and seriousness of the learned respective counsels and having given my earnest and dispassionate consideration to those rival submissions with the help of material and documents placed for my consideration during the course of arguments, my findings coupled with the reasons therefor are given below:

173. Indisputably, the Respondent – Company, UBHL extended its Corporate Guarantees for the dues and financial obligations of the Company, KFAL which

was its Subsidiary Company at the relevant point of time and these Guarantees created in favour of the lenders and creditors by separate Agreements executed at the contemporary period of time are valid Agreements in the eye of law. There is no dispute before me that the obligations of the Guarantor in law are co-extensive and co-terminus with that of the principal borrower and therefore on account of the admitted failure of KFAL to meet its financial obligations towards the secured and unsecured creditors who are petitioners before this Court, the liability of Respondent UBHL exists in law and there is also no dispute that the principal borrower, KFAL has failed to pay off and discharge its financial obligations towards the creditors and was accordingly ordered to be wound up by this Court on **18/11/2016** and those winding up petitions by the secured and unsecured creditors against it were not even defended and contested by the Respondent KFAL itself nor by the

extended arm of the Guarantor and its Holding Company, Respondent, UBHL.

174. The findings recorded in the judgment and order dated **18/11/2016** winding up Respondent KFAL therein are also extracted below for ready reference.

> *17.* ***There has been no opposition as such to the present winding up petition and such of other winding up petitions against the respondent-company.*** *The alleged defences of pendency of civil suit filed by holding company against the manufacturers but not against petitioner-Aerotron Ltd., locus standi of petitioner company to file this winding up petition, there being chance of revival of the business etc., are all, moonshine and sham defences raised without any material basis for them.* ***The respondent-company is commercially insolvent and is unable to pay its huge debts*** *and there appears to be no useful purpose to keep this company out of the process of winding up or to keep these*

winding up petitions pending ***unnecessarily waiting for some magic to happen for a turnaround of this company, which has been left to fend for itself even by its own holding company, even though UBHL facing similar winding up petitions against itself*** *filed allegedly for not discharging its own guarantee obligations for discharging the debts of its own subsidiary-the Respondent company, and UBHL is hotly contesting winding up petitions filed against itself.* ***This is nothing but self serving suicidal contradiction of these two companies.***

18. The failure of the respondent-company even to make any alternative arrangement to argue and oppose the present case and other such petitions on behalf of the respondent-company against the petitioning creditors also shows that the ***Company is not interested in seriously opposing these winding up petitions against it. The objections*** *raised in the statement of objection though not pressed*

again ***were considered but are found to be unsustainable and flimsy.*** *There is* ***no bona fide dispute*** *against the admitted liability of the respondent-company and* ***no substantial defence*** *has been put-forth by it to show that it is not commercially insolvent.*

19. Therefore, ***this Court, considers it just and proper to wind up the respondent-company*** *for failure to pay the admitted liability and accordingly, the said respondent, Company-Kingfisher Airlines Limited deserves to be wound-up. Therefore, this Court is of the considered opinion that respondent-company, KFA Ltd., deserves to be wound up under the provisions of 433 (e) and (f) read with 439 of the Companies Act, 1956. Accordingly, the respondent-company, Kingfisher Airlines Limited having its registered office at U.B. Tower, Level-12, U.B.City, No.24, Vittal Malya Road, Bangalore-560 001, is ordered to be wound up."*

175. The defences put up by the Respondent – Company, UBHL to contest the present set of winding up petitions against it as noted above, are not worthy of acceptance, as they do not inspire any confidence that such defences may succeed in point of law.

176. On the other hand, this Court finds a tinge of doubt and mischief, cavalier manner, lack of *bona fides* and find them to be too far-fetched without any solid foundation and it is difficult to see such defences to really succeed either before this Court or at appropriate Forums where they have been raised against and instituted as legal proceedings against the petitioning creditors.

177. Taking up the arguments of Mr. Udaya Holla, learned senior counsel for Respondent – Company, UBHL, that UBHL has instituted Civil Suits in Bombay High Court and Bengaluru City Civil Court, challenging the validity of the Corporate Guarantees

itself as having been given under duress or coercion or that on account of defective supply of Aero Engines, the said company, KFAL suffered huge losses and went out of business operations and therefore the Respondent Company has claimed huge damages against the suppliers and also to declare the Corporate Guarantees itself as *non-est* and *void*, this Court does not find any substantial ground in law upon which the Respondent – UBHL hopes to succeed in such proceedings.

178. The assertion of duress or coercion on a corporate body like Respondent - Company, UBHL, at the point of time when these Guarantees were extended to the creditors for securing the financial obligations of KFAL towards them, firstly, is a question of fact to be established by the plaintiff, UBHL and secondly these guarantees were extended in normal course of business in the contemporary period on account of business exigencies as normal business contracts and not any

grudge or grievance against their execution was ever raised by the respondent UBHL during the contemporary period at the time of execution of these Corporate Guarantees or even thereafter before filing of these Suits. Now raising such a grievance and alleging that there was some kind of coercion at that point of time is too far-fetched a claim rather than any modicum of fact or truth on the face of it. This kind of Suits whatever worth or merit they have, will of course be examined by the competent Courts where they are pending but this Court does not find the mere institution of these Civil Suits as a defence good enough, much less substantial enough to put-off the winding up proceedings against the Respondent - Company itself which in law was bound to honour its Corporate Guarantees, at the given point of time when they were invoked and UBHL was called upon to honor them.

179. That as far as admission of liabilities towards secured and unsecured creditors in the present case is concerned, two facts stand out very clearly against the Respondent, UBHL,

180. That as far as pendency of the case before the **Debt Recovery Tribunal, Bengaluru,** instituted by SBI and other consortium of Banks by way of **O.A.No.766/2013** is concerned, that liability stands now crystallized with the passing of the decree and order by the learned Debt Recovery Tribunal, Bengaluru dated **19/01/2017.** Therefore, the arguments before this Court at the time of hearing that the said **O.A.No.766/2013** was yet pending before the Debt Recovery Tribunal and the debts allegedly due from the Respondent UBHL were not yet determined and ascertained, goes away.

181. The learned Member of the Debt Recovery Tribunal, Bengaluru, has made the following

observations and referred the findings while answering Issue No.2 about the validity of the Corporate and Personal Guarantees, on the issue whether they were vitiated by coercion by Applicants in the following manner and to quote the relevant portion from the order dated **19/01/2017** of the **Debt Recovery Tribunal**:-

> *"**The above contention of coercion** raised by second and third defendants **are so unworthy of any consideration for the simple reason that there was none**. Not only the applicant banks are dealing with the public money, but it was also the defendants 1 to 3, who knowingly availed public money as loans from the Banks with a promise to repay the same. It is the bounden legal duty of the banks and the borrowers to ensure that such loans are properly secured by mortgage over immovable properties, hypothecation over movables and guarantees of directors and all other types of guarantees including even that of third parties wherever offered or possible. The second and third*

defendants cannot expect the banks to give away public money as loans to them without even guarantee from them for the repayment in addition to other securities and loan documents. In fact, the second and third defendants would have done well to have volunteered execution of such guarantees, being the holding company and the Chairman and as Rajya Sabha member. ***It is unfortunate that the defendants are challenging these guarantees without any basis or material to support their contention of coercion.*** *If insistence on guarantees by the banks for realizing the loans are to be considered as* ***coercion, then no loan can be properly secured*** *by any bank. In fact, the banks will be failing in their legal and public duty in discharging of their functions if such guarantees are not obtained. Further, the defendant 2 being the parent company of first defendant and third defendant being the Group Chairman and man of sufficient net worth and as Member of Rajya Sabha,* ***were bound to execute guarantee documents for the repayment***

of loan availed by first defendant. *The third defendant who was also a Member of Parliament cannot be heard to say without any basis or material that he was coerced by Nationalized banks into execution of personal guarantee at the time of availing thousands of crores as loans from the banks. At best,* ***this claim of defendants 2 and 3 can add a bit of humour value in this otherwise serious claim for recovery of thousands of crores of public money.*** *In fact the 3rd defendant by alleging coercion has hardly set a role model in himself as Rajya Sabha member.*

One of the contentions raised by the Learned Counsel appearing for Defendants 2 and 3 is that the Bank being in a dominant position have given undue pressure to Defendants 2 and 3 to sign their guarantees by withholding the credit facilities and also by charging very high rate of interest when the defendants were in dire need of funds. This contention is also unacceptable. In fact one of the judgment cited by the learned

counsel for Defendants 2 and 3 is directly on the point (AIR 1924 PC 60). That was the case where alleged unconscionable interest charged was challenged as coercion since lender was considered to be in a dominating position. The argument was that the lender took advantage of the position of the borrower as the borrower was in urgent need of money. The learned counsel for the appellant therein argued that the mortgagees were thereby placed in position to dominate the will of the mortgagor. In the said decision, their Lordship have clearly held that urgent need of money on the part of the borrower will of itself not place the parties in that position. In para 13 of the said judgment, it is observed as follows:-

"Their lordship think it right to observe that the judgment now pronounced is not in accord with the principles laid down by the Appellate Civil Court of Calcutta in Abdul Majeed v. Khirode Chandra Pal I.L.R. 42 C.690, that "where there is ample security, the exaction of excessive and usurious

interest in itself raises a presumption of undue influence which it requires very little evidence to substantiate". Their Lordships think that decision to be wrong. There is no such presumption until the question has first been settled as to the lender being in a position to dominate the borrower's will"

In the present case no pleadings or documents are produced to prove that the banks have dominated the will of defendants 2 and 3. In fact as stated above vice-versa may be true in this case with worries for the banks to recover such a huge outstanding.

Therefore, ***it is clear from the above that the question of coercion on the basis of banks being in an advantageous/dominant position to take guarantee, charge interest etc. raised by the defendants 2 to 3 are baseless.*** *In fact, in my view, it was the* ***defendants 1 to 3 herein who were in dominant position of demanding restructuring of the loan by not repaying the huge loans already***

availed by them from the banks. *In my opinion, therefore, it was the bank which, just for the sake of arguments, can be heard to say that they were coerced into entering into MDRA so as to recover its huge outstandings and not the other way around. However, in view of the above, I am therefore of the considered view that the* ***defendants have not experienced any coercion at any stage*** *and they have entered into the guarantee agreements MDRA and all other documents voluntarily.*

XX XX XX XX

ORDER

1. Present OA stands allowed as prayed for with costs in the following manner

(a) Defendants No.1 to 4 jointly and severally shall pay a sum of ***₹6203,35,03,879=42 (Rupees Six Thousand Two Hundred and three Crores Thirty Five Lakhs Three Thousand Eight Hundred and Seventy Nine and Paise Forty Two only)*** *with* ***further interest at***

the rate of 11.50% p.a. with yearly rests from the date of the application till the date of complete realization.

(b) The charge of 6th defendant shall rank as 2nd charges over the schedule properties and other receivable after satisfaction of all claims of applicant banks.

(c) In the event of failure of defendants to pay the said OA amount, the applicant bank is at liberty to sell the hypothecated /mortgaged movables/ immovables properties described in schedule of the main petition according to law as sought by the applicant bank in the OA.

(d) In spite of sale of the properties mentioned in the Schedule/s, if the OA amount is not fully realized, then the Applicant Bank is at liberty to proceed against the person and other properties of the defendants as required under law and also as advised.

(e) Applicant Bank shall file latest Memo of calculation of OA amount together with interest, costs etc., to be paid by Defendants duly taking into account the amount/s if any paid by the Defendants and/or amount realized by sale of assets, etc., during the intervening period after filing the OA, to enable the office to prepare Recovery Certificate for the amount to be paid by the Defendants to the Applicant Bank.

(f) Office is directed to issue Recovery Certificate as sought by the Applicant Bank in the OA and do the needful as required under law forthwith.

All other orders in I.A.s shall merge with the order passed in the main OA."

182. That besides the aforesaid judgment and decree of the Debt Recovery Tribunal now existing against the Respondent UBHL, during the contemporary period also there was not much a serious contest to the liability of the Respondent, UBHL as a

Guarantor towards the petitioning creditors and learned counsels for the petitioners brought to the notice of the Court, the letter written by the Chairman of the Respondent – Company, Dr. Vijay Mallya himself to one Mr. Ian of petitioner – IAE International Aero Engines, AG, the supplier of the Aero Engines on **30th December 2011** in which the said Chairman, Dr. Vijay Mallya not only acknowledged all the debts towards the said Company and expressed his difficulties faced by the Company in meeting its obligations towards the company KFAL but sought for the co-operation of the said creditor supplier, IAE International Aero Engines AG, in the following manner and to complete this contextual background, the entire letter is quoted in-extenso below:

> ***"From**: Vijay Mallya <vjm@ubmail.com>*
> ***To**: Aitken, Ian (IAE)*
> ***Cc**: sanjay.aggarwal@flykingfisher.com <sanjay.aggarwal@flykingfisher.com>*
> ***Sent**: **Fri Dec 30 17:08:11 2011***
> ***Subject**: Kingfisher*

Dear Ian

December has been an unusually hard month for me to get anything meaningful done.

We have had one of the most stormy sessions of Parliament in recent history that has occupied the minds and time of the Government and my own.

The Indian economy has slowed considerably with growth forecasts now pegged at 7.5% of GDP. Certainly better than most developed economies but disappointing given our own expectations, and the inevitable comparison with China.

The Indian currency is in free fall against the USD and has depreciated by almost 20% in the last 8 weeks. Any USD payments cost us significantly more as a result. Forward contracts have also been banned for the time being.

Inflation has been a major cause for concern and the RBI (Federal Bank) has raised interest rates more than a dozen times with the current rate being 14% per annum.

Despite all this, the Civil Aviation sector continues to grow strongly but with yields that are insufficient to cover high jet fuel costs and the even higher ad-valorem sales tax that is added.

The depreciation of our Indian currency has added a straight 20% increase in our USD denominated costs including lease rentals and maintenance reserves. As a result every Airlines in India is losing money currently.

The good news is that the Aviation industry has caught the attention of our Prime Minister who has made two public pronouncements about assisting Kingfisher Airlines. I have forwarded these reports to you.

Some important policy change announcements are expected in the next

couple of weeks pertaining to direct import of jet fuel and to allow investment by Foreign Airlines to invest in Indian carries. This will have a direct financial impact.

However, we have been negotiating with our Bankers for the past few months on a restructuring package so as to achieve reduction in Interest costs and to enhance free working capital cash flow.

As Kingfisher operates with a consortium of 16 Banks, the lead Bank – State Bank of India (SBI) established an escrow mechanism for our sales collections. Thus, in the normal course, would have functioned properly but due to inexperience and technological glitches, SBI has not been receiving credit of the funds on time from various bank accounts.

On the contrary, when this escrow mechanism was agreed, SBI decided to "retain" all our cash pending their own

interpretation of Law which is the most frustrating aspect for me.

As I leave Delhi tonight, I would like to share my optimism with you that in the first few weeks of 2012, you shall see a slew of positive policy changes which would impact the entire Aviation industry and Kingfisher in particular.

I am painfully aware that Kingfisher is in serious default on its payments to you *and that quarterly financial reporting as of tomorrow is important.*

I write to first acknowledge that you have put your faith in me and trusted me for which I am truly grateful.

I also know that ***our ongoing out standings which you wanted to be paid this week is a major cause of concern.***

You have the ability both legally and morally to ground and repossess your

planes and you are entitled to take such action.

Keeping all your rights in mind, ***I am writing to appeal to you to continue your trust in me. I have put USD 800 million into Kingfisher*** *which should demonstrate my absolute commitment to making the Airlines a success.*

I was confident that all our negotiations with the Government, Ministry of Finance, Banks and all those involved would be concluded before mid December and ***that you would be paid your overdues. Sadly, this did not happen due to the pre-occupation*** *of Government Ministers that I have explained.*

However, I write with confidence that everything ***will get sorted out and put in place during the month of January 2012.***

Specifically, we will secure:

1. *USD 130 mio of new funding*
2. *Cashflow relief from Government owned fuel suppliers/direct importation of fuel thereby improving cash flow throughout.*
3. *A new policy allowing foreign airlines to invest in our share capital*
4. *Equity Raise-first tranche-USD 50 mio*
5. *Further rescheduling of Kingfisher's debt and financial costs.*

All or a combination of some of what I have stated will make us break even financially.

Further grounding of Aircraft for lack of engines or parts will cause unnecessary and serious damage to Kingfisher.

You have had the faith-please continue to have faith. If, during the course of January 2012, I sense that nothing is progressing, I will myself come back to you and keep you informed.

Till then please bear with me and let us work together.

With my best regards and wishes for the new year.

Vijay Mallya

3/24/2012
Member of Parliament-India
Chairman, The UB Group."

183. That not only the aforesaid letter of the Chairman of the Respondent Company, UBHL, a look at the financial figures of the various Balance Sheets, Audit Reports, Independent Auditors' Reports and their qualifications in the Annual Reports commencing from the year **2011-12** till the year **2015-16** which are produced before this Court will also be opportune here:-

184. By way of strange coincidence, this Court also felt that the Front Logo of each year's Annual Report of UBHL with a Logo printed on the front page to

be giving some indications of the things reflected in the financial affairs of the Company as recorded in the duly audited Balance Sheets of the Respondent – Company.

185. A brief narration of the same is given hereunder:

For Annual Report **2011-12**, the title **"Ties that Bind"** with a photo of the **Earth with Monogram of a Flying Horse of UB Group** of Companies with different hands holding each other the said Earth is there.

For Annual Report **2012-13**, the title of Annual Report is again **"Moving Forward"** with **Beautiful Flower Petals making a rotation**.

The next Annual Report of **2013-14** has the title of **"Standing Tall"** with a **Big Tree curiously grown between the crevices of Dry Hills,** as if the Respondent Company is standing tall and still growing

although there are no apparent water resources thereon.

The Annual Report for the next year, **2014-15**, gives the picture of a **Dry Tree on a Stone or Hillock** in a pond and the base stone has a reflection in the water body also and no title is given to this Annual Report.

Similarly for Annual Report **2015-16,** with no separate title given, the **Flying Horse of UB Group** is on the Front Cover of the Annual Report.

186. While these photographs and description of Annual Reports do not indicate or establish anything in particular, but the selection of the photos and Logos by the Company, UBHL, carries some hidden message.... Be that as it may.

187. These winding up petitions have to be dealt with on harder facts and figures and financial results as reflected in these Balance Sheets and commented upon

by the Auditors including independent Auditors. Therefore, a glance through their comments and financial figures follows herein:

188. In the Audit Report dated **24/08/2012**, for the year **2011-12,** the Auditor, Mr. S. Vishnu Murthy, Chartered Accountant of M/s. Vishnu Ram and Company, vide Note No.4 in his Audit Report drew the attention of the stake holders including Government, Creditors and public at large towards the said Guarantee obligations of the Respondent - Company in the following manner.

189. What stands out in the aforesaid comment, is that the Respondent Company chose to make no provision for the said Guarantee obligations even though it noted that KFAL, in which the Respondent UBHL has huge financial exposure is in severe financial stress, not a prudent commercially good stand by UBHL. The said Note No.4 is quoted below:

" Note: 4. Attention is invited to the following:

(i) Note no 39 regarding inclusion in the income for the year, an amount of ₹521.143 million of guarantee/security commission charged to Kingfisher Airlines Limited (KFA). KFA has not accrued the charge in view of the restrictions imposed by its lenders for the period commencing from 01-01-2011. The total of such charge, accrued by the company for the period from 01-01-2011 to 31-03-2012 is ₹ 646.770 million.

(ii) Note no 35 regarding inclusion in the income for the year, interest of ₹1,285.272 million charged to certain subsidiaries and associates, the ultimate realization of which may take protracted period of time.

(iii) Note no 40 regarding ***significant financial exposure to KFA in the form of investments in equity, loans and advances and guarantees. KFA has considerably scaled down its operations and it is under severe financial stress.***

No provision has been made in the accounts for the probable loss *that may aside due to non recovery of loans and advances and other receivables, decline in the value of investments and invocation of guarantees.*

(iv) Note no 32(f) and note no 34 regarding non provision for significant decline in the value of investments aggregating ₹700.610 million in ***certain subsidiaries whose networth is eroded/partially eroded*** *besides non provision for probable loss that may arise due to non-recovery of outstanding Loans and advances of ₹1,627.300 million due from such subsidiaries.*

190. For the year **2012-2013,** by which time the KFAL had already stopped its operations, the Respondent UBHL also turned from a profit-making position to a loss-making position. As compared to profit from operations to the tune of ₹**185.315 millions** in the year 2011-12 it went into red (losses) to the

extent of ₹**1,577.425 millions** for the Financial Year **2012-13.**

191. From the Report of Directors for the next year **2013-14**, the Chairman of the Company, Dr. Vijay Mallya while giving his over-view of the Company's performance under the heading of '**Management Discussion Analysis'**, noted the position as under:-

> *"While Kingfisher Airlines was an unquestionable success in terms of consumer satisfaction, the still restrictive regulatory environment and prohibitory cost of operations resulted in* ***the entire sector incurring huge losses****. As one of the largest players in the industry,* ***Kingfisher Airlines incurred very significant losses****. The global financial environment, during this period, triggered by the* ***collapse of Lehman Brothers in 2008*** *meant that the Company could not raise equity in a timely fashion, thus increasing its dependence on borrowings,*

some of ***which necessitated underlying support from the Company****.*

Kingfisher Airlines ceased operations in October 2012 *primarily on account of suspension of license by the Civil Aviation Regulator in response to constant disruption by crew and staff. Your Company has continued its efforts to find a suitable investor who could capitalize on the still strong reputation and license.* ***With this intent, your Company continues to fund Kingfisher Airlines.***

Certain ***lenders and other creditors have approached the Hon. High Court of Karnataka seeking winding up of Kingfisher Airlines and consequently also of the Company, relying upon purported guarantees issued in their favour by your Company. The validity of the guarantees had been challenged by your Company in a suit filed in the Hon'ble Bombay High Court*** *well before the commencement of legal action by lenders and creditors."*

192. It is significant that no reference was made by the Respondent - Company in this Report given on **13/08/2014** to the Original Suit, **O.S.No.6406/2012,** instituted by the Respondent - Company in the Bangalore City Civil Court, on **05/09/2012** even while referring to the Suit filed by it in the Bombay High Court. The Auditor in the Report dated **13/08/2014,** by the same Chartered Accountant, Mr. Vishnu Murthy, in this very year, clearly noted that "**accumulated losses of the Company are more than 50% of its net worth"**. The relevant extract from Auditor's Report is quoted below for ready reference.

> ***(x) Accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses*** *during the financial year covered by our audit and during the immediately preceding financial year.*

(xi) As per the information and explanations given to us, the ***company has defaulted in repayment of dues to a bank.*** *The unpaid dues to the bank as at March 31, 2014 were* ***Rs 2,292 million.*** *Out of this ₹29 million has been paid in May 2014 and ₹17 million has been paid in June 2014. The company is in negotiation with the banker. The company has not issued any debentures."*

193. For the year **2014-15** Annual Report, the Auditor, Mr. S. Vishnu Murthy, Chartered Accountant in his Report dated **29/05/2015** in which Balance Sheet also, the Respondent – Company, UBHL had registered a profit of **₹433.974 crores** taking into account the exceptional gain of **₹965 crores** for the said year on account of sale of **'Pledged Shares'** with certain lenders, namely Banks of the Company to recover their dues and which was challenged and is the subject matter of litigation even now before the Hon'ble

Supreme Court of India as to whether the sale of such **'Pledged Shares'** by UBHL was valid or not.

194. The Company in the previous year **2013-14** had registered losses of ₹**2023.302 crores** and therefore the said profits of ₹**433.970** on account of such impugned sale of **'Pledged Shares'** was shown as profits which is a misleading picture, but taking note of the said profits shown in the Balance Sheet, the Auditors gave the following remarks:

> *"Winding up petitions filed against the Company have been admitted by the Honourable High Court of Karnataka and are being heard (Ref. note no.45); the Honourable* ***High Court of Karnataka has restrained the Company from disposing of any of its assets*** *[Ref. note no.52(e)]; the Company is a defendant in recovery suits instituted by certain creditors/lenders* ***for recovery of their dues of*** ₹***62,033 million [Ref.*** *note no.45]; some of the lenders have recovered*

their dues ***by disposing of the securities pledged by the company*** *[Ref. note no.37]. Yet, the company has prepared its financial statements on going concern basis for the reasons stated in note no.52. The appropriateness of preparation of financial statements on going concern basis in subject to the Company being able to successfully defend itself in the petitions/ suits filed against it and obtaining substantial reliefs in the suits filed by it as mentioned in note no.45.*

The Company has not recognized in its financial statements, disputed liabilities amounting to *₹**77,309 million arising out of invocation of its corporate guarantees** [Ref. note no.31] and claims of ₹1,463 million made against it under agreements entered into with a banker [Ref. note no.31]. Had the company recognized the above, current liabilities in the Balance Sheet would have been higher by that amounts and guarantees under contingent liabilities and claims not acknowledged as debt would have been*

lower by ₹77,309 million and ₹1,463 million, respectively.

195. The Notes of Financial Statements in the said Annual Report of **2015-16**, taking the basis of the Respondent Company as a **'Going concern'**, was qualified in the following manner:

"(a) The Company is defending recovery proceedings by the consortium of banks of KFA based on corporate guarantees, the validity of which is being contested. As stated herein above, the company has filed in Bombay High Court, a suit seeking to declare the corporate guarantee null, void ab initio and non-est. The suit is still pending adjudication.

(b) Connected with the Corporate Guarantees, the winding up petitions filed in Hon'ble Karnataka High Court referred to in the Directors report, in the opinion of Counsel, can be successfully resisted.

(c) The company has filed a suit for damages against the aircraft engine manufacturers for supply of inherently defective engines, both in design and manufacture, to KFA. The suit is pending. The company is pursuing without prejudice, negotiations with two of the creditors who have filed winding up petitions against the Company, to try and settle the disputes amicably. Two members of the Consortium of Bankers of KFA have assigned their debt to an Asset Reconstruction Company (ARC).

(d) Under direction of Court pending resolution of various disputes, amounts totaling ₹794.38 crores are held as cash deposits.

(e) Due to restraint orders passed by the High Court of Karnataka, rentable commercial office space could not be leased out resulting in continued loss of significant rental revenue. The Company has filed an Application vide CA No.1428 of 2014 in COP 185/2012 with a prayer to permit the

Company to lease/rent out the vacant premises at UB City and grant such other further orders as are just. Also, high value residential units in Kingfisher Towers, could not be sold which has impacted the cash flow. The said application is pending.

Having regard to the totality of all the above facts and also the substantial assets of the Company which can be monetized in case of necessity, the financial statements for the year ended 31st March 2015 have been presented on principles applicable to Going Concern."

196. For the latest year, the Balance Sheet for the year **2015-16,** for the Financial Year ending 31st March 2016, the loss shown in the Profit and Loss Account as on **31/3/2016**, soared upto ₹**451.304 crores** and the seriousness of the qualifications by the Auditor of the Company also increased and while noting that the lenders of KFAL have taken the possession of the Company's property in Goa to recover its dues, the

Auditor reported the following qualifications in his Report dated **31/08/2016**.

> ***"The company had extended corporate guarantees of ₹87,072 million in favour of lenders/lessors/creditors of Kingfisher Airlines Limited (KFA) an erstwhile subsidiary of the company*** *(Refer note no.31 to financial statements). The beneficiaries of such guarantees have invoked the guarantees and are pursuing recovery actions against the company. This may result in loss to the company (Refer note no.31 to financial statements).* ***No provision has been made in the accounts for such possible loss.***
>
> *Xx xx xx xx xx xx xx*
>
> *The company has shown ₹ 358 million as due from a banker who has unilaterally encashed company's deposits lying with it and appropriated the amount towards its claims against a group company. The*

possible loss on account of this development has not been recognized in the financial statements (Refer note 42 to financial statements). An amount of ₹8,074 million is shown as dues from a contributory trust ("Trust") managed by a financial company which had sold the company's investments that were pledged with it and had appropriated part of the sale proceeds against dues from KFA (Ref note no.43 & 33(e)). Further, the said Trust still holds custody of 59,150,000 shares in KFA, belonging to the company (Ref note no.33(c)). The company has petitioned the City Civil Court of Calcutta and High Court of Karnataka challenging the validity of the pledge and for rendering full accounts. Pending outcome of the petitions, the company has shown the above amounts as good and recoverable. ***Should the company fail to get the reliefs as sought, there would be losses.*** *The company has not provided for any possible losses in this regard. According to the management, it is not possible to estimate the losses if any and*

consequently quantify the amount of provisions required in the above cases."

197. Thus, on the basis of summary of the aforesaid Financial Reports and constant increase in the losses and complete erosion of net worth and reticent refusal of the Respondent – Company, UBHL to square up its Guarantee obligations and raising sham and moonshine defences to avoid winding up of the Respondent Company, this Court comes to a fair, reasonable and firm conclusion that the Respondent – Company, UBHL is a commercially insolvent Company and is unable to meet its admitted financial obligations and square up its admitted liability towards the petitioning creditors.

198. The details of the proposal submitted before the Hon'ble Supreme Court of India are extracted below for ready reference:

The Chairperson *29th March 2016*
State Bank of India
Mumbai.

Madam,

Re: Settlement Offer on behalf of Kingfisher Airlines Ltd ("KFA"), United Breweries (Holdings) Ltd ("UBHL"), Dr. Vijay Mallya & Kingfisher Finvest (India) Ltd ("KFIL") (collectively the "Offerors")

The Consortium of Banks through SBICAP Trustees Limited had issued a Notice dated 3rd May, 2013 under Section 13(2) of the Securitisation and Reconstruction of financial Assets and Enforcement of Security interest Act, 2002 ("SARFAESI Act") to the Offerors, in which it was alleged that the aggregate outstanding principal amount (both fund based and non-fund based outstanding) was ₹ 5,440 crores plus unapplied interest of ₹1,131 crores. In addition thereto, 4 Banks (PNB, OBC, UBI and Corporation Bank) have filed Original Application No.158 of 2014 before the Debt Recovery Tribunal, Bangalore ("DRT"), inter alia, against the Offerors in

respect of Pre-Delivery Payment Loans raising an aggregate claim of ₹192 crores plus interest thereon. PNB has also filed O.A.No.1844 of 2014 in the DRT, inter alia, against the Offerors in respect of Pre-Delivery Payment Loans raising an aggregate claim of ₹18 crores plus interest thereon.

In the Original Application No.766 of 2013 filed by the Consortium of Banks before DRT, it is alleged that the alleged dues of the Consortium of Banks are guaranteed by a Personal Guarantee of Dr. Vijay Mallya and a Corporate Guarantee of UBHL (collectively "Alleged Guarantees"). It is further stated in the Original Application No.766 of 2013 filed by the Consortium of Banks, that between 28-03-2013 and 25-04-2013 the Consortium of Banks recovered an aggregate sum of ₹544 crores from the sale of shares pledged by UBHL and Kingfisher Finvest (India) Ltd ("KFIL") to secure the loans advanced to KFA.

The Offerors maintain that the various proceedings adopted against the Offerors are misconceived and without basis.

The total liabilities of UBHL aggregate to approximately ₹12,012 crores as set out in Annexure "1" hereto.

The total value of assets of UBHL (net of taxes) aggregates to approximately ₹4,968 crores as set out in ***Annexure "Z"*** *hereto.*

The total value of shares held by KFIL in United Spirits Ltd (net of taxes), shares held by Dr. Vijay Mallya in United Breweries Ltd (net of taxes) and shares held by companies controlled by the Mallya family in United Breweries Ltd (net of taxes) aggregate to approximately ₹ 3,175 crores (of which the average shareholding of Dr. Mallya is less than 10% in the family controlled companies) as set out in ***Annexure "3"*** *hereto.*

In the light of the aforesaid facts, and without prejudice to the respective rights and contentions of the Consortium of Banks and the Offerors in various pending proceedings,

and subject to the Hon'ble Supreme Court/Company Court granting the requisite permission under Section 536 of the Companies Act, 1956 to KFA and UBHL, the Offerors with a view to amicably settle all disputes and differences with the Consortium of Banks/Asset Re-construction Company shall, in full and final Settlement of all the dues and claims made or raised by the Consortium of Banks/Asset Re-construction Company against the Offerors in various pending proceedings, make payment to the Consortium of Bank/Asset Re-construction company an aggregate amount of ₹4,000 crores in the manner following:

(i) The Consortium of Banks shall adjust and appropriate against the principal amount outstanding, the aggregate amount of RS.544 crores already recovered by the Consortium of Banks from sale of pledged shares referred to hereinabove.

(ii) Upon acceptance in writing of this Offer by the Consortium of Banks/Asset Re-construction Company, an aggregate amount of ₹1,603 crores shall forthwith in the first instance be paid/secured in the manner following:

(a) ₹ 700 crores, consisting of a sum of ₹651 crores together with accrued interest thereon, are lying deposited in the Hon'ble Karnataka High Court to the credit of O.S.No.25877 of 2013 filed by the Consortium of Banks before the Hon'ble City Court, Bangalore pursuant to the order dated 20th June, 2014 passed in Writ Petition No.28577 of 2014. The Offerors will cause KFA, UBHL and KFIL to consent to the aforesaid sum of RS.700 crores being paid over to the Consortium of Banks in full and final settlement of their claims in O.S.No.25877 of 2013;

(b) The residual value of 4,116,306 equity shares of United Spirits Ltd held by UBHL shall be pledged in favour of the Consortium of Banks (Petitioners), the current residual value of which (net of MAT and dues payable to pledgees) being approximately ₹660 crores. These shares shall be liquidated so as to maximize the total amount recovered, subject to the Offerors receiving a minimum credit of ₹660 crores (net of MAT and dues payable to pledgees); and

(c) The residual value of 1,208,180 equity shares of United Spirits Ltd held by KFIL shall be caused to be pledged in favour of the Consortium of Banks, the current residual value of which (net of MAT and dues payable to pledgees) being approximately ₹243 crores. These shares shall be liquidated so as to maximize

the total amount recovered, subject to the Offerors receiving a minimum credit of ₹243 crores (net of MAT and dues payable to pledgees).

(iii) The balance ₹1,853 crores shall be paid by the Offerors on or before 30th September, 2016 in the manner following:

(a) An aggregate amount of approximately US$ 101,000,000 (equivalent to approximately ₹ 688 crores) is lying deposited with Airbus Industries S.A. which includes an amount of US$ 32 million (equivalent to approximately ₹217.60 crores) towards Pre-Delivery Payments ("PDP's") funded by the Pre-Delivery Payment Loans referred to hereinabove. Pursuant to orders to be passed by the DRT in O.A.No.158 of 2014 and/or O.A.No.1844 of 2014 or by the

Hon'ble Supreme Court, Airbus Industries S.A. be directed to pay the aggregate amount of US$ 101,000,000 (equivalent to approximately ₹688 crores) to the Consortium of Banks.

(b) ₹ 1,165 cores by the Offerors to the Consortium of Banks, failing which the Offerors shall cause the residual value of 17,773,404 equity shares held by companies controlled by the Mallya family and/or UBHL in United Breweries Ltd to be pledged in favour of the Consortium of Banks, the current residual value of which (net of MAT and dues payable to pledgees) being approximately ₹1,165 crores.

In addition to payment of the aforesaid aggregate amount of ₹4,000 crores, the Offerors shall cause UBHL to assign all and any amount that UBHL may recover against

the claim of USD 210,400,000 plus ₹162,10,00,000 (aggregating to approximately ₹2,000 crores) made against the Defendants (International Aero Engines Inc. & Ors.) in O.S.No.6406 of 2012 filed in the City Civil Court at Bangalore.

Upon the Offerors making payment/securing the aforesaid amount of ₹1,603 crores in the first instance as aforesaid, inter alia.

(i) all legal proceedings filed by the Consortium of Banks against the Offerors shall be stayed and shall not be proceeded with further.

(ii) IDBI Bank shall forthwith release 3,459,090 equity shares of United Spirits Ltd in favour of USL Benefit Trust which are the subject matter of Writ Petition No.49864-49865 of 2013 pending in the Hon'ble Karnataka High Court.

(iii) all orders passed by any of the Banks against any of the Offerors declaring

them willful defaulters shall be kept in abeyance and not acted upon. The Consortium of Banks shall inform the Reserve Bank of India and CIBIL accordingly.

Upon the Offerors making payment of the balance amount of ₹1,853 crores and causing assignment of all and any amount that UBHL may recover under that claim made against the Defendants in O.S.No.6406 of 2012 as aforesaid, inter alia.

(i) all legal proceedings filed by the Consortium of Banks against the Offerors shall stand dismissed as withdrawn, and all ad-interim and interim orders passed therein shall stand vacated.

(ii) all security/security interests other than those created hereinabove, shall stand released in favour of the party which created the security/security interest in favour of the Consortium of Banks.

(iii) all orders passed by any of the Banks against any of the Offerors declaring them willful defaulters shall stand quashed, and the Reserve Bank of India and CIBIL informed accordingly.

Upon acceptance in writing of this Offer by the Consortium of Banks, the Parties shall mutually agree to and execute suitable documentation to record the settlement.

It is clarified that non of the ad-interim or interim orders passed by any court(s) against the Offerors will prevent the Offerors from fulfilling this Offer if accepted in writing by the Consortium of Banks.

This offer is being made on the basis that the contents hereof are STRICTLY CONFIDENTIAL, and that the Consortium of Banks/Asset Re-construction Company shall not disclose or disseminate the contents hereof to any third party, save and except such of their officers who are required to consider the same, but on condition that such

officers maintain strict confidentiality of the contents hereof.

Yours sincerely,

(Dr. Vijay Mallya)

Encls: As above.

199. Thereafter, the Hon'ble Apex Court by its order dated **07/04/2016** on **I.A.Nos.5 to 8 of 2016**, in the aforesaid Special Leave Petitions, made the following order:-

*"**I.A.Nos.5-8 of 2016** – applications for impleadment on behalf of Oriental Bank of Commerce are allowed.*

Mr. Shyam Divan and Mr.S.S. Naganand, learned senior counsel appearing for the petitioners have submitted that the offer made by Respondent Nos.1 to 4, which is referred to in our order dated 30.03.2016, ***has been considered and the consortium is of the view that the offer is not acceptable. However, the consortium is***

not against a negotiated settlement, provided the respondents show their bonafide for a meaningful negotiation. *As a pre-condition to such steps on bonafides, it is submitted that the third respondent should first of all disclose, on oath, the details of all the properties-movable, immovable, tangible, intangible, share holdings and any right, title or interest including beneficial interest and those held in fiduciary capacity, in private trusts, public trusts, companies, partnerships, limited liability partnerships, and/or any other entity/ies both in India and abroad etc. in any form and there should be a substantial deposit made before this Court.*

Mr.C.S. Vaidyanathan and Mr. Para P. Tripathi, learned senior counsel appearing for Respondent Nos.1 to 4 have submitted that on receipt of the response from the Consortium, they have made another proposal.

Mr. Shyam Divan, learned senior counsel, has submitted, on instruction, that

even ***the said proposal is not acceptable*** *and still, the Consortium is not against a negotiated settlement. It is further submitted by Mr. Shyam Divan that for a meaningful negotiation, the presence of the third respondent is absolutely necessary.*

Mr.C.S. Vaidyanathan and Mr. Parag P. Tripathi, learned senior counsel appearing for Respondent Nos.1 to 4 have submitted that they may be given short time to file their response to the main petition.

Accordingly, they are granted time upto 21.04.2016 to file their response. In the response filed by the third respondent, he shall disclose the details of all his properties – movable, immovable, tangible, intangible, share holdings and any right, title or interest including beneficial interest and those held in fiduciary capacity, in private trusts, public trusts, companies, partnerships, limited liability partnerships, and/or any other entity/ies both in India and abroad etc. in any form whatsoever and also the rights,

indicated above, in the name also of his wife and children, as on 31.03.2016.

It shall also be indicated in the response as to what is the amount he is prepared to deposit before this Court so as to show his bonafide for a meaningful negotiation. Mr. C.S. Vaidyanathan and Mr. Parag P. Tripathi, learned senior counsel, have submitted that on the next date of hearing, specific instruction shall be obtained from the third respondent as to his probable date of appearance in person before this Court.

The petitioners and the intervenor are free to file reply to the response of Respondent Nos.1 to 4 on or before 25.04.2016.

Post the matters on 26.04.2016 as first item."

200. That asfaras other technical objections or defences raised by the learned Senior Counsel for the

Respondent Company, UBHL, Mr. Udaya Holla is concerned, they are also found to be devoid of any merit. They are dealt with below.

201. The contention of the learned Senior Advocate of UBHL that the applicability of the English law under the Contracts executed between the petitioning creditors and KFAL and UBHL was to be pleaded as a fact and proved in accordance with Section 57 of the Indian Evidence Act, does not impress this Court at all.

202. The petitioners are not seeking execution of any decree passed by English Courts or other Foreign jurisdiction against the Respondent – Company. They have invoked the winding up of Respondent- Company before this Court under Section 433 read with Sections 434 and 439 of the Companies Act, 1956 and have been able to satisfy this Court with the relevant and cogent material that the specified amounts of debts are due to

be recovered by them from the Respondent – Company and the Respondent - UBHL under its contractual Guarantee obligations incurred by it for the financial obligations of the KFAL, which it has failed to discharge, despite due notice without any cogent reasons. It is neither a question of treating these winding up petitions as civil Suits for recovery of monies but it is a matter of forming a reasonable and fair opinion that whether from the facts and figures, contentions and defences, this Court can form a reasonable opinion about the commercial insolvency and erosion of its net worth and inability of the Respondent Company, UBHL, to pay-off its admitted dues or not. This Court does hold this opinion against the Respondent - Company, UBHL. Therefore, the contention that the applicability of the English law was required to be pleaded and proved as a fact, as if in the realm of trial of a Civil Suit, does not merit acceptance of such a contention by this Court.

The same is therefore liable to be rejected and is accordingly rejected.

203. Another contention about the petitioning Companies other than the secured creditors like SBI and consortium of Banks and others that such Foreign Companies ought to have obtained due permissions from Registrar of Companies (ROC) or Reserve Bank of India (RBI) in terms of Sections 592 and 599 of the companies Act, 1956, also is equally devoid of merit. If the Respondent – Company wanted to challenge the *locus standi* of the petitioners, it was for them to establish before the Court that such Companies had a 'permanent establishment' of business in India so as to fall within the definition of a Foreign Company, requiring registration and permissions in terms of Sections 592 and 599 of the Act. No such material has been placed by them before this Court to question the *locus standi* of the petitioning creditors. Mere presence

of some sales representatives while undertaking business of supply of Aero Engines and Allied Equipments does not establish in any manner that such Companies had their permanent establishment in India so as to attract rigor of Sections 592 and 599 of the Companies Act. The said contention also is therefore liable to be rejected and is accordingly hereby rejected.

204. The contentions raised against *locus standi* of petitioner, BNP Paribas are also equally devoid of any merit. The assignment of debt by KF Aero in favour of BNP Paribas has never been questioned by KF Aero itself. The Deed of Assignment and its due Notice to UBHL are on record. The RBI approval for Corporate Guarantee in favour of KF Aero will be equally good for BNP Paribas also. RBI has never objected to the execution of Corporate Guartntee by UBHL in favour of BNP Paribas. No additional approval could be insisted upon by the Respondent, UBHL itself.

205. The contention that multiplicity of the proceedings has been initiated by the petitioning creditors and therefore the winding up petitions should not be entertained, is also equally devoid of any merit. The petitioning creditors are entitled in law to take all suitable measures and remedies for not only to recover their just debts but if on the basis of that material they can establish the commercial insolvency of the Respondent- Company in terms of the provisions of the Companies Act for winding up, there is no legal bar in the institution and pursuing of two or more remedies against the Respondent – Company, UBHL, while the effect of the relief granted upon such institution of legal proceedings is bound to be different.

206. The winding up order of course results in divesting the existing Management of the Respondent - Company of their control, possession and effective management of day-to-day affairs of the Company

ordered to be wound up but it does not partake the character of a money decree against the Respondent - Company. Therefore the institution of Civil Suits, recovery proceedings in Debt Recovery Tribunal proceedings does not and cannot prohibit the institution and pursuing of the winding up petitions by the secured creditors like SBI and others and unsecured creditors like IAE International Aero Engines AG and BNP Paribas, etc. On the other hand, the interest of the creditors, workmen and other stakeholders in the Respondent – Company can be better safeguarded, if the Government Authority, like Official Liquidator undertakes the control of the affairs of the Respondent - Company and winds up the Respondent – Company, UBHL in accordance with the provisions of the Companies Act, 1956. Therefore, these defences are also without any merit and the same are hereby rejected.

207. If the Respondent – Company, UBHL had any *bona fides* in the matter and they had some reasonable and concrete proposal to salvage the Respondent Company and settle its financial obligations amicably with the petitioning creditors, a viable, reasonable and *bona fide* arrangement or Scheme could always be produced before the Court, after consultation and concurrence of the creditors even during the course of these winding up petitions. But no such effort was made by the Respondent - Company before this Court. On the contrary, it was brought to the notice of the Court that one such proposal submitted before the Hon'ble Supreme Court in **Special Leave Petition Nos.6828-6831/2016 (SBI & Others Vs. KFAL & Others)** and the relevant extract of which proposal is also given above, was not approved and not accepted by the Banks before the Hon'ble Supreme Court itself. Even if such a proposal was to come before this Court also, ex-facie, it reflects lack of *bona fides* on the part

of the Respondent Company, because such a proposal is hedged with the conditions, practically impossible of compliance and therefore, this Court finds no serious and sincere efforts made by the Respondent - Company to save itself from the winding up of the Company in accordance with law.

208. This Court also finds that if one of the Group Companies itself, viz. the United Spirits Limited (USL), on account of its financial help extended to UBHL and KFAL and now later on upon change of its management by the purchase of shares by Foreign Companies like Diageo Plc and Relay B.V., had to change its stand from initial opposing winding up petitions but now supporting the winding up petitions, it appears that something seriously wrong has taken place in the Respondent - Company's Management and affairs, where it has been unable to perform its contractual obligations even towards its own group

Company, what to talk of all other creditors, who are petitioners herein. This Court finds such a change of stand very serious turn of events and has no reason to disbelieve the genuineness of the strong reasons for the said Company, USL to change its stand for which the detailed Affidavits were filed before this Court explaining such reasons.

209. That as far as the contention of Supporting Creditors and Workmen of Respondent – Company, UBHL are concerned, they were more of the nature of proxy arguments raised on behalf of the UBHL itself and for the reasons aforesaid they also deserve to be rejected for the same reasons.

210. The deposits of **₹1280.00 crores** made in the Court under Interim Orders of the Court will of course be utilized for distribution, if the Respondent – Company, UBHL is to be wound up. The argument that such deposit being in excess of claims of unsecured creditors or suppliers and therefore the Respondent –

Company does not deserve winding up ignores the much larger claim of Secured Creditors, Banks led by SBI, whose dues are far in excess of said deposits and their preferential claim cannot be ignored. It is that huge gap which renders the Respondent – Company, UBHL commercially insolvent and a mere skeleton of some assets and liquidity. The presentation of the same as a Going Concern in Annual Reports by skewed, distorted and misleading presentation of facts and figures in Balanace Sheets leads one to draw an adverse inference against the Respondent – Company, UBHL rather than being swayed by false picture sought to be projected by Company itself and its Supporting Creditors. All these contentions are, not *bona fide* and are therefore rejected.

211. Therefore, on a totality of the facts and circumstances, this Court is of the firm and clear opinion that the Respondent Company, UBHL also

deserves to be wound up for its failure to discharge its admittedly liability towards the petitioning creditors, which is far in excess of its net worth and the assets of the Respondent - Company whatever they are left now and which cannot be left in the control, possession and active management of the Respondent - Company as it exists now and it would be necessary, safe, reasonable and expedient to takeover these Assets from the Respondent - Company and hand over the same to the Official Liquidator to proceed further for winding up the Respondent – Company, UBHL, in accordance with law. Accordingly, the Respondent Company, UBHL is ordered to be wound up. All I.As. filed in various Company Petitions also stand disposed of by separate orders in terms of this order.

212. This winding up order be published in 'The Hindu' and 'Udayavani' having circulation in Karnataka in terms of Rule 114 of Companies (Court) Rules, 1959, read with relevant provisions and notice of this order

may also be sent to Official Liquidator, Regional Director and the Registrar of Companies, Karnataka, the Respondent - Company itself and the petitioners.

213. The Official Liquidator is appointed as the Liquidator of the said Company and is further directed to proceed further in accordance with the provisions of the Act and Company Court Rules, in pursuance of this Winding Up order.

214. The Official Liquidator may file a status report within a period of four weeks from today about taking over the control and possession of the assets of the Respondent-Company, UBHL and also about the pending litigation or cases against the Respondent, UBHL at various other Forums/Courts or Tribunals or before this Court, within a period of four weeks.

Sd/-
(DR.VINEET KOTHARI)
JUDGE

Srl/BMV*

NOTICES

Notice No.	20180509-4	**Notice Date**	09 May 2018
Category	Company related	**Segment**	Equity
Subject	Compulsory Delisting of Companies		
Attachments	Annexure- II.pdf ; Annexure- I.pdf		

Content

Trading Members of the Exchange are hereby informed that the **188** companies (**given in Annexure I**) that have remained suspended for more than 6 months would be delisted from the platform of the Exchange, with effect from **May 11, 2018** pursuant to order of the Delisting Committee of the Exchange in terms of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **("Regulations").**

Further, Trading Members of the Exchange are hereby informed that the **3** companies **(given in Annexure II)** that have been compulsorily delisted by NSE, would be delisted from the platform of the Exchange, with effect from **May 11, 2018** pursuant to order of the Delisting Committee of the Exchange in terms of Rule 21(2) (b) of the Securities Contracts (Regulation) Rules 1957 **("Regulations").** Rule 21(2) (b) of the Securities Contracts (Regulation) Rules 1957, states that ***"If the securities is delisted under clause (1),……. the said securities shall be delisted from all recognized stock exchanges".***

1) As per SEBI Delisting Regulations, 2009 the following **consequences of compulsory delisting would apply to the said companies:**

- The securities of these companies would cease to be listed and therefore not be available for trading on the platform of the Exchange.
- Promoters of these delisted companies will be required to purchase the shares from the public shareholders as per the fair value determined by the independent valuer appointed by the Exchange, as mentioned in the Public Notice to be issued shortly.
- Further, in terms of Regulation 24 of Delisting Regulations, the delisted company, its whole-time directors, promoters and group companies shall be debarred from accessing the securities market for a period of 10 years from the date of compulsory delisting.

2) As per SEBI circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 7, 2016, till the time promoters of the Company provide an exit option to the public shareholders in terms of value determined by the Valuer, the following consequences of compulsory delisting would also apply:

- Non-transferability of any of equity shares by the Company, by way of sale, pledge, etc., of any of the equity shares.
- Freezing of equity shares and corporate benefits thereof held by the promoters/ promoter group.
- The promoters and whole-time directors of the Company shall not be eligible to become directors of any listed company.

3) These companies would be moved to the Dissemination Board of the Exchange for a period of 5 years as directed by SEBI.

In case the Trading Members require any clarification, they may contact Mr. Kaustubh Kulkarni on 22728834 / Ms. Anshu Shrivastava on 2272 8534 /Ms. Arpita Joshi on 2272 8384.

Netra Sahani
Dy. General Manager

Abhijit Pai
Dy. General Manager

Listing Compliance
May 9, 2018

ANNEXURE - I

Companies being compulsorily delisted w.e.f. May 11, 2018

S. No.	Scrip Code	Company Name
1	531514	Aasheesh Securities Ltd
2	508987	Abacus Computers Ltd
3	530833	Abee Info Consumables Ltd
4	531897	Accentia Technologies Ltd
5	526347	Acclaim Industries Ltd
6	519536	Agri Marine Exports Ltd
7	519281	Agro Dutch Industries Ltd.
8	511662	AJ Brothers Ltd
9	532327	Allsoft Corporation Ltd
10	504629	Anil Special Steel Industries Ltd
11	532981	Anus Laboratories Ltd
12	532068	Aramusk Infrastructure Investments Ltd
13	524760	Arvind International Ltd
14	511750	Ascent Exim India Ltd
15	514199	Bala Techno Industries Ltd
16	511210	Basil Infrastructure Projects Ltd
17	532377	Bathina Technologies India Ltd
18	524737	Benzo Petro International Ltd
19	530447	Besco Ltd
20	500046	Best & Crompton Engineering Ltd
21	531481	Beta Kappa Investments Ltd
22	500051	Bhagawati Gas Ltd
23	501233	Bhagyodaya Infrastructure Development Ltd
24	513333	Bhuwalka Steel Industries Ltd
25	533469	Birla Pacific Medspa Ltd
26	516112	BK Duplex Board Ltd
27	532816	Broadcast Initiatives Ltd
28	532405	CCS Infotech Ltd
29	523353	CDR Healthcare Ltd
30	531473	Cethar Industries Ltd
31	531932	CG Impex Ltd
32	533026	Chemcel Bio-Tech Ltd
33	503673	CMM Broadcasting Network Ltd
34	531261	Concurrent (India) Infrastructure Ltd

S. No.	Scrip Code	Company Name
35	507956	Continental Construction Ltd
36	530345	Creative World Telefilms Ltd
37	526785	Crest Animation Studios Ltd
38	526033	Crystal Software Solutions Ltd
39	511650	Cvil Infra Ltd
40	532099	Database Finance Ltd
41	511393	DFL Infrastructure Finance Ltd
42	531226	Doon Valley Rice Ltd
43	530835	Eltrol Ltd
44	531361	E Metals India Ltd
45	531620	Energy Products India Ltd
46	532984	Enso Secutrack Ltd
47	530337	Exelon Infrastructure Ltd
48	509527	Falcon Tyres Ltd
49	531820	Finalysis Credit & Guarantee Company Ltd
50	512219	Finaventure Capital Ltd
51	531754	Fintech Communication Ltd
52	531760	Fusion Fittings (I) Ltd
53	518093	Gangotri Cement Ltd
54	515097	Gee Gee Granites Ltd
55	511652	Gemmia Oiltech (India) Ltd
56	531876	Ghanshyam Steel Works Ltd
57	531660	Global Films & Broadcasting Ltd
58	521230	Goldwon Textiles Ltd
59	519347	Gujarat Aqua Industries Ltd
60	514308	Hanjer Fibres Ltd
61	531094	Harbor Network Systems Ltd
62	511613	Harvic Management Services India Ltd
63	515435	Himatsingka Auto Enterprises Ltd
64	509063	Himatsingka Motor Works Ltd
65	526779	Hinafil India Ltd
66	531998	IFSL Ltd
67	526610	In House Productions Ltd
68	530887	Incap Financial Services Ltd
69	514490	India Polyspin Ltd
70	506131	Indiaco Ventures Ltd
71	532381	Indus Networks Ltd

S. No.	Scrip Code	Company Name
72	531551	Intercorp Industries Ltd
73	523770	Intergrated Digital Info Services Ltd
74	514392	Jai Mata Industries Ltd
75	519441	Jaidka Industries Ltd
76	531382	Jayavant Products Ltd
77	507924	Jaybharat Fabrics Mills Ltd
78	531159	JMP Castings Ltd
79	532291	Kdl Biotech Ltd
80	526015	Kemrock Industries and Exports Ltd
81	531401	Khodiyar Industries Ltd
82	532747	Kingfisher Airlines Ltd
83	519485	Kohinoor Techno Engineers Ltd
84	513627	Krishna Ferro Products Ltd
85	530339	Labh Construction Ltd
86	531134	Le Waterina Resorts & Hotels Ltd
87	531756	Liverpool Finance Ltd
88	532537	Lumax Automotive Systems Ltd
89	526045	Luminaire Technologies Ltd
90	501209	Maestros Mediline Systems Ltd
91	524270	Magna Colors Ltd
92	523872	Magna Industries & Exports Ltd
93	524232	Maharashtra Polybutenes Ltd
94	523197	Mazda Properties Ltd
95	517483	Micro Energy India Ltd
96	519481	Mihijam Vanaspati Ltd
97	519335	Milk Partners India Ltd
98	523382	Mini Soft Ltd
99	513265	Mukesh Steels Ltd
100	517374	Mukesh Strips Ltd
101	519200	Navcom Industries Ltd
102	516044	Nayagara Paper Products India Ltd
103	531077	NEPC Paper & Board Ltd
104	532010	NetVision Web Technologies Ltd
105	531927	Nexcen Softech Ltd
106	532999	Nextgen Animation Mediaa Ltd
107	532045	Nexxoft Infotel Ltd
108	531954	Nirman Cements Ltd

S. No.	Scrip Code	Company Name
109	532789	Nissan Copper Ltd
110	511674	Olympia Capitals Ltd
111	531440	Pan Drugs Ltd
112	514017	Parasrampuria Synthetics Ltd
113	501482	Parekh Distributors Ltd
114	526528	Parth Housing & Estate Development Ltd
115	511056	PL Finance & Investments Ltd
116	532739	Plethico Pharmaceuticals Ltd
117	523069	Prakash Leasing Ltd
118	526691	Pretto Leather Industries Ltd
119	503873	Priyadarshini Spinning Mills Ltd
120	530069	Proto Developers & Technologies Ltd
121	509839	Punjab Woolcombers Ltd
122	506102	Qpro Infotech Ltd
123	531627	Raghava Estates and Properties Ltd
124	523030	Rajdhani Leasing & Industries Ltd
125	532055	Rashel Agrotech Ltd
126	531218	Rishab Financial Services Ltd
127	533083	Rishabhdev Technocable Ltd
128	530157	Riverdale Foods Ltd
129	519375	RMI Foods Ltd
130	531250	RNB Industries Ltd
131	524194	Rock Hard Petrochemical Industries Ltd
132	530061	Rockland Thermionics Ltd
133	531704	Rockline Projects Ltd
134	526811	Saatal Kattha & Chemicals Ltd
135	506172	Sampada Chemicals Ltd
136	508671	Satellite Infoconcepts Ltd
137	516088	Saurashtra Paper & Board Mills Ltd
138	531886	Scope Industries (India) Ltd
139	507984	SER Industries Ltd
140	531745	SG Global Exports Ltd
141	523359	Sharp Industries Ltd
142	531538	Shayona Petrochem Ltd
143	531149	Shree Rang Mark Travels Ltd
144	531290	Shreeji Dye Chem Ltd
145	533219	Shri Aster Silicates Ltd

S. No.	Scrip Code	Company Name
146	523728	Siddhartha Tubes Ltd
147	512223	Simco Trading & Finance Company Ltd
148	519586	Smilax Industries Ltd
149	524719	Socrus Bio Sciences Ltd
150	530651	Softech Infinium Solutions Ltd
151	531751	Sonell Clocks & Gifts Ltd
152	526767	Southern Fuel Ltd
153	531141	Sri Jayalakshmi Spinning Mills Ltd
154	522296	SS Forgings & Engineering Ltd
155	511042	Standard Medical & Pharmaceuticals Ltd
156	530425	Sunday Exports Ltd
157	531295	Sunlake Resorts and Hotels Ltd
158	506615	Sunrise Asian Ltd
159	530227	Suraj Holdings Ltd
160	532516	Surya Pharmaceutical Ltd
161	513442	Sweatamber Steel Ltd
162	522142	Techno Forge Ltd
163	523455	Techtran Polylenses Ltd
164	522080	Terruzzi Fercalx India Ltd
165	514478	Terrygold India Ltd
166	501756	Thana Electric Supply Company Ltd
167	503876	Tirupati Fibres & Industries Ltd
168	533258	Tirupati Inks Ltd
169	530527	Trans Agrotech Ltd
170	511343	UCIL Leasing Ltd
171	526463	UG Hotels & Resorts Ltd
172	526879	UT Ltd
173	513715	Valley Abrasives Ltd
174	532338	Valuemart Info Technologies Ltd
175	524310	VBC Industries Ltd
176	524528	Velvette International Pharma Products Ltd
177	532093	Venkat Pharma Ltd
178	531874	Venus Power Ventures (India) Ltd
179	531544	Vertex Spinning Ltd
180	530487	Vibros Organics Ltd
181	505930	Vishal Malleables Ltd
182	531981	Vishal Papertech India Ltd

S. No.	Scrip Code	Company Name
183	511361	Vishwamitra Financial Services Ltd
184	531865	Volant Textile Mills Ltd
185	520003	Vybra Automet Ltd
186	532075	Woolways India Ltd
187	512285	Yuvraj International Ltd
188	532177	Zigma Software Ltd

NSE NATIONAL STOCK EXCHANGE OF INDIA LIMITED

'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai-400 051

PUBLIC NOTICE

Notice is hereby given that it has been decided to delist (withdraw the admission to dealings in) the equity shares of the companies w.e.f. May 30, 2018 in terms of Rule 21(2)(b) of the Securities Contracts (Regulations) Rules 1957 as the Companies has been compulsorily delisted by BSE Limited.

I. Companies compulsorily delisted by BSE

A. Agro Dutch Industries Ltd.		
***Registered Address**:- S.C.O. 30, 2nd Floor, Sector 33-D, Chandigarh - 160 020.		
****Fair Value**:- Rs. Zero		
***Name of the Promoter(s)**	***Address of the Promoter(s)**	
1. Vishwa Calibre Builders Pvt. Ltd.	1275/2, Jand Gali, Patiala, Punjab - 147 001.	
2. Penta Homes Private Ltd	1275/2, Jand Gali, Patiala, Punjab - 147 001.	
# 3. Gurpreet Singh	# 4. Malvinder Singh	
B. Broadcast Initiatives Ltd.		
***Registered Address**:- 101 , Sumer Kendra Society, Pandurang Budhkar Marg, Near Doordarshan Kendra, Behind Mahindra & Mahindra Tower, Worli, Mumbai - 400 013.		
****Fair Value**:- Rs. Zero		
***Name of the Promoter(s)**	***Address of the Promoter(s)**	
Prosperity Agro India Limited	Office no. 502, 4th Floor, Prosperity Heights, CTS No. 6769, Mitra Mandal Chowk, Parvati, Pune - 411 009.	
C. Crest Animation Studios Ltd.		
***Registered Address**:- No. 501, Raheja Plaza, Opposite Darga, L. B. S Road, Ghatkopar West, Mumbai - 400 084.		
****Fair Value**:- Rs. 7.06		
***Name of the Promoter(s)**	***Address of the Promoter(s)**	
1. Z - Axis Communications Limited	501, Raheja Plaza, L. B. S. Marg, Ghatkopar, Mumbai - 400 086.	
#2. Seema Shyam Ramanna	#3. Shyam Ramanna	#4. Varun Ramanna
D. KDL Biotech Ltd.		
***Registered Address**:- Village Savroli, Taluka Khlapur, Khopoli, Raigad, Maharashtra - 410 202.		
****Fair Value**:- Rs. 10		
***Name of the Promoter(s)**	***Address of the Promoter(s)**	
1. Unimark Remedies Limited	E/501, Sky Park C.H.S. Ltd, Oshiwara Garden Road, Next to HDFC House, Off. S.V.Road, Goregaon-West, Mumbai - MH 400 104.	
#2. Synpac Pharmaceuticals Limited		
E. Kemrock Industries and Exports Ltd.		
***Registered Address**:- Village Asoj, Vadodara-Halol Express Way, Tai. Waghodia, Dist. Vadodara - 391 510.		
****Fair Value**:- Rs.10		
***Name of the Promoter(s)**	***Address of the Promoter(s)**	
#1. Mr. Kalpesh Mahendrabhai Patel	#2. Mr. Patel Binitaben K.	#3. Mrs. Mrudulaben M. Patel
F. Kingfisher Airlines Ltd.		
***Registered Address**:- UB Tower, Level 12 UB City, 24, Vittal Mallya Road, Bangalore - 560 001.		
****Fair Value**:- Rs. 10		
1. UB International Trading Limited	UB Tower, Lavelle 12 UB City, 24, Vittal Mallya Road, Bangalore - 560 001	
2. United Breweries (Holdings) Limited	"UB Tower", Level 12, UB City, No.24 Vittal Mallya Road Bangalore - 560 001	
3. Kingfisher Finvest India Limited	UB Tower, Level 12, UB City, No.24, Vittal Mallya Road, Bangalore - 560 001.	
#4. Dr. Vijay Malaya	#5. UB Overseas Limited	
G. Lumax Automotive Systems Ltd.		
***Registered Address**:- 63-64, Gokhale Market, New Delhi - 110 054.		
****Fair Value**:- Rs.16		
1. Lumax Ancillary Limited	2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi South West, Delhi - 110 046.	
#2. Mr. Santosh Jain	#3. Mr. U.K. Jain	#4. Mr. Nitin Jain
#5. Mr. Milan Jain	#6. Mr. Kamlesh Jain	#7. Mrs. Tushina Jain
#8. Dhanesh Kumar Jain		
H. Nissan Copper Ltd.		
***Registered Address**:- Survey No. 168 / 2 / 1, Village: Rudana, Gram: Khanvel, Silvassa - 396 230.		
****Fair Value**:- Rs. Zero		
#1. Danial Investment Pvt Ltd	#2. Mr. Ratankumar Mardia	#3. Mr. Sanjay Shantilal Mardia
#4. Mrs. Sunita Ratan Mardia	#5. Mrs. Bela Sanjay Maradia	#6. Mr. Shantilal Sonmal Mardia
#7. Mr. Atul Kumar Mardia	#8. Mrs. Madhulika Mardia	

I. Plethico Pharmaceuticals Ltd.		
***Registered Address**:- A.B. Road, Mangalia, Dist - Indore (MP) - 453 111.		
****Fair Value**:- Rs.158.11		
#1. Mr. Shashikant Patel	#2. Mr. Chirag Patel	#3. Mr. Aditya Vijay Patel
#4. Mrs. Gauravi Parikh	#5. Mrs. Ritu Patel	#6. Mr. Jitendra Bhai Patel
J. Shri Aster Silicates Ltd.		
***Registered Address**:- B-506, Infinity, Nr. Hotel Ramada, Corporate Lane Road, Prahalad Nagar Garden, Satellite, Ahmedabad - 380 015.		
****Fair Value**:- Rs. 14		
#1. Mr. Mahesh Amolakh Maheshwari	#2. Mrs. Priti Kishore Maheshwari	#3. Mrs. Namrata Mahesh Maheshwari
#4. Mr. Mahesh A Maheshwari		
K. Surya Pharmaceutical Ltd.		
***Registered Address**:- 1596, 1st Floor, Bhagirath Palace, Chandni Chowk, Delhi - 110 006.		
****Fair Value**:- Rs. 11.06		
1. Ess Ess Exim Private Limited	1596,1st Floor Bhagirath Palace, Chandni Chowk, Delhi - 110 006	
2. Surya Softedge Limited	1596, 1st Floor Bhagirath Palace, Chandni Chownk, Delhi -110 006.	
#3. Mrs. Alka Goyal	#4. Mr. Rajeev Goyal	#5. Mrs. Saanya Goyal
#6. Mr. Suhail Goyal		

Notes:

The consequences of compulsory delisting include the following:-

- The above company cease to be listed on the stock exchange with effect from May 30, 2018. The Company shall be moved to the dissemination board of the stock exchange.
- In terms of Regulation 24 of Delisting Regulations, the delisted company, its whole-time directors, promoters and group companies shall be debarred from accessing securities market for a period of 10 years from the date of compulsory delisting.
- The onus of giving exit to the public shareholders and providing information to the stock exchanges for fair valuation is on the promoters of the company. In case, exit is not provided by the promoters, appropriate action would be taken against them.

II. Companies delisted by BSE due to liquidation.

A. Brandhouse Retails Ltd.
***Registered Address**:- B2, 5th Floor, Marathon NextGen, Off G.K. Marg. Lower Parel, Mumbai - 400 013.
B. Elder Pharmaceuticals Ltd.
***Registered Address**:- Elder House, Plot No. C -9, Dalia Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai - 400 053.
C. First Leasing Company of India Ltd.
***Registered Address**:- P.O. Box: 2747, 749, Anna Salai, Chennai - 600 002.
D. Glodyne Technoserve Ltd.
***Registered Address**:- 801, Balarama Building, Bandra Kurla Complex, Mumbai - 400 051.
E. Helios and Matheson Information Technology Ltd.
***Registered Address**:- Adwave Towers, No. 9 South Boag Road, T Nagar, Chennai - 600 017.
F. Tulip Telecom Ltd.
***Registered Address**:- C-160, Okhla Industrial Area Phase-I, New Delhi - 110 020.
G. Varun Industries Ltd.
***Registered Address**:- 13, Shankheshwar Darshan, A.G. Pawar Cross Lane, Byculla (E), Mumbai - 400 027.

Notes:

These companies are under liquidation and hence:

- The provisions of SEBI circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 07, 2016 do not apply to these companies.
- For companies under liquidation the following direction have been received from SEBI in the matter:-
  - If a company has been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, then the restriction provided under Regulation 24 of Delisting Regulations shall be applicable.
  - If the company has not been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, the process of delisting will happen by operation of law and the restriction under Regulation 24 of Delisting Regulations shall not be applicable.

 # Address of the Promoters is not available with the Exchange.

***Note: As available in the Exchange records and as per the information available on ROC website.**

Any queries can be addressed to Delisting Committee, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel: +91 22 26598235/36, e-mail: delisting@nse.co.in.

****Fair Value as per the public notice published by BSE.**

Place: Mumbai

Date: May 19, 2018

NIFTY 50 Stock of the nation

NOTICES

Notice No.	20180926-34	**Notice Date**	26 Sep 2018
Category	Company related	**Segment**	Equity
Subject	Compulsory Delisting of Companies		

Content

Trading Members of the Exchange are hereby informed that the undermentioned **10** companies that have been compulsorily delisted by NSE, would be delisted from the platform of the Exchange, with effect from September 28, 2018 pursuant to order of the Delisting Committee of the Exchange in terms of Rule 21(2)(b) of the Securities Contracts (Regulation) Rules 1957 **("Regulations").** Rule 21(2) (b) of the Securities Contracts (Regulation) Rules 1957, states that ***"If the securities is delisted under clause (1), ……. the said securities shall be delisted from all recognized stock exchanges".***

Sr. No.	Scrip Code	Company Name
1	532858	Decolight Ceramics Ltd*
2	502995	Malwa Cotton Spinning Mills Ltd
3	532912	Net 4 India Ltd
4	530811	Netvista Information Technology Ltd
5	532106	Rei Agro Ltd*
6	533065	Rei Six Ten Retail Ltd
7	532293	Software Technology Group International Ltd
8	507458	United Breweries (Holdings) Ltd. *
9	511371	Vatsa Corporation Ltd
10	534567	VKS Projects Ltd.

1) As per SEBI Delisting Regulations, 2009 the following **consequences of compulsory delisting would apply to the said companies:**

- The securities of these companies would cease to be listed and therefore not be available for trading on the platform of the Exchange.
- Promoters of these delisted companies will be required to purchase the shares from the public shareholders as per the fair value determined by the independent valuer appointed by the Exchange, as mentioned in the Public Notice to be issued shortly.

- Further, in terms of Regulation 24 of Delisting Regulations, the delisted company, its whole-time directors, promoters and group companies shall be debarred from accessing the securities market for a period of 10 years from the date of compulsory delisting.

2) As per SEBI circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 7, 2016, till the time promoters of the Company provide an exit option to the public shareholders in terms of value determined by the Valuer, the following consequences of compulsory delisting would also apply:

- Non-transferability of any of equity shares by the Company, by way of sale, pledge, etc., of any of the equity shares.
- Freezing of equity shares and corporate benefits thereof held by the promoters/ promoter group.
- The promoters and whole-time directors of the Company shall not be eligible to become directors of any listed company.

*As these companies are under liquidation / liquidated, in terms of guidance received from the Securities and Exchange Board of India, the provisions of Regulation 24 of the SEBI Delisting Regulations 2009 reproduced below, would not apply to the companies / promoters / whole time directors of these companies, **if** the date of the appointment of provisional liquidator or the order of winding up is **prior to the date of compulsory delisting**

Regulation 24: *"Where a company has been compulsorily delisted under this Chapter, the company, its whole time directors, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting……,"*

3) Further, these companies would be moved to the Dissemination Board of the Exchange for a period of 5 years as advised by SEBI.

In case the Trading Members require any clarification, they may contact Mr. Kaustubh Kulkarni on 2272 8834/ Ms. Anshu Shrivastava on 2272 8534

Netra Sahani
Dy. General Manager

Arpita Joshi
Manager

Listing Compliance

September 26, 2018

National Stock Exchange of India Ltd.

'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai-400 051

PUBLIC NOTICE

Notice is hereby given that it has been decided to delist (withdraw the admission to dealings in) the equity shares of the companies w.e.f. September 11, 2018 in terms of Regulation 22 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Regulations"), Section 21A of the Securities Contract (Regulations) Act, 1956, Securities Contract (Regulations) Rules, 1957 and Bye - Laws and Regulations of National Stock Exchange of India Limited ("Exchange").

I. Companies compulsorily delisted

1. Duncans Industries Limited | Fair Value:- Rs. 0.19
***Registered Address**:- Duncan House, 2nd Floor, 31, Netaji Subhas Road, Kolkata - 700 001.

***Name of the Promoter(s)**	***Address of the Promoter(s)**
1. Shubh shanti Services Limited	31, Netaji Subhas Road, Kolkata - 700 001.
2. NRC Limited	67, Ground Floor, 75, Surajmal Building Nakhoda Street, Pydhonie, Mandvi, Mumbai - 400 003.
3. Sewand Investments Pvt. Limited	31, N S Road, Kolkata - 700 001.
4. Julex Commercial Company Limited	31, N S Road, Hare ST., Kolkata - 700 001.
5. Kavita Marketing Pvt. Limited	31, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001.
6. Star Paper Mills Limited	Duncan House, 2nd Floor, 31, Netaji Subhas Road, Kolkata - 700 001.

#7. Golconda Investments Limited, #8. Gouri Prasad Goenka, #9. ISG Traders Limited, #10. Continuous Forms Limited.

2. Malwa Cotton Spg. Mills Limited | Fair Value:- Rs. 0.00
***Registered Address: -** Industrial Area-A, Ludhiana-141 003.

***Name of the Promoter(s)**	***Address of the Promoter(s)**
1. Bahumulya Finance Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
2. Excellent Printers Pvt. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
3. Faytee Trading and Investment Co. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
4. First Quality Investment Co. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
5. Garden Investment Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
6. Glory Holding Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
7. Jangi Growth Fund Pvt. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
8. North India Carpet Co. Pvt Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
9. V S Growth Fund Pvt. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
10. Neelam Growth Fund Pvt. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
11. Nagdevi Growth Fund Pvt. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
12. Oswal Intermediates Pvt. Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
13. Oswal Fibres Pvt Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
14. Prudential Commercial Enterprises Ltd.	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
15. Rishi Growth Fund Pvt. Ltd	A-15,Ground Floor, Sri Nagar Colony Bharat Nagar Road Delhi - 110 052.
16. Oswal Knit India Ltd.	Oswal Road industrial Area A Ludhiana Punjab - 141 010.
17. Oswal Exim Trade Ltd.	Oswal Road industrial Area A Ludhiana Punjab - 141 010.
18. Malwa Capital & Finance Ltd.	Oswal Road industrial Area A Ludhiana Punjab - 141 010.
19. Crouse Investment Ltd	Gala No.21, 2nd Floor, Mahal Industrial Estate J.K. Indu. Premises Co-Op. Society, Andheri(E) Mumbai - 400 093.
20. Iskita Traders Ltd.	Gala No.21, 2nd Floor, Mahal Industrial Estate J.K. Indu. Premises Co-Op. Society, Andheri(E) Mumbai - 400 093.
21. Oswego Trading & Investment Co Ltd.	Gala No.21, 2nd Floor, Mahal Industrial Estate J.K. Indu. Premises Co-Op. Society, Andheri(E) Mumbai - 400 093.
22. Shri Vijay Vallabh Holdings Ltd	Gala No.21, 2nd Floor, Mahal Industrial Estate J.K. Indu. Premises Co-Op. Society, Andheri(E) Mumbai - 400 093.
23. Apaar Vyapar Ltd.	8 Royd Street, 1st Floor, Room No 6 Kolkata - 700 016.
24. Pillar Investment Co Ltd	A-2/73, 3rd Floor New Kondly, New Delhi East Delhi - 110 096.
25. Jagdambay Chemicals Pvt. Ltd.	Industrial Area-A Ludhiana Punjab - 141003
26. Kamal Holding Company Ltd.	Industrial Area-A Ludhiana Punjab - 141003
27. S A Growth Fund Pvt Ltd	Industrial Area-A Ludhiana Punjab - 141003
28. Svarnim Trade Udyog Ltd	3A Mangoe Lane 1St Floor Surana House Kolkata Kolkata - 700 001.
29. Vajra Investment & Trading Co. Ltd	87/158, Acharya Nagar G.T. Road Kanpur - 208 010.

#30. Jangilal Oswal

3. Net 4 India Limited | Fair Value: - Rs. 0.00
***Registered Address**:- 139-A-I, S/F, Mohammodpur, New Delhi-110 066.

***Name of the Promoter(s)**	***Address of the Promoter(s)**
1. Sterling Capital Private Limited	AB-11, Community Centre, Safdarjung Enclave, New Delhi, South Delhi - 110 029.
2. Trak Online Net India Private Limited	Flat No-302 Plot No-3, Pankaj House LSC PKT-H Market, Sarita Vihar, New Delhi - 110 076.

#3. Jiwan Financial Holdings Ltd., #4. HSBC Agency Madison-Jiwan-Escrow Account, #5. HSBC Agency QSIH - Jiwan- Escrow Account, #6. HSBC Agency GHIOF - Jiwan - Escrow Account, #7. Suzanne Surendra Pai.

4. Netvista Information Technology Limited | Fair Value:- Rs. 2.08
***Registered Address**:- 407, Crescent Royal, Andheri West, Mumbai - 400 053.
***Name and Address of the Promoter(s)**
#1. Dilip Ramakant Naik, #2. Hirenkumar Natvarlal Patel.

5. Prithvi Information Solutions Limited | Fair Value:- Rs. 10.42
***Registered Address**:- Prithvi House, # 2-58/2/19, Khanamet, Madhapur, Hyderabad - 500 081.
***Name and Address of the Promoter(s)**
#1. Vuppalapati Madhavi, #2. Satish Kumar V.

6. REI Six Ten Retail Limited | Fair Value:- Rs. 0.00
***Registered Address**:- "Everest House", 46-C, Chowringee Road, 15 Floor, R. N. 158, Kolkata - 700 071.

***Name of the Promoter(s)**	***Address of the Promoter(s)**
1. Aspective Vanijya Pvt. Limited	Plot No. 691, Sector- 2, Delhi-Jaipur Road, NH-8, Bawal Growth Centre, Village Jaliavas, Rewari - 123 401.
2. REI Steel and Timber P Ltd.	Plot No. 691, Sector- 2, Delhi-Jaipur Road, NH-8, Bawal Growth Centre, Village Jaliavas, Rewari - 123 401.

#3. Shree KGFM Pvt. Limited, #4. Snehapushp Barter Pvt. Limited, #5. Subhchintak Vancom Pvt. Limited, #6. Jagdhatri Tracon Pvt. Limited

7. Software Technology Group International Limited | Fair Value: - Rs. 4.45
***Registered Address**:- 108, Himalaya Palace, 65, Vijay Block, Laxminagar, New Delhi - 110 092.
***Name and Address of the Promoter(s)**
#1. Yogesh Chandra Vaidya Karta, #2. Shyamlee Vaidya, #3. Ashish Vaidya, #4 Yogesh C Vaidya, #5. Prasanna Vaidya.

8. Sudar Industries Limited | Fair Value:- Rs. 90.96
***Registered Address**:- Plot No. 27 & 29, Village Paud, Mazgoan Road, Khalapur-Taluaka, Raigad District, Maharashtra - 410 222.
***Name and Address of the Promoter(s)**
#1. Murugan Muthiah Thevar.

9. Vatsa Corporations Limited | Fair Value:- Rs. 1.00
***Registered Address**:- Vatsa House, Janmabhoomi Marg, Fort, Mumbai 400 001
***Name and Address of the Promoter(s)**
#1. Rolex Holding Limited.

10. VKS Projects Limited | Fair Value:- Rs. 1.12
***Registered Address**:- 507, B-Wing, Sai Sangam Building, Palm Beach Road, Sector 15, CBD Belapur (E), Navi Mumbai - 400 614
***Name and Address of the Promoter(s)**
#1. Valiyaveedu Krishnankutty Sukumaran, #2. Saritha Sukumaran.

Notes:
The consequences of compulsory delisting include the following:-

- The above company cease to be listed on the stock exchange with effect from September 11, 2018. The Company shall be moved to the dissemination board of the stock exchange.
- In terms of Regulation 24 of Delisting Regulations, the delisted company, its whole-time directors, promoters and group companies shall be debarred from accessing securities market for a period of 10 years from the date of compulsory delisting.
- The onus of giving exit to the public shareholders and providing information to the stock exchanges for fair valuation is on the promoters of the company. In case, exit is not provided by the promoters, appropriate action would be taken against them.

II. Companies delisted due to liquidation.

1. Decolight Ceramics Limited
***Registered Address:-** Old Ghuntu Road, Morbi, Gujarat - 363 642.

2. Geodesic Limited
***Registered Address: -** B-3 Lunic Industries, Cross Road No. B, MIDC, Andheri (East), Mumbai - 400 093.

3. REI Agro Limited
***Registered Address: -** "Everest House" 46-C, Chowringee Road, 15th Floor, RN 158, Kolkata - 700 071.

4. United Breweries (Holdings) Limited
***Registered Address:-** Lewel 12, UB Tower, UB City, #24, Vittal Mallaya Road, Bangalore - 560 001.

Notes:
These companies are under liquidation and hence:

- The provisions of SEBI circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 07, 2016 do not apply to these companies.
- For companies under liquidation the following direction have been received from SEBI in the matter:-
  - If a company has been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, then the restriction provided under Regulation 24 of Delisting Regulations shall be applicable.
  - If the company has not been compulsorily delisted before the appointment of provisional liquidator or the order of winding-up, the process of delisting will happen by operation of law and the restriction under Regulation 24 of Delisting Regulations shall not be applicable.

 # Address of the Promoters is not available with the Exchange.

***Note: As available in the Exchange records and as per the information available on ROC website.**

Any queries can be addressed to Delisting Committee, National Stock Exchange of India Limited, Exchange Plaza, C -1, Block -G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel: +91 22 26598235/36, e-mail: delisting@nse.co.in.

Place: Mumbai

Date: August 17, 2018

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भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

DEPUTY GENERAL MANAGER
CORPORATION FINANCE DEPARTMENT

SEBI/HO/CFD/DCR 2/OW/P/2018/12085/1
April 20, 2018

Goldcrest Corporation Ltd.
3rd Floor, Devidas Mansion,
Mereweather Road, Colaba,
Mumbai – 400 039
Maharashtra
manish@goldcrestgoup.com

Kind attention: Mr. /Ms. Anupa Tanna Shah (Managing Director)

Dear Sir,

Sub: Request for informal guidance by way of "Interpretive Letter" under the SEBI (Informal Guidance) Scheme, 2003 in relation to SEBI (Delisting of Equity Shares) Regulations, 2009 in the matter of Goldcrest Corporation Ltd.

1. This has reference to your letter dated March 12, 2018 and subsequent correspondence vide e-mail dated April 03, 2018 on the captioned subject.

2. In your letter under reference, you have, *inter alia*, represented as under:

   a. *Goldcrest Corporation Ltd. (GCL) (formerly known as Goldcrest Finance (India) Ltd.) was incorporated on February 25, 1983 under the provisions of The Companies Act, 1956. The company engaged in the business of maintaining and operating a tech park and other ancillary businesses. GCL is a listed entity and equity shares of GCL are listed BSE Limited (BSE).*

   b. *Bhor Industries Ltd. (BIL) is a company that was erstwhile listed on National Stock Exchange of India Limited (NSE) and BSE. Pursuant to circular no. NSE/CML/34323 dated March 06, 2017 of NSE and notice no. 2017/0821-27 dated August 21, 2017 of BSE the promoters of BIL were required to undertake an exit offer to the public shareholders of BIL under the compulsory delisting route. Subsequently the promoters of BIL undertook the*

open offer in consultation with NSE and merchant bankers and have provided an exit opportunity to the public shareholders. Accordingly, the equity shares of BIL was compulsorily delisted from the respective stock exchanges.

c. *In accordance with regulation 24 of delisting regulations, BIL its whole time directors its promoters and the companies which are promoted by any of them were prohibited from accessing the securities market or seeking listing for any equity shares for a period of ten years from the date of such delisting. BIL was a jointly promoted entity by three family groups and Mr. Tushar Tanna as one of the directors of BIL represented the interest of one of the family groups. Due to various business reasons, the business of BIL was discontinued and BIL was also in the past referred to Board of Industrial and Financial Reconstruction. Mr. Tushar Tanna is also a promoter of GCL, which is an independent listed entity without the involvement of other two family groups.*

d. *It is further pertinent to note that shareholding ownership of Mr. Tushar Tanna in GCL has significantly reduced over past years and Mr. Tushar Tanna currently owns only 0.01% representing 418 shares in GCL. Prior to July 2007, Mr. Tushar Tanna owned 14.60% representing 8,86,400 shares in GCL. Mr. Tushar Tanna is also no longer director on the board of GCL, but due to his earlier capacity as a promoter of GCL, the restrictions under regulation 24 of the delisting regulations were also applicable to GCL. In addition, it is pertinent to note that the directors in BIL and the composition of the BOD is completely unrelated to that of GCL.*

e. *GCL is a listed entity in its own right and has 25.11% public shareholding. GCL is a well-managed company being in compliance with securities and other laws. Further, approximately 29% of the paid up equity share capital of GCL, forming a part of the promoter and promoter group category, is held by Goldcrest Securities and Commodities Private Ltd. ("GSCPL"), a company incorporated under the provisions of Companies Act, 1956. The entire shareholding of GSCPL is held by the promoters of GCL. As a part of corporate restructuring and other bonafide reasons, GSCPL is proposing to merge into GCL, such that upon merger of GSCPL into GCL, as consideration of merger, GCL will issue its equity shares to the shareholders of GSCPL ("Merger"). For clarity, the existing equity ownership of GSCPL into GCL shall be cancelled on merger and fresh equity shares of GCL shall be issued by GCL in exchange of the cancellation. It is important to note that the total shareholding of promoters and promoter group of GCL shall remain*

constant at 74.89% with no or minimal change on account of merger. Further, the public holding will also remain unchanged pre and post-merger.

f. *Further, an overall capital allocation endeavor, GCL may intend to undertake a buyback through a tender offer route of its equity shares in compliance with SEBI Buyback Regulations, 1998 and other applicable laws.*

3. In view of the above, you have sought informal guidance from SEBI on the following issues:

a. *Considering the provisions of regulation 24 of Delisting Regulations read with SEBI circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 07, 2016 ("SEBI Circular), Whether issuance of equity shares by GCL and seeking listing of such new equity shares in lieu of the cancelled shares, pursuant to merger of GSCPL with GCL, with no change in promoter and promoter group shareholding and no change in public shareholding, would be prohibited under the restrictions under regulation 24 of the Delisting Regulations?*

b. *Whether a proposal of buying back of equity shares of GCL through a tender offer route would amount to accessing the securities market and thus hit by the embargo under regulation 24 of the Delisting Regulations?*

4. We have considered the submissions made by you and without necessarily agreeing with your analysis, our views on the queries are as under:

(i) Regulation 24 of the Delisting Regulations reads as under:

Consequences of compulsory delisting

24. *Where a company has been compulsorily delisted under this Chapter, the company, its whole time directors, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting.*

(ii) Regulation 24 provides clearly provides that where a company compulsorily delisted under this chapter, the company, its whole time directors, its promoters and the companies which are promoted by any of them shall not directly and indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting.

(iii) In the instant case, BIL was compulsorily delisted from the both stock exchanges having nationwide terminals viz. BSE & NSE, and consequently, the consequences of regulation 24 of the Delisting Regulations, 2009 would follows i.e. the company, its whole time directors, its promoters and the companies which are promoted by any of them shall not directly and indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting.

(iv) As Mr. Tushar Tanna is the promoter of both the companies "BIL" and "GCL" the consequences of Regulation 24 of Delisting Regulations, would be applicable on "GCL" also and accordingly, "GCL" would not be able to, directly and indirectly, access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting.

(v) However, as issuance of shares to GSCPL pursuant to the merger and buying back of shares of the company would not fall into the ambit of "accessing of capital market" and would fall under buying, selling or dealing in securities, the said transactions would not be prohibited due to the bar on GCL under Regulation 24 of the Delisting Regulations.

5. Vide your aforesaid letter, you have requested for confidentiality in respect of your application. Accordingly, it has been decided that the no-action letter issued to you in this matter will not be made public for a period of 90 days from the date of issuance of this letter.

6. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.

7. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,

Rajesh Gujjar

DIAGEO
INDIA

United Spirits Limited

Registered Office:
'UB Tower'
#24, Vittal Mallya Road,
Bengaluru – 560 001
Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
www.diageoindia.com

May 4, 2020

To,
Mr. Jeetendra Rangnani
Assistant Manager - Listing Operations
BSE Limited
P J Towers, Dalal Street,
Mumbai - 400001, India

Subject: Response to your email dated April 27, 2020

Dear Sir,

This is with reference to your e-mail dated April 27, 2020 regarding certain information requested by the Securities and Exchange Board of India (***SEBI***) vide its email dated April 24, 2020 in relation to the proposed scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited and United Spirits Limited (the ***Company***).

Please note that the Company is a subsidiary of and controlled by Diageo plc (***Diageo***), through its indirect wholly owned subsidiary, Relay B.V. However, even after Diageo acquired control over the Company, for historical reasons, certain entities such as United Breweries (Holdings) Limited (***UBHL***) and Kingfisher Finvest India Limited (***KFIL***) (whose name appears in SEBI's ATR database) have continued to be identified as promoters of the Company. As per the beneficiary position details made available by the depositories to the Company and the disclosures made by certain UB Group members, the aggregate shareholding of the UB Group in the promoter / promoter group category of the Company is currently only 0.82% of the total subscribed equity share capital of the Company. Also, while the UB Group members continue to be identified as promoters of the Company on account of their historical association with the Company, they do not exercise any control, whether directly or indirectly, over the affairs of the Company. Further, none of the UB Group members have any representation on the Company's board of directors, either by themselves or through any of their nominees.

KFIL currently holds no shares in the Company. Also, while KFIL continues to be identified as a promoter of the Company (on account of such historical association), it does not exercise any control, whether directly or indirectly, over the affairs of the Company. This being the case, the Company does not know the status or have any details of the investigation against KFIL mentioned in SEBI's ATR database. As per the latest publicly available information KFIL is owned and controlled by UBHL, which is in turn controlled by Mr. Vijay Mallya and entities controlled by him, and neither the Company, its subsidiary Pioneer Distilleries Limited or any other Diageo

controlled entities have any interest in the affairs of KFIL or UBHL, and therefore have no information relating to KFIL or UBHL.

Having said that, based on a review of publicly available information, we understand that SEBI had initiated an investigation in 2015 in relation to the trading activities of certain entities (including KFIL) in the shares of the Company. SEBI passed an adjudication order no. RA/JP/ 16-17/2015 dated November 27, 2015 (attached as **Annexure I**) against KFIL and UBHL. The order directed UBHL to pay a penalty of Rs. 15,00,000 in relation to violations under Regulations 31(1), 31(2) read with 31(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for failure to make disclosures regarding certain pledge transactions involving the shares of the Company. The order did not direct the imposition of any penalties on KFIL. Subsequently, on appeal by UBHL, the Securities Appellate Tribunal passed an order (attached as **Annexure II**) dismissing the appeal. There does not appear to be any further details relating to this matter in the public domain. We wish to clarify that the Company was not a party to the proceedings either before SEBI or before the Securities Appellate Tribunal. Accordingly, we have no further information in relation to those proceedings, including as to whether or not the penalty ordered by SEBI was paid.

Please do let us know in case you have any further questions or clarifications.

Thanking you,

For **United Spirits Limited**

RAMACHANDRAN VENKATESAN IYER

Digitally signed by RAMACHANDRAN VENKATESAN IYER
Date: 2020.05.04 19:18:05 +05'30'

V Ramachandran
EVP & Company Secretary

Enclosed: as above

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. RA/JP/ 16-17/2015]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

In respect of:

1. United Breweries (Holding) Ltd. (PAN-AAACU2307D)
2. Kingfisher Finvest India Ltd. (PAN- AABCV9224B)

(In the matter of United Spirits Ltd.)

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') during the course of investigation in the trading activities of certain entities in the shares of United Sprits Ltd. (**USL)**hadobserved that the (1) United Breweries (Holdings) Ltd. (**UBHL**) and (2) Kingfisher Finvest India Ltd. **(KFIL)**(hereinafter referred to as "**the Noticee No. 1 - 2**or **UBHL**/ **KFIL"** respectively or both may be called as **'the Noticees'** collectively) have failed to make disclosuresregarding creation/ invocation / release of certain pledge transactions and thereby allegedly violated regulation 31 (1), 31(2) read with 31 (3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations'**).

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings and appointed the undersigned as Adjudicating Officer under section 15 I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act'**)read with rule 3 of the

SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**)vide order dated April 24, 2015, to inquire into and adjudge under section 15 A (b) of the SEBI Act for the violation of aforesaid provisions of the SAST Regulations; and communication of order appointing the undersigned as Adjudicating Officer was forwarded vide communiqué dated August 05, 2015.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. E&AO/RA/JP/22157/2015 dated August 06, 2015 (hereinafter referred to as **"SCN"**) was served upon the Noticees under rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed upon themunder sections 15 A (b) of the SEBI Act for the alleged violation of regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations.The observations made under the investigation and the facts / allegations as levelled in the SCN against the Noticees are mentioned hereunder.

(a) The price of the scrip of USL was observed to have increased from ₹ 491.15 at BSE and ₹ 491.90 at NSE on December 30, 2011 and touched a high of ₹ 2149 at BSE and ₹ 2150 at NSE on November 29, 2012. The case was taken up *suomoto*for investigation by Investigation Department of SEBI for any possible violation of SEBI (Prohibition of Fradulent and Unfair Trade Practices Relating to Securities Market) Regulations 2003 etc. in the trading/dealing in shares of USL during the period January 2, 2012 to November 30, 2012 (investigation period).

(b) During the course of investigation, it was *inter-alia* observed that the Noticees who are the promoter entities of USL, had undertaken 15 and 2 pledge transactions respectively with regards to some of their USL shareholding during investigation period. Details of pledge transactions and

date-wise summary of pledge transactions undertaken by the Noticees in the scrip of USL as were provided by them.

(c) From the details submitted by the stock exchange (s) and the details provided by the Noticees, it was revealed that the Noticees had failed to make disclosures regarding creation / invocation / release of their certain pledges transaction as required under regulation 31 of the SAST Regulations. The details of alleged failure on the part of the Noticees are given in table below –

Sr. No.	Transaction date	Entity	Transaction Nature	Shares	Disclosure date to BSE	Disclosure date to NSE	Disclosure filing due date	Violation	Remarks
1	15.2.12	UBHL	Invocation	34,528	-	-	Not filed	Regulation 31(2) and 31(3) of SAST Regulations	Not filed
2	24.3.12	UBHL	Invocation	2,20,000	-	-	Not filed	Regulation 31(2) and 31(3) of SAST Regulations	Not filed
3	26.3.12	UBHL	Invocation	50,000	-	-	Not filed	Regulation 31(2) and 31(3) of SAST Regulations	Not filed
4	26.3.12	UBHL	Creation	1,50,000	-	-	Not filed	Regulation 31(1) and 31(3) of SAST Regulations	Not filed
5	28.3.12	UBHL	Creation	1,86,000	-	-	Not filed	Regulation 31(1) and 31(3) of SAST Regulations, 2011	Not filed
6	28.3.12	UBHL	Release	11,69,000	11.4.12	-	10.4.12	Reg 31(2) and 31(3) of SEBI(SAST) Regulations, 2011	1 day delay in filing

Sr. No.	Transaction date	Entity	Transaction Nature	Shares	Disclosure date to BSE	Disclosure date to NSE	Disclosure filing due date	Violation	Remarks
7	28.3.12	KFIL	Creation	6,67,000	11.4.12	-	10.4.12	Reg 31(1) and 31(3) of SEBI(SAST) Regulations, 2011	1 day delay in filing
8	25.10.12	KFIL	Release	10,000	7.11.12	6.11.12	5.11.12	Reg 31(2) and 31(3) of SEBI(SAST) Regulations, 2011	1 day delay in filing

(d) In view of the aforesaid, it was alleged that the Noticees had failed to disclose / made delayed disclosure about their pledge transactions in the share of USL, and thereby allegedly violated regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations.The aforesaid provisions of law alleged to have been violated by the Noticees are mentioned below;

Disclosure of encumbered shares.

31(1) The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such formas may be specified.

(2) The promoter of every target company shall disclose details of any invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the creation or invocation or release of encumbrance, as the case may be to,—

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office.

4. In response to the SCN, the Noticeesthrough letter dated August 28, 2015 had intimated that they are in the process of preparing reply towards the SCN and requested for an additional 14 days' time to file reply. Thereafter, the Noticees had filed their replies dated September 11, 2015 towards the SCN and also requested for an opportunity of hearing in the matter.

5. For the purpose of inquiry and as requested by the Noticees, an opportunity of hearing on October 21, 2015 was provided to the Noticeesvide hearing notice dated October 01, 2015. In respect of said notice of hearing, the Noticeeshad vide their common letter dated October 07, 2015 requested for an adjournment of hearing attributing the reasons that several other cases against them were listed around the aforesaid scheduled date and their concerned official would be busy during that period.

6. Considering the grounds as stated by the Noticees and also taking into account the principle of natural justice, another final opportunity of hearing on October 30, 2015 was provided to the Noticees vide hearing notice dated October 15, 2015. The hearing on October 30, 2015 wasattended by the authorised representatives of the Noticees namely- Mr. Sandeep Parekh Advocate, Mr. KaushikMajumder (Sr. Vice President –Legal & Company Secretary of Noticee No. 1), Mr. Shashank M Patil and Ms. RadhikaVenkatesh; and the submissions made by them were recorded. During the hearing, the authorized representatives of the Noticees agreed to file additional written submissions /arguments along with annexures if any, within a period of 10 days. Thereafter, the Noticees filed their additional written submission dated November 09 and 16 of 2015 along with annexures.

7. The core submissions made by the Noticeestowards the SCN in their aforesaid reply dated September 11, 2015,during the course of hearing, supplementary reply dated November 09, 2015 and additional written submission dated November 16, 2015, are mentioned below;

Reply of the Noticee No. 1 (UBHL)

(a) UBHL, in the ordinary course of its business, avails credit facilities from lenders for its working capital requirements and in order to provide support to its group companies. For these credit facilities, UBHL regularly provides pledge of shares from its portfolio as security to the lenders. The choice of securities being pledged

for a particular transaction depends upon the negotiation and agreement of the terms and conditions of the loan with respective lenders. Amongst the securities of other listed group companies, UBHL also provides the equity shares of USL as security.

(b) UBHL is disclosed as a promoter of USL. In accordance with the Takeover Regulations and other applicable regulations, UBHL regularly makes disclosures regarding any transactions involving the equity shares of USL as and when required. This includes disclosures pertaining to the creation, release or invocation of pledge involving equity shares of USL as required under regulation 31 of the Takeover Regulations.

(c) UBHL filed a consolidated disclosure dated April 04, 2012, inaccordance with the format prescribed under regulation 31 of the TakeoverRegulations, to the NSE, BSE and Bangalore stock Exchange Limited ("Bangalore Exchange) (each ofthese are attached herewith as Annexure I). The same weredispatched on April 04,2012, and courier receipts were received from the courier service providers bearingairway bill nos. 30243055290 (NSE). 30243055301 (SSE), and 882115387(Bangalore Exchange) (each of these are attached herewith as Annexure II).Further, these were delivered to the stock exchanges on April 09, 2012 (Refer to thedelivery confirmation provided by the courier service providers attached herewith asAnnexure III).

(d) On February 15,2012, Yes Bank Limited, one of the lenders, invoked their right on 34,528 equity shares of USL pledged by us. We were made aware of the invocation of pledge by our depository participant when they communicated the 'Transaction Statement' for the period from February 9,2012 to February 17,2012 by e-mail dated February 18,2012 (Attached herewith as Annexure II). On being informed of the invocation, we approached the lender in order to reverse the invocation and regain the equity shares of USL. We did not proceed to make the

disclosure stating that the shares were invoked would be incorrect in such a situation. However, the discussions failed to achieve the desired outcome. In this light, as discussed above,UBHL filed a consolidated disclosure dated April 04,212, which took into account the details of the shares that were invoked on February 15,2012, and other transactions that took place in the interim, in accordance with the format prescribed under regulation 31 of the Takeover Regulations. We humbly submit that the SCN is incorrect in stating that the disclosure was not filed, but that the disclosure was delayed by 33 days. We submit that the delay in filing the disclosure was inadvertent, was neither deliberate nor willful on the part of UBHL and that there were no mala fide intentions at any point of time.

(e) In subsequent reply dated November 09, 2015 Noticee sAted that, the delay in filing disclosures pertaining to theinvocation of pledge dated February 15, 2012; has been entered incorrectly due to atypographical error. It is submitted that the due date for making disclosures in relationto this invocation is seven (7) working days from February 18, 2012 (date ofintimation of invocation), i.e., February 29, 2012 (February 19, 20, 25, 26 were notworking days). As the disclosure was made on April 04, 2012, we humbly submit thatthe SCN is incorrect in stating that the disclosure was not filed, but that the disclosurewas delayed by 28 days (March 3,4,8, 10, 11, 17, 18,24,25,31, and April 1, 2012were not working days).

(f) For Invocation of Pledge on March 24 and 26 of 2012, we were made aware by depository participants e-mail dated March 28, 2012 only and accordingly we dispatched the consolidated disclosures on April 04,2012 and was delivered to the stock exchanges on April 09,2012 (delivery receipt provided by the courier service attached herewith as Annexure IV). The Pledge merely requires actions by the lender. In some situation, due to apprehensions, the borrowers may prevent/delay an invocation if they are given advance notice of invocation. However, a lender may choose to undertake an invocation without intimating the borrower. The borrower might be unaware of the invocation until it receives intimation of the same. The legal maxim "Lex Non Cogit Ad Impossibilia" can be

relied on in such situations,which translates to "the law does not compel a man to do that which he cannot possibly perform." Please see the ruling of the Hon'ble Supreme Court in Manohar Joshi v. NitinBhauraoPatilamdAnr., in support of the proposition. Further, Disclosure cannot be expected to be made on a day on which the exchange is closed

(g) For creation of pledge on March 26, 2012 for 1,50,000 shares, the due date for making disclosures was April 04, 2012 as March 31 and April 01, 2012 were not working days and we had dispatched the consolidated disclosures on April 04, 2012.

(h) On March 28, 2012 UBHL created a pledge on 1,86,000 shares and released the pledged 11,69,000 shares. The due date for making disclosures was April 10, 2012 as March 31 and April 01, 05, 06, 07, and 08 of 2012 were not working days. Accordingly, we dispatched the consolidated disclosures on April 04, 2012 and was delivered to the stock exchanges on April 09, 2012.

(i) In view of the above, we submit that the disclosures were made in accordance with regulation 31 of the Takeover Regulations. However, in the cases, viz. RaseshKanakia and HimanshuKanakia in the matter of Cinemax India Limited, SEBI has imposed penalties in between Rupees one (1) lakh and Rupees two (2) lakh. We humbly request you to take a lenient view while taking any action against our clients.

Reply of the Noticee No. 2 (KFIL)

(a) KFIL, in the ordinary course of its business, avails credit facilities from lenders for itsworking capital requirements and in order to provide support to its group companies.For these credit facilities, KFIL regularly provides pledge of shares from its portfolioas security to the lenders. The choice of securities being pledged for a particulartransaction depends upon the negotiation and agreement of the terms and conditionsof the loan with respective lenders. Amongst the securities of

other listed groupcompanies, KFIL also provides the equity shares ofUSL as security.

(b) KFIL is disclosed as a promoter ofUSL. In accordance with the Takeover Regulationsand other applicable regulations, KFIL regularly makes disclosures regarding anytransactions involving the equity shares of USL as and when required. This includesdisclosures pertaining to the creation, release or invocation of pledge involving equityshares of USL as required under regulation 31 of the Takeover Regulations.

(c) In March and October, 2012, portions of KFIL's equity shareholding in USL werepledged or pledged equity shares in USL were released. The specifics of thetransactions relevant for the purposes of these written submissions have been detailedin the table below:

Sl. No	*Date of Transaction*	*Nature of Transaction*	*Number of Shares*
1	*28.03.2012*	*Creation*	*6,67,000*
2	*25.10.2012*	*Release*	*10,000*

(d) The SCN has alleged that disclosures in relation to transactions detailed in the table abovewere each delayed by one (1) day. Before proceeding with analysing whether disclosurespertaining to each of the transactions has been made within the stipulated due date, we submitthat section 9 (1) of the General Clauses Act, 1897, is relevant while calculating the due dateof disclosure under regulation 31 of the Takeover Regulations.

(e) The Hon'ble Supreme Court, in Tarun Prasad Chatterjee v. Dinanath Sharma, has statedthat "Section 9 of the General Clauses Act, 1897 gives statutory recognition to the well-established principle applicable to the construction of statutes that ordinarily in computingthe period of time preserved, the rule

observed is to exclude the first and include the last day. Regulation 31 (3) of the Takeover Regulations states that disclosuresunder Regulations 31 (1) and 31 (2) shall be made within seven (7) working days from thedate of the creation, invocation or release of encumbrance. Based on section 9 of the GeneralClauses Act, 1897, and the Hon'ble Supreme Court's views, it is submitted that the usage ofthe word 'from' within Regulation 31 (3) indicates that the date on which the transactioninvolving encumbrance occurred must be excluded while determining the due date of makingdisclosures pertaining to encumbrance of shares.

(f) In regard to the creation of pledge of 6, 67,000 equityshares of USL on March 28, 2012, the due date for making disclosures in relation to thistransaction is seven (7) working days from March 28, 2012, i.e., April 10, 2012 (as March 31,2012, April 01, 05, 06, 07 and 08, 2012 were not working days). As the disclosures weredispatched on April 04, 2012, and were delivered to the stock exchanges on April 09, 2012,we submit that the SCN is incorrect as a matter of law in stating that the disclosures in regardto the creation of encumbrance on March 28, 2012, were delayed. The disclosureswere made in accordance with regulation 31 of the Takeover Regulations without any delay.

(g) In regard to the release of 10,000 pledged shares ofUSL on October 25, 2012, the due date for making disclosures in relation to thistransaction is seven (7) working days from October 25, 2012, i.e., November 05, 2012(as October 27 and 28, 2012, and November 03 and 04, 2012, were not working days).Disclosures filed with the NSE and BSE weredispatched by courier on November 05, 2012, and were delivered on November 06, 2012(the first working day after the date on which the disclosure was dispatched). Further, thedisclosure filed with Bangalore Stock Exchange Limited ("Bangalore Exchange") washand delivered on November 05, 2015, and the delivery of the same was acknowledged bythe Bangalore Exchange on November 05, 2015. As the public shareholders ofUSL weremade aware of the transaction undertaken by KFIL by virtue of it being disclosed to theBangalore Exchange on November 05,

2015, we submit that the SCN is incorrect as a matterof law in stating that the disclosures in regard to the release of encumbrance on October 25,2012, were delayed. The disclosures were made in accordance with regulation 31 ofthe Takeover Regulations without any delay.

(h) In light of the above submissions, it is submitted that KFIL has complied with therequirements under regulation 31 of the Takeover Regulations in relation to all transactionsincluding those mentioned in the SCN. We, therefore, request you to not to hold inquiryagainst our clients in terms of rule 4 of Inquiry Rules read with section 151of the SEBI Actand not to impose penalty under section 15 A (b) of the SEBI Act.

8. After taking into account the allegations, replies of the Noticees and other evidences / material available on records, I hereby, proceed to decide the case on merit.

CONSIDERATION OF ISSUES AND FINDINGS

9. The issues that arise for consideration in the present case are :

a) Whether the Noticees had failed / delayed in complying with the provisions of regulation 31 (1), 31(2) read with 31 (3) of SAST Regulations?
b) If yes, then, whether said violation attracts monetary penalty under sections 15 A (b) of the SEBI Act?
c) If yes, then, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors mentioned in section 15J of the SEBI Act read with rule 5 (3) of the Adjudication Rules?

ISSUE NO. 1- Whether the Noticees had failed / delayed in complying with the provisions of regulation 31 (1), 31(2) read with 31 (3) of SAST Regulations?

10. I have carefully perused the allegations, submissions of the Noticees and the evidences / material available on records. The facts / details of pledge transactions viz. number of shares, date of creation / invocation / release of pledged shares etc. as alleged in the SCN, are not in dispute by the Noticees except certain explanations made by them which will be dealt below. The submissions / explanation of the Noticees towards the allegations are mentioned at para 7 above and same are not repeated for sake of brevity.

11. The details of allegation of non-disclosure / delayed disclosures about creation / invocation /release of pledged shares by the Noticees, are shown in the table at Para 3 (c) above. From the annexure III of the SCN which is the e-mail communications of the stock exchanges viz. BSE and NSE, it is observed that the Noticees had failed to disclose/ delayed in disclosing to the stock exchange (s) the details of creation / invocation /release of pledged transactions.

Examination of case in respect of Noticee No. 1 (UBHL)

12. In respect to the allegations, the Noticees No. 1 stated that it had made consolidated disclosures dated April 04, 2012 regarding entire alleged transactions of invocation of pledge on February 15, 2012, March 24 & 26 of 2012 and creation / release of pledge on March 26 & 28 of 2012. The Noticee No.1 enclosed as Annexure 1 (2 pages) to that effect. It was stated by Noticee No.1 that the said disclosures were delivered to the Stock Exchange(s) on April 09, 2012 and enclosed annexure IV (5 pages) the copy of delivery report provided by the courier services. The same documents were resubmitted by the Noticee No. 1 along with their additional submissions dated November 09, 2015.

13. Though as per stock exchange records, no disclosures were made by the Noticee No. 1 for transaction as shown in serial no. 1-5 of the aforesaid table and disclosure made with 1 day delay for the transaction of ‘release of pledge” on March 28, 2012, however, keeping in view the delivery proof of so called

consolidated disclosures as claimed by the Noticee No. 1, the same is being examined as under.

14. I have perused the above documents / annexure 1 of the UBHL and observed that the plea of making consolidated disclosures in respect of creation/invocation/release of aforesaid pledged transaction, is not correct as the Annexure 1 (bearing 1st page a letter dated April 04, 2012 of the UBHL and 2nd page a disclosure format to Stock Exchanges), a letter dated April 04, 2012 of the UBHL addressed to stock exchange (s) merely furnishes the detail of "Release" and "Creation" of pledge of shares of USL and does not include the details of "Invocation" of pledged shares. Further, the plea of consolidated disclosures cannot be accepted as the second page of Annexure 1 (Format of submitting of disclosures) contains only two dates viz. March 28 & 29 of 2012 in the column of "details of events pertaining to encumbrance", and again the details of "Invocation" dates i.e. February 15, 2012 and March 24 & 26 of 2012 and the details of "creation of pledge" on March 26, 2012 are not appearing therein.As no details for transactions dated February 15, 2012 and March 24 & 26 of 2012, appears at the disclosures made to stock exchanges (s), therefore, it cannot be held that the Noticee No.1 had made the consolidated disclosures in respect of said transaction.

15. Also the Noticee No. 1 in its reply dated September 11, 2015 admitted that there was 33 days delay in making disclosure about invocation of pledge transaction of 34,528 shares invoked on February 15, 2015. Though, in supplementary reply dated November 09, 2015,it had modified the delay as "28 days" removing some days as not working days viz. March 3,4,8, 10, 11, 17,18,24,25, 31 and April 1, 2012.The disclosure made by the UBHL / Noticee No. 1 at Annexure 1 is produced below which apparently does not display the disclosures of transactions of "invocation of pledge" dated February 15, 2012 and March 24 & 26 of 2012 and "Creation of pledges" dated March 26 of 2012.

UNITED BREWERIES (HOLDINGS) LIMITED

April 4, 2012

The Executive Director
Bangalore Stock Exchange Limited
Exchange Towers, No.51,
J C Road, 1 Cross,
Bangalore 560027

The Bombay Stock Exchange Limited
Department of Corporate Services
Ist Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort, Mumbai 400 001

The Secretary
National Stock Exchange of India Limited
Compliance Department
Exchange Plaza, Bandra Kurla Complex
Bandra [E], Mumbai 400 051

Dear Sirs,

Sub: Disclosure of release /creation of pledge of shares

In terms of Notification No. LAD-NRO/GN/2011-12/24/30181 dated September 23, 2011 issued by Securities and Exchange Board of India (SEBI), we hereby furnish the details of release and creation of pledge on shares held by us.

Kindly treat this as compliance under Regulation 31(1) and (2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and acknowledge receipt.

Thanking You,

Yours faithfully,
For United Breweries (Holdings) Limited

Kaushik Majumder
Corporate Vice President-Legal &
Company Secretary

Encl: as above

cc: United Spirits Limited
UB Tower, Level 6, UB City,
No.24, Vittal Mallya Road
Bangalore 560 001

UB Tower, Level 12, 14 & 15, UB City, 24, Vittal Mallya Road, Bangalore - 560 001.
Tel. : +91 80 2227 2808, 2227 5809, 3985 0800 Fax : +91 80 2227 4890 Website : www.theubgroup.com

Disclosure by the Promoter(s) to the stock exchanges and to the Target Company for encumbrance of shares/invocation of encumbrance/release of encumbrance, in terms of Regulation 31(1) and 31(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Name of the Target Company(TC)	United Spirits Ltd
Name of the Promoter(s) on whose shares encumbrance was created/invoked/released (tick the relevant one)	United Breweries (Holdings) Limited
Date of reporting	4.4.2012
Names of the stock exchanges where the shares of the Target Company	Bangalore Stock Exchange Limited, The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited

Details of the Promoters' Holdings (The term "event" indicates creation/invocation/release of encumbrance, as the case may be)							
Promoter(s) or PACs with him	Pre-event holding		Details of events pertaining to encumbrance		Post event holding (encumbered shares to be excluded)		(*) Details of encumbrance (pledge/lien or others- give details)
Names	Number	% of total share capital	Type- creation/invocation/release	Date(s)	Number	% of total share capital	
United Breweries (Holdings) Limited	23,881,821	16.26	Release/Creation	28.3.2012 &29.3.2012	1,915,606	1.46	Release /Pledge of equity shares

For United Breweries(Holdings) Limited

Kaushik Majumder
Corporate Vice President- Legal &
Company Secretary

16. In light of the Stock Exchange (s) records and also considering the Annexure 1 of the Noticee No. 1, it is clear that the Noticee No. 1 had failed to make disclosures regarding the “invocation of pledge”transaction that took place on February 15, 2012 and March 24 & 26 of 2012 and also failed to make disclosure regarding the transaction of “creation of pledges”that took place on March 26 of 2012.

17. Though, no consolidated disclosures for the entire transactions as relied by the Noticee No. 1 is proved, but,even if it is so presumed, even then also, there is delay of 4 days is submitting the required disclosuresregarding the invocation of pledge on March 24 and 26 of 2012 and creation of pledge on March 26, 2012as the due date for such disclosures was April 04, 2012 (as admitted by the Noticee No. 1 in its reply dated September 11, 2015), but the same as claimed weredelivered to stock exchange (s) only on April 09, 2012.

18. The plea of the Noticee No. 1 regarding invocation / creation of pledge that took place on March 24 & 26 of 2012i.e. (*it came to know only on March 28, 2012 about the invocation of pledge transaction that took place on March 24 & 26 of 2012 when Depository Participant through De-mat Transaction Statement informed the same and being the borrower, it cannot come to know about action of lender of invocation until it is informed to it; and therefore, the calculation of due date of 7 working days must starts only upon such intimation*), do not necessarily warrants the examinationof such transactions as the core ground of consolidated disclosures (Annexure 1 of the Noticee) in respect of invocation/creation of pledge on March 24 & 26 of 2012,is not proved in light of observations / conclusion made in aboveparas.

19. However, since this issue is raised in the matter, therefore, additionally, there would be no infirmity in dealing with the same. Here, I do not agree with the aforesaid plea / contention of “knowledge/intimation” of invocation of pledge transactions on the two following grounds. Firstly, as per the bare reading of regulation 31 (3) of the SAST Regulations, the disclosures are required to be made “*within seven working days from the creation or invocation or release of*

encumbrance". The said regulation clearly stipulates the mandatory requirement of disclosures to be made from the day of creation / invocation / release of pledge and does not leave any scope of "*knowledge / intimation*" as prior condition for the person who is required to make such disclosures. Had the "knowledge / intimation" been the intent of the statute then, it would have been very well incorporated in the SAST Regulations itself.Secondly, while making / creating pledge of shares by the borrower, certain terms / condition as well as the timeline of invocation of pledged shares in case of breach in making payment/loan are pre fixed between the borrower and the lender.Needless to say that if such time line towards the pledged shares are there, then, the borrower (the Noticee No. 1) is supposed to know the last day after which invocation of pledged share may take place by the lender upon breach of payment.

20. Further, it is important to mention that if the arguments advanced by the Noticee No. 1 is accepted, then, the very purpose of aforesaid SAST Regulations(meant to stipulate such specific time lines of 7 working days from the date of transactions in the interest of investor to keep them well informed about stock decision / management etc.) would be defeated.Hence, the submission of the Noticee No. 1 regarding "intimation / knowledge" of invocation of pledge as a pre-condition is without any merit.

21. It is also worth to mention that manner of creation / invocation of pledge has been laid down in regulation 58of the SEBI (Depositories and Participants) Regulations, 1996 (hereinafter referred to as 'DP Regulations'). For the purpose of invocation, regulation 58 (8) and 58 (9) warrants hereunder;

(8) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly.

(9) After amending its records under sub-regulation (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledgee respectively.

22. It is clear from the aforesaid provision of the DP Regulations that it is the duty of the Depository towards the Participant and in turn of Participants towards the pledger / pledgee, to **immediately** inform about such invocation. The intent of the statute in respect of word"immediately"should be construed in its true sense meaning thereby that it should be informed immediately or within the same day itself. Had the intent of the statute was different, then, it would have been otherwise incorporated in DP Regulation like the regulation 58 (3) specifying the timeline for creating record of pledge.The depository participants (who is in other words is like an agent /authorized entity of the Noticee in this behalf) should inform the person required to make disclosures without any delay.

23. In view of the above and also in view of the plea of Section 9 (1) of the General Clauses Act, 1897, taken by the Noticee in their support, it is clear that "intimation/Knowledge" of such invocation of pledge is not warranted under law.

24. As regards to the allegation of failure to make disclosure about "Creation" of pledge for 1,86,000 shares and "Release" of 11,69,000 pledged shareson March 28, 2012 by the Noticee No. 1, the NSE records reveals that the same were not disclosed; and BSE's records reveals that creation of pledge was not disclosed but the release of pledge was disclosed by Noticee No.1 with 1 day delay as the Noticee was supposed to make disclosures by April 10, 2012 however, BSE received such disclosure only on April 11, 2012.

25. In respect to above, from the Annexure IV (delivery proof of disclosure) enclosed with reply of the Noticee No. 1, it is noted that disclosure for the date of March 28 and 29 of 2012 were made on April 04, 2012 and the same were delivered to the stock exchanges on April 09, 2012 i.e. before April 10, 2012. Therefore, no fault

can be found in making disclosures by the Noticee No. 1 for the transaction dated March 28, 2012.

26. In light of the exchange records and also considering the Annexure 1 of the Noticee No. 1, it is concluded that the Noticee No. 1 had violated regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations as it had failed to make the disclosures regarding the “invocation of pledge” that took place on February 15, 2012 and March 24 & 26 of 2012 and also failed to make disclosures regarding the “Creation of pledges” of shares that took place on March 26 of 2012.

Examination of case in respect of Noticee No. 2 (KFIL)

27. As regards to the allegation of failing to make disclosures / delay in making disclosure about “creation” of pledge transaction on March 28, 2012for 6,67,000 shares by the Noticee No. 2,the NSE records reveals that the same were not disclosed; and BSE’s records reveals that same was disclosed with 1 day delay as the Noticee No. 2 was supposed to make such disclosure by April 10, 2012 however, BSE received such disclosure only on April 11, 2012.

28. Further, as regards to the allegation of making delayed disclosure about “release” of 10,000 pledged shares on October 25, 2012 by the Noticee No. 2, the BSE and NSE records reveals that the same were disclosed on November 07, 2012 and November 06, 2012 respectively, with a delay of 1 day as the Noticee No. 2 was supposed to make disclosure by November 05, 2012.

29. The Noticee No. 2 submitted that while calculating the due date of disclosure under Regulation 31 of the Takeover Regulations, section 9 (1) of the General Clauses Act, 1897, should be applied which states as :-

"In any Central Act or Regulation made after the commencement of this Act, it shall be sufficient, for the purpose of excluding the first in a series of days or any other period of

time, to use the word "from ", and, for the purpose of including the last in a series of days or any other period of time, to use the word "to"."

30. In respect to the allegation, the Noticee No. 2 submitted it had created a pledge on 6, 67,000 equity shares of USL on March 28, 2012 and the due date for making disclosures in relation to this transaction was April 10, 2012 from March 28, 2012 as March 31, 2012, April 01, 05, 06, 07 and 08, 2012 were not working days. The Noticee submitted that the disclosures were dispatched on April 04, 2012, and were delivered to the stock exchanges on April 09, 2012.

31. In regard to the release of pledge on 10,000 equity shares of USL on October 25, 2012, the Noticee submitted that the due date for making disclosures in relation to this transaction was November 05, 2012 from October 25, 2012 as October 27 and 28, 2012, and November 03 and 04, 2012, were not working days. The Noticee No. 2 stated that disclosures filed with the NSE and BSE were dispatched by courier on November 05, 2012, and were delivered on November 06, 2012 (the first working day after the date on which the disclosure was dispatched). Further, the Noticee No. 2 stated that the disclosure filed with Bangalore Stock Exchange Limited was hand delivered on November 05, 2015, and the delivery of the same was acknowledged by the Bangalore Exchange on November 05, 2015. The Noticee No. 2 stated that the public shareholders of USL were made aware of the transaction undertaken by KFIL by virtue of it being disclosed to the Bangalore Exchange on November 05, 2015.

32. In support of its submission, the Noticee No. 2 enclosed delivery proof of submission of said disclosures to stock exchanges. It was stated by the Noticee No. 2 that it is the sister concern of the Noticee No.1 and located at the same address, hence, the disclosures were made together with Noticee No.1 to stock exchanges and therefore the courier receipts were generated in name of UBHL only.

33. I have perused the available records and observed that the case against the Noticee No. 2 is that it had delayed disclosures by mere 1 day. It is noticed that in respect of creation of pledge of 6, 67,000 equity shares on March 28, 2012, the due date for making disclosures was April 10, 2012 and as per the annexures provided by the Noticee No. 2 in its aforesaid replies including disclosures delivery proof, it is observed that the said disclosure was dispatched by the Noticee No. 2 on April 04, 2012, and were delivered to the stock exchange (s) on April 09, 2012 i.e. within the due date. Therefore, no fault can be found with the disclosures made for the transaction done on March 28, 2012.

34. In respect to the “release” of 10,000 pledged shares transacted on October 25, 2012, the due date for making disclosures was November 05, 2012 and as per the annexures provided by the Noticee No. 2 in its aforesaid replies including disclosures delivery proof, it is observed that the said disclosure was dispatched by the Noticee No. 2 on November 05, 2012, and were delivered to NSE and BSE on November 06, 2012 and to Bangalore Stock Exchange on November 05, 2012 itself. I cannot ignore the material fact that the Noticee No. 2 had taken efforts to dispatch the required disclosures to all the 3 stock exchanges before the due date of disclosures, and even though it reached to NSE and BSE with mere one day delay, but it reached to Bangalore stock exchange on the due date itself.It is relevant to mention that the disclosure in this respect were filed with Bangalore Stock Exchange within due date and therefore shareholding under USL were made aware to public of the transaction undertaken by KFIL.

35. Therefore, keeping in view the various mitigating factors viz. mere 1 day delay that too for one transaction only, involvement of small number of shares of 10,000, efforts made by the Noticee No. 2 to dispatch the disclosures within the due date, delivery to one of the stock exchange (Bangalore stock exchange) on time, no repetitive nature of irregularities were shown on records to have been committed by the Noticee No. 2, considering the case holistically/judiciously in the given facts and circumstance of the case and in the interest of justice, I am of the

view that this is not a fit case for making the Noticee No. 2 liable for imposition of monetary penalty.

ISSUE No. 2 - whether said violation attracts monetary penalty under sections 15 A (b) of the SEBI Act?

36. As the violation of regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations stood established against the Noticee No. 1 (UBHL) as observed in Para 13 **to** 26 above, and after taking into account the facts and circumstance of the case, I am of the view that this is the fit case to impose monetary penalty against the Noticee No. 1 for the aforesaid violations.

37. Thus, the aforesaid violation by the Noticee No. 1 makes it liable for penalty under Section 15 A (b) of SEBI Act, 1992 which read as follows:

Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder,-

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;

ISSUE NO. 3- What would be the monetary penalty that can be imposed upon the Noticee No. 1 taking into consideration the factors mentioned in section 15J of the SEBI Act read with rule 5 (3) of the Adjudication Rules?

38. While determining the quantum of penalty under sections 15 A (b), it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

"15J - Factors to be taken into account by the adjudicating officer

While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default."

39. Before arriving to the quantum of penalty in the matter, it is necessary to refer the importance of such disclosures. The main objective of the SAST Regulations is to achieve fair treatment by *inter alia* mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change in control. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well informed decision.

40. No specify disproportionate gains or unfair advantage made by the NoticeeNo. 1 or the specific loss suffered by the investors due to such non / delayed disclosures is available on records; and no repetition of the default is shown on records to have been committed by the Noticee No. 1. However, taking into consideration the facts and circumstance of the case (non disclosures of total 4 transactions viz. "invocation of pledge" that took place on February 15, 2012 and March 24 & 26 of 2012; and also the non disclosures regarding the "Creation of pledges" that took place on March 26 of 2012),I am of the view that a justifiable penalty needs to be imposed upon the NoticeeNo. 1to meet the ends of justice.

41. The caseof RaseshKanakia and HimanshuKanakia in the matter of Cinemax India Limited, as relied by the Noticee No. 1 in respect of imposition of penalties,do not hold good in its favourkeeping in view the facts and circumstance of this case and also keeping in view the penalty provision under section 15 A (b) whereby rupees one lakh can be imposed for each day failure.

ORDER

42. After taking into consideration all the facts and circumstances of the case, I hereby impose a penalty of ₹15,00,000/- (RupeesFifteen Lakh only) under section 15 A (b) of the SEBI Act uponon the Noticee No. 1 / United Breweries (Holding) Ltd. I am of the view that the said penalty would be commensurate with the violations committed by the Noticee No.1.

43. The NoticeeNo. 1 / United Breweries (Holding) Ltd,shall pay the said amount of penalty by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, within 45 days of receipt of this order. The said demand draft should be forwarded to Chief General Manager, Enforcement Department at the address:- SEBI Bhavan, Plot No. C4A, G Block, BandraKurla Complex, Bandra (E), Mumbai-400 051.

44. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the NoticeeNo. 1 and also to the Securities and Exchange Board of India.

Date: November 27, 2015 **RACHNA ANAND**

Place: Mumbai **ADJUDICATING OFFICER**

BEFORE THE SECURITIES APPELLATE TRIBUNAL MUMBAI

Date of Decision : 25.09.2017

Appeal No. 20 of 2016

United Breweries (Holdings) Limited
Level 12, UB Tower,
UB City, No. 24,
Vittal Mallya Road,
Bangalore – 560 001. …Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A,
G-Block, Bandra-Kurla Complex,
Bandra (East), …Respondent
Mumbai – 400 051.

Mr. Shashank M. Patil, Advocate i/b Finsec Law Advisors for the Appellant.

Mr. Aditya Mehta, Advocate with Mr. Pulkit Sukhramani and Ms. Vidhi Jhawar, Advocates i/b The Law Point for the Respondent.

CORAM : Justice J.P. Devadhar, Presiding Officer
Dr. C.K.G. Nair, Member

Per : Dr. C.K.G. Nair, Member (Oral)

1. This appeal has been filed challenging the order of the Adjudicating Officer ('AO' for short) of the Securities and Exchange Board of India ('SEBI' for short) dated November 27, 2015. By the said order a penalty of ` 15 Lakh has been imposed under Section 15A(b) of the Securities and Exchange Board of India Act, 1992 for failure to make disclosures regarding creation / invocation / release of four pledge transactions made by the appellant and thereby violating certain provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as 'Takeover Regulations').

2. Facts relevant to the matter are the following:-

(a) SEBI conducted suo moto investigation relating to trading / dealing in the shares of United Spirits Ltd. (for Short 'USL'), a listed company, during the period from January 2, 2012 to November 30, 2012. During the investigation period it was, inter alia, noticed that the appellant (and another entity which has been exonerated in the impugned order) had made certain pledge transactions of their USL shareholding and disclosures as required were not done. In respect of the appellant herein the transactions include invocation of three pledges of 34,528 shares on February 15, 2012, 2,20,000 shares on March 24, 2012, 50,000 shares on March 26, 2012 and creation of a pledge of 1,50,000 shares on March 26, 2012.

(b) As per the Takeover Regulations, the disclosure requirement relating to encumbered shares is as follows:-

> *"**Disclosure of encumbered shares.***
> *31(1) The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such form as may be specified.*
>
> *(2) The promoter of every target company shall disclose details of any invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified.*
>
> *(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the creation or invocation or release of encumbrance, as the case may be to,-*
>
> *(a) every stock exchange where the shares of the target company are listed; and*
>
> *(b) the target company at its registered office."*

Accordingly, as per Regulation 31(3) disclosures on all four transactions as stated in para 2(a) above had to be made to the stock exchanges as well as to the target company within 7 working days from the date of creation / invocation / release of encumbrance.

3. The main contention of the appellant is that the required disclosures have been made on April 4, 2012 for all the 4 transactions under reference in a consolidated manner. Shri. Shashank M. Patil Learned Counsel appearing on behalf of the appellant submitted a detailed chart stating the nature of transactions, number of shares involved in each transaction, date of each transaction, date of invocation / creation of pledge, due date for disclosure, actual date of disclosure etc. and argued that only in respect of one transaction i.e. invocation of pledge on February 15, 2012 relating to 34,528 shares there was an inadvertent delay of 24 days. In respect of other 3 transactions where delay has been alleged in the impugned order actually there has been no delay. These contentions take into account the date of receiving intimation from the depository, holidays coming in between the date of the event and the date of receipt of the information by the stock exchanges etc.

4. Shri. Aditya Mehta, Learned Counsel appearing on behalf of the respondent submitted that the filing made by the appellant dated April 4, 2012 claiming as consolidated filing for the 4 transactions referred to actually do not give the complete details. It does not disclose invocation of pledge of large quantities of shares. Furthermore, the dates are not matching and not fully disclosed; it only specifies 28 & 29 March, 2012 as the dates while the actual date of transactions were 15, 24 and 26 March, 2012. So the

so-called consolidated disclosure dated April 4, 2012 is not only confusing but is not a full picture of the actual encumbrances involved as invocation of pledge is not even indicated, whereas, sub-regulation 32(2) specifically mandates disclosure within 7 working days for such invocation / release.

5. We have perused the documents on record including the consolidated statement dated April 4, 2012 relied heavily by the appellant. We note that the consolidated disclosure is vague as is clarified and amplified in the impugned order as there is no indication to the effect of 3 invocation of pledge whereby the shareholding of the appellant in USL came down substantially. We also note that all the arguments made by the appellant before us have been dealt in the impugned order in detail and we see no reason to differ with the said reasoning. We also make it clear that the 4 transactions relating to the encumbrance of the shareholding of USL by the appellant were distinct events, each one needing disclosure within 7 working days from the date of each of the event and as such each one is a separate violation. Although penalty for each violation could be levied separately, in the facts of present case, considering all mitigating factors, the AO has imposed consolidated penalty of ` 15 Lakh which cannot be said to be unreasonable or excessive.

6. For the above said reasons, we find no merit in the appeal and appeal is dismissed with no order as to costs. Appellant is directed to pay the penalty within 30 days from the date of this order.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Dr. C.K.G. Nair
Member

25.09.2017
Prepared and compared by: msb

DIAGEO
INDIA

United Spirits Limited

Registered Office:
'UB Tower'
#24, Vittal Mallya Road,
Bengaluru – 560 001
Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
www.diageoindia.com

May 8, 2020

To,
Mr. Mehul Vasaiya
Deputy Manager - Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai 400051

Subject: Response to your email dated May 5, 2020

Dear Sir,

This is with reference to your e-mail dated May 5, 2020 regarding certain information in relation to the proposed scheme of amalgamation and arrangement amongst Pioneer Distilleries Limited and United Spirits Limited (the ***Company***).

Please note that the Company is a subsidiary of and controlled by Diageo plc (***Diageo***), through its indirect wholly owned subsidiary, Relay B.V. However, even after Diageo acquired control over the Company, for historical reasons, certain entities such as United Breweries (Holdings) Limited (***UBHL***) and Kingfisher Finvest India Limited (***KFIL***) (whose name appears in SEBI's ATR database) have continued to be identified as promoters of the Company. As per the beneficiary position details made available by the depositories to the Company and the disclosures made by certain UB Group members, the aggregate shareholding of the UB Group in the promoter / promoter group category of the Company is currently only 0.82% of the total subscribed equity share capital of the Company. Also, while the UB Group members continue to be identified as promoters of the Company on account of their historical association with the Company, they do not exercise any control, whether directly or indirectly, over the affairs of the Company. Further, none of the UB Group members have any representation on the Company's board of directors, either by themselves or through any of their nominees.

KFIL currently holds no shares in the Company. Also, while KFIL continues to be identified as a promoter of the Company (on account of such historical association), it does not exercise any control, whether directly or indirectly, over the affairs of the Company. This being the case, the Company does not know the status or have any details of the investigation against KFIL mentioned in SEBI's ATR database. As per the latest publicly available information KFIL is owned and controlled by UBHL, which is in turn controlled by Mr. Vijay Mallya and entities controlled by him, and neither the Company, its subsidiary Pioneer Distilleries Limited or any other Diageo controlled entities have any interest in the affairs of KFIL or UBHL, and therefore have no information relating to KFIL or UBHL.



Having said that, based on a review of publicly available information, we understand that SEBI had initiated an investigation in 2015 in relation to the trading activities of certain entities (including KFIL) in the shares of the Company. SEBI passed an adjudication order no. RA/JP/ 16-17/2015 dated November 27, 2015 (attached as **Annexure I**) against KFIL and UBHL. The order directed UBHL to pay a penalty of Rs. 15,00,000 in relation to violations under Regulations 31(1), 31(2) read with 31(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for failure to make disclosures regarding certain pledge transactions involving the shares of the Company. The order did not direct the imposition of any penalties on KFIL. Subsequently, on appeal by UBHL, the Securities Appellate Tribunal passed an order (attached as **Annexure II**) dismissing the appeal. There does not appear to be any further details relating to this matter in the public domain. We wish to clarify that the Company was not a party to the proceedings either before SEBI or before the Securities Appellate Tribunal. Accordingly, we have no further information in relation to those proceedings, including as to whether or not the penalty ordered by SEBI was paid.

Please do let us know in case you have any further questions or clarifications.

Thanking you,

For **United Spirits Limited**

RAMACHANDRAN VENKATESAN IYER
Digitally signed by RAMACHANDRAN VENKATESAN IYER
Date: 2020.05.08 14:42:39 +05'30'

V Ramachandran
EVP & Company Secretary

Enclosed: as above

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. RA/JP/ 16-17/2015]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

In respect of:

1. United Breweries (Holding) Ltd. (PAN-AAACU2307D)
2. Kingfisher Finvest India Ltd. (PAN- AABCV9224B)

(In the matter of United Spirits Ltd.)

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') during the course of investigation in the trading activities of certain entities in the shares of United Sprits Ltd. (**USL)**hadobserved that the (1) United Breweries (Holdings) Ltd. (**UBHL**) and (2) Kingfisher Finvest India Ltd. **(KFIL)**(hereinafter referred to as "**the Noticee No. 1 - 2**or **UBHL**/ **KFIL"** respectively or both may be called as **'the Noticees'** collectively) have failed to make disclosuresregarding creation/ invocation / release of certain pledge transactions and thereby allegedly violated regulation 31 (1), 31(2) read with 31 (3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations'**).

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings and appointed the undersigned as Adjudicating Officer under section 15 I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act'**)read with rule 3 of the

SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**)vide order dated April 24, 2015, to inquire into and adjudge under section 15 A (b) of the SEBI Act for the violation of aforesaid provisions of the SAST Regulations; and communication of order appointing the undersigned as Adjudicating Officer was forwarded vide communiqué dated August 05, 2015.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. E&AO/RA/JP/22157/2015 dated August 06, 2015 (hereinafter referred to as **"SCN"**) was served upon the Noticees under rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed upon themunder sections 15 A (b) of the SEBI Act for the alleged violation of regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations.The observations made under the investigation and the facts / allegations as levelled in the SCN against the Noticees are mentioned hereunder.

(a) The price of the scrip of USL was observed to have increased from ₹ 491.15 at BSE and ₹ 491.90 at NSE on December 30, 2011 and touched a high of ₹ 2149 at BSE and ₹ 2150 at NSE on November 29, 2012. The case was taken up *suomoto*for investigation by Investigation Department of SEBI for any possible violation of SEBI (Prohibition of Fradulent and Unfair Trade Practices Relating to Securities Market) Regulations 2003 etc. in the trading/dealing in shares of USL during the period January 2, 2012 to November 30, 2012 (investigation period).

(b) During the course of investigation, it was *inter-alia* observed that the Noticees who are the promoter entities of USL, had undertaken 15 and 2 pledge transactions respectively with regards to some of their USL shareholding during investigation period. Details of pledge transactions and

date-wise summary of pledge transactions undertaken by the Noticees in the scrip of USL as were provided by them.

(c) From the details submitted by the stock exchange (s) and the details provided by the Noticees, it was revealed that the Noticees had failed to make disclosures regarding creation / invocation / release of their certain pledges transaction as required under regulation 31 of the SAST Regulations. The details of alleged failure on the part of the Noticees are given in table below –

Sr. No.	Transaction date	Entity	Transaction Nature	Shares	Disclosure date to BSE	Disclosure date to NSE	Disclosure filing due date	Violation	Remarks
1	15.2.12	UBHL	Invocation	34,528	-	-	Not filed	Regulation 31(2) and 31(3) of SAST Regulations	Not filed
2	24.3.12	UBHL	Invocation	2,20,000	-	-	Not filed	Regulation 31(2) and 31(3) of SAST Regulations	Not filed
3	26.3.12	UBHL	Invocation	50,000	-	-	Not filed	Regulation 31(2) and 31(3) of SAST Regulations	Not filed
4	26.3.12	UBHL	Creation	1,50,000	-	-	Not filed	Regulation 31(1) and 31(3) of SAST Regulations	Not filed
5	28.3.12	UBHL	Creation	1,86,000	-	-	Not filed	Regulation 31(1) and 31(3) of SAST Regulations, 2011	Not filed
6	28.3.12	UBHL	Release	11,69,000	11.4.12	-	10.4.12	Reg 31(2) and 31(3) of SEBI(SAST) Regulations, 2011	1 day delay in filing

Sr. No.	Transaction date	Entity	Transaction Nature	Shares	Disclosure date to BSE	Disclosure date to NSE	Disclosure filing due date	Violation	Remarks
7	28.3.12	KFIL	Creation	6,67,000	11.4.12	-	10.4.12	Reg 31(1) and 31(3) of SEBI(SAST) Regulations, 2011	1 day delay in filing
8	25.10.12	KFIL	Release	10,000	7.11.12	6.11.12	5.11.12	Reg 31(2) and 31(3) of SEBI(SAST) Regulations, 2011	1 day delay in filing

(d) In view of the aforesaid, it was alleged that the Noticees had failed to disclose / made delayed disclosure about their pledge transactions in the share of USL, and thereby allegedly violated regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations.The aforesaid provisions of law alleged to have been violated by the Noticees are mentioned below;

Disclosure of encumbered shares.

31(1) The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such formas may be specified.

(2) The promoter of every target company shall disclose details of any invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the creation or invocation or release of encumbrance, as the case may be to,—

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office.

4. In response to the SCN, the Noticeesthrough letter dated August 28, 2015 had intimated that they are in the process of preparing reply towards the SCN and requested for an additional 14 days' time to file reply. Thereafter, the Noticees had filed their replies dated September 11, 2015 towards the SCN and also requested for an opportunity of hearing in the matter.

5. For the purpose of inquiry and as requested by the Noticees, an opportunity of hearing on October 21, 2015 was provided to the Noticeesvide hearing notice dated October 01, 2015. In respect of said notice of hearing, the Noticeeshad vide their common letter dated October 07, 2015 requested for an adjournment of hearing attributing the reasons that several other cases against them were listed around the aforesaid scheduled date and their concerned official would be busy during that period.

6. Considering the grounds as stated by the Noticees and also taking into account the principle of natural justice, another final opportunity of hearing on October 30, 2015 was provided to the Noticees vide hearing notice dated October 15, 2015. The hearing on October 30, 2015 wasattended by the authorised representatives of the Noticees namely- Mr. Sandeep Parekh Advocate, Mr. KaushikMajumder (Sr. Vice President –Legal & Company Secretary of Noticee No. 1), Mr. Shashank M Patil and Ms. RadhikaVenkatesh; and the submissions made by them were recorded. During the hearing, the authorized representatives of the Noticees agreed to file additional written submissions /arguments along with annexures if any, within a period of 10 days. Thereafter, the Noticees filed their additional written submission dated November 09 and 16 of 2015 along with annexures.

7. The core submissions made by the Noticeestowards the SCN in their aforesaid reply dated September 11, 2015,during the course of hearing, supplementary reply dated November 09, 2015 and additional written submission dated November 16, 2015, are mentioned below;

Reply of the Noticee No. 1 (UBHL)

(a) UBHL, in the ordinary course of its business, avails credit facilities from lenders for its working capital requirements and in order to provide support to its group companies. For these credit facilities, UBHL regularly provides pledge of shares from its portfolio as security to the lenders. The choice of securities being pledged

for a particular transaction depends upon the negotiation and agreement of the terms and conditions of the loan with respective lenders. Amongst the securities of other listed group companies, UBHL also provides the equity shares of USL as security.

(b) UBHL is disclosed as a promoter of USL. In accordance with the Takeover Regulations and other applicable regulations, UBHL regularly makes disclosures regarding any transactions involving the equity shares of USL as and when required. This includes disclosures pertaining to the creation, release or invocation of pledge involving equity shares of USL as required under regulation 31 of the Takeover Regulations.

(c) UBHL filed a consolidated disclosure dated April 04, 2012, inaccordance with the format prescribed under regulation 31 of the TakeoverRegulations, to the NSE, BSE and Bangalore stock Exchange Limited ("Bangalore Exchange) (each ofthese are attached herewith as Annexure I). The same weredispatched on April 04,2012, and courier receipts were received from the courier service providers bearingairway bill nos. 30243055290 (NSE). 30243055301 (SSE), and 882115387(Bangalore Exchange) (each of these are attached herewith as Annexure II).Further, these were delivered to the stock exchanges on April 09, 2012 (Refer to thedelivery confirmation provided by the courier service providers attached herewith asAnnexure III).

(d) On February 15,2012, Yes Bank Limited, one of the lenders, invoked their right on 34,528 equity shares of USL pledged by us. We were made aware of the invocation of pledge by our depository participant when they communicated the 'Transaction Statement' for the period from February 9,2012 to February 17,2012 by e-mail dated February 18,2012 (Attached herewith as Annexure II). On being informed of the invocation, we approached the lender in order to reverse the invocation and regain the equity shares of USL. We did not proceed to make the

disclosure stating that the shares were invoked would be incorrect in such a situation. However, the discussions failed to achieve the desired outcome. In this light, as discussed above,UBHL filed a consolidated disclosure dated April 04,212, which took into account the details of the shares that were invoked on February 15,2012, and other transactions that took place in the interim, in accordance with the format prescribed under regulation 31 of the Takeover Regulations. We humbly submit that the SCN is incorrect in stating that the disclosure was not filed, but that the disclosure was delayed by 33 days. We submit that the delay in filing the disclosure was inadvertent, was neither deliberate nor willful on the part of UBHL and that there were no mala fide intentions at any point of time.

(e) In subsequent reply dated November 09, 2015 Noticee sAted that, the delay in filing disclosures pertaining to theinvocation of pledge dated February 15, 2012; has been entered incorrectly due to atypographical error. It is submitted that the due date for making disclosures in relationto this invocation is seven (7) working days from February 18, 2012 (date ofintimation of invocation), i.e., February 29, 2012 (February 19, 20, 25, 26 were notworking days). As the disclosure was made on April 04, 2012, we humbly submit thatthe SCN is incorrect in stating that the disclosure was not filed, but that the disclosurewas delayed by 28 days (March 3,4,8, 10, 11, 17, 18,24,25,31, and April 1, 2012were not working days).

(f) For Invocation of Pledge on March 24 and 26 of 2012, we were made aware by depository participants e-mail dated March 28, 2012 only and accordingly we dispatched the consolidated disclosures on April 04,2012 and was delivered to the stock exchanges on April 09,2012 (delivery receipt provided by the courier service attached herewith as Annexure IV). The Pledge merely requires actions by the lender. In some situation, due to apprehensions, the borrowers may prevent/delay an invocation if they are given advance notice of invocation. However, a lender may choose to undertake an invocation without intimating the borrower. The borrower might be unaware of the invocation until it receives intimation of the same. The legal maxim "Lex Non Cogit Ad Impossibilia" can be

relied on in such situations,which translates to "the law does not compel a man to do that which he cannot possibly perform." Please see the ruling of the Hon'ble Supreme Court in Manohar Joshi v. NitinBhauraoPatilamdAnr., in support of the proposition. Further, Disclosure cannot be expected to be made on a day on which the exchange is closed

(g) For creation of pledge on March 26, 2012 for 1,50,000 shares, the due date for making disclosures was April 04, 2012 as March 31 and April 01, 2012 were not working days and we had dispatched the consolidated disclosures on April 04, 2012.

(h) On March 28, 2012 UBHL created a pledge on 1,86,000 shares and released the pledged 11,69,000 shares. The due date for making disclosures was April 10, 2012 as March 31 and April 01, 05, 06, 07, and 08 of 2012 were not working days. Accordingly, we dispatched the consolidated disclosures on April 04, 2012 and was delivered to the stock exchanges on April 09, 2012.

(i) In view of the above, we submit that the disclosures were made in accordance with regulation 31 of the Takeover Regulations. However, in the cases, viz. RaseshKanakia and HimanshuKanakia in the matter of Cinemax India Limited, SEBI has imposed penalties in between Rupees one (1) lakh and Rupees two (2) lakh. We humbly request you to take a lenient view while taking any action against our clients.

Reply of the Noticee No. 2 (KFIL)

(a) KFIL, in the ordinary course of its business, avails credit facilities from lenders for itsworking capital requirements and in order to provide support to its group companies.For these credit facilities, KFIL regularly provides pledge of shares from its portfolioas security to the lenders. The choice of securities being pledged for a particulartransaction depends upon the negotiation and agreement of the terms and conditionsof the loan with respective lenders. Amongst the securities of

other listed groupcompanies, KFIL also provides the equity shares ofUSL as security.

(b) KFIL is disclosed as a promoter ofUSL. In accordance with the Takeover Regulationsand other applicable regulations, KFIL regularly makes disclosures regarding anytransactions involving the equity shares of USL as and when required. This includesdisclosures pertaining to the creation, release or invocation of pledge involving equityshares of USL as required under regulation 31 of the Takeover Regulations.

(c) In March and October, 2012, portions of KFIL's equity shareholding in USL werepledged or pledged equity shares in USL were released. The specifics of thetransactions relevant for the purposes of these written submissions have been detailedin the table below:

Sl. No	*Date of Transaction*	*Nature of Transaction*	*Number of Shares*
1	*28.03.2012*	*Creation*	*6,67,000*
2	*25.10.2012*	*Release*	*10,000*

(d) The SCN has alleged that disclosures in relation to transactions detailed in the table abovewere each delayed by one (1) day. Before proceeding with analysing whether disclosurespertaining to each of the transactions has been made within the stipulated due date, we submitthat section 9 (1) of the General Clauses Act, 1897, is relevant while calculating the due dateof disclosure under regulation 31 of the Takeover Regulations.

(e) The Hon'ble Supreme Court, in Tarun Prasad Chatterjee v. Dinanath Sharma, has statedthat "Section 9 of the General Clauses Act, 1897 gives statutory recognition to the well-established principle applicable to the construction of statutes that ordinarily in computingthe period of time preserved, the rule

observed is to exclude the first and include the last day. Regulation 31 (3) of the Takeover Regulations states that disclosuresunder Regulations 31 (1) and 31 (2) shall be made within seven (7) working days from thedate of the creation, invocation or release of encumbrance. Based on section 9 of the GeneralClauses Act, 1897, and the Hon'ble Supreme Court's views, it is submitted that the usage ofthe word 'from' within Regulation 31 (3) indicates that the date on which the transactioninvolving encumbrance occurred must be excluded while determining the due date of makingdisclosures pertaining to encumbrance of shares.

(f) In regard to the creation of pledge of 6, 67,000 equityshares of USL on March 28, 2012, the due date for making disclosures in relation to thistransaction is seven (7) working days from March 28, 2012, i.e., April 10, 2012 (as March 31,2012, April 01, 05, 06, 07 and 08, 2012 were not working days). As the disclosures weredispatched on April 04, 2012, and were delivered to the stock exchanges on April 09, 2012,we submit that the SCN is incorrect as a matter of law in stating that the disclosures in regardto the creation of encumbrance on March 28, 2012, were delayed. The disclosureswere made in accordance with regulation 31 of the Takeover Regulations without any delay.

(g) In regard to the release of 10,000 pledged shares ofUSL on October 25, 2012, the due date for making disclosures in relation to thistransaction is seven (7) working days from October 25, 2012, i.e., November 05, 2012(as October 27 and 28, 2012, and November 03 and 04, 2012, were not working days).Disclosures filed with the NSE and BSE weredispatched by courier on November 05, 2012, and were delivered on November 06, 2012(the first working day after the date on which the disclosure was dispatched). Further, thedisclosure filed with Bangalore Stock Exchange Limited ("Bangalore Exchange") washand delivered on November 05, 2015, and the delivery of the same was acknowledged bythe Bangalore Exchange on November 05, 2015. As the public shareholders ofUSL weremade aware of the transaction undertaken by KFIL by virtue of it being disclosed to theBangalore Exchange on November 05,

2015, we submit that the SCN is incorrect as a matterof law in stating that the disclosures in regard to the release of encumbrance on October 25,2012, were delayed. The disclosures were made in accordance with regulation 31 ofthe Takeover Regulations without any delay.

(h) In light of the above submissions, it is submitted that KFIL has complied with therequirements under regulation 31 of the Takeover Regulations in relation to all transactionsincluding those mentioned in the SCN. We, therefore, request you to not to hold inquiryagainst our clients in terms of rule 4 of Inquiry Rules read with section 151of the SEBI Actand not to impose penalty under section 15 A (b) of the SEBI Act.

8. After taking into account the allegations, replies of the Noticees and other evidences / material available on records, I hereby, proceed to decide the case on merit.

CONSIDERATION OF ISSUES AND FINDINGS

9. The issues that arise for consideration in the present case are :

a) Whether the Noticees had failed / delayed in complying with the provisions of regulation 31 (1), 31(2) read with 31 (3) of SAST Regulations?
b) If yes, then, whether said violation attracts monetary penalty under sections 15 A (b) of the SEBI Act?
c) If yes, then, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors mentioned in section 15J of the SEBI Act read with rule 5 (3) of the Adjudication Rules?

ISSUE NO. 1- Whether the Noticees had failed / delayed in complying with the provisions of regulation 31 (1), 31(2) read with 31 (3) of SAST Regulations?

10. I have carefully perused the allegations, submissions of the Noticees and the evidences / material available on records. The facts / details of pledge transactions viz. number of shares, date of creation / invocation / release of pledged shares etc. as alleged in the SCN, are not in dispute by the Noticees except certain explanations made by them which will be dealt below. The submissions / explanation of the Noticees towards the allegations are mentioned at para 7 above and same are not repeated for sake of brevity.

11. The details of allegation of non-disclosure / delayed disclosures about creation / invocation /release of pledged shares by the Noticees, are shown in the table at Para 3 (c) above. From the annexure III of the SCN which is the e-mail communications of the stock exchanges viz. BSE and NSE, it is observed that the Noticees had failed to disclose/ delayed in disclosing to the stock exchange (s) the details of creation / invocation /release of pledged transactions.

Examination of case in respect of Noticee No. 1 (UBHL)

12. In respect to the allegations, the Noticees No. 1 stated that it had made consolidated disclosures dated April 04, 2012 regarding entire alleged transactions of invocation of pledge on February 15, 2012, March 24 & 26 of 2012 and creation / release of pledge on March 26 & 28 of 2012. The Noticee No.1 enclosed as Annexure 1 (2 pages) to that effect. It was stated by Noticee No.1 that the said disclosures were delivered to the Stock Exchange(s) on April 09, 2012 and enclosed annexure IV (5 pages) the copy of delivery report provided by the courier services. The same documents were resubmitted by the Noticee No. 1 along with their additional submissions dated November 09, 2015.

13. Though as per stock exchange records, no disclosures were made by the Noticee No. 1 for transaction as shown in serial no. 1-5 of the aforesaid table and disclosure made with 1 day delay for the transaction of ‘release of pledge” on March 28, 2012, however, keeping in view the delivery proof of so called

consolidated disclosures as claimed by the Noticee No. 1, the same is being examined as under.

14. I have perused the above documents / annexure 1 of the UBHL and observed that the plea of making consolidated disclosures in respect of creation/invocation/release of aforesaid pledged transaction, is not correct as the Annexure 1 (bearing 1st page a letter dated April 04, 2012 of the UBHL and 2nd page a disclosure format to Stock Exchanges), a letter dated April 04, 2012 of the UBHL addressed to stock exchange (s) merely furnishes the detail of "Release" and "Creation" of pledge of shares of USL and does not include the details of "Invocation" of pledged shares. Further, the plea of consolidated disclosures cannot be accepted as the second page of Annexure 1 (Format of submitting of disclosures) contains only two dates viz. March 28 & 29 of 2012 in the column of "details of events pertaining to encumbrance", and again the details of "Invocation" dates i.e. February 15, 2012 and March 24 & 26 of 2012 and the details of "creation of pledge" on March 26, 2012 are not appearing therein.As no details for transactions dated February 15, 2012 and March 24 & 26 of 2012, appears at the disclosures made to stock exchanges (s), therefore, it cannot be held that the Noticee No.1 had made the consolidated disclosures in respect of said transaction.

15. Also the Noticee No. 1 in its reply dated September 11, 2015 admitted that there was 33 days delay in making disclosure about invocation of pledge transaction of 34,528 shares invoked on February 15, 2015. Though, in supplementary reply dated November 09, 2015,it had modified the delay as "28 days" removing some days as not working days viz. March 3,4,8, 10, 11, 17,18,24,25, 31 and April 1, 2012.The disclosure made by the UBHL / Noticee No. 1 at Annexure 1 is produced below which apparently does not display the disclosures of transactions of "invocation of pledge" dated February 15, 2012 and March 24 & 26 of 2012 and "Creation of pledges" dated March 26 of 2012.

UNITED BREWERIES (HOLDINGS) LIMITED

April 4, 2012

The Executive Director
Bangalore Stock Exchange Limited
Exchange Towers, No.51,
J C Road, 1 Cross,
Bangalore 560027

The Bombay Stock Exchange Limited
Department of Corporate Services
Ist Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort, Mumbai 400 001

The Secretary
National Stock Exchange of India Limited
Compliance Department
Exchange Plaza, Bandra Kurla Complex
Bandra [E], Mumbai 400 051

Dear Sirs,

Sub: Disclosure of release /creation of pledge of shares

In terms of Notification No. LAD-NRO/GN/2011-12/24/30181 dated September 23, 2011 issued by Securities and Exchange Board of India (SEBI), we hereby furnish the details of release and creation of pledge on shares held by us.

Kindly treat this as compliance under Regulation 31(1) and (2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and acknowledge receipt.

Thanking You,

Yours faithfully,
For United Breweries (Holdings) Limited

Kaushik Majumder
Corporate Vice President-Legal &
Company Secretary

Encl: as above

cc: United Spirits Limited
UB Tower, Level 6, UB City,
No.24, Vittal Mallya Road
Bangalore 560 001

UB Tower, Level 12, 14 & 15, UB City, 24, Vittal Mallya Road, Bangalore - 560 001.
Tel. : +91 80 2227 2808, 2227 5809, 3985 0800 Fax : +91 80 2227 4890 Website : www.theubgroup.com

Disclosure by the Promoter(s) to the stock exchanges and to the Target Company for encumbrance of shares/invocation of encumbrance/release of encumbrance, in terms of Regulation 31(1) and 31(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Name of the Target Company(TC)	United Spirits Ltd
Name of the Promoter(s) on whose shares encumbrance was created/invoked/released (tick the relevant one)	United Breweries (Holdings) Limited
Date of reporting	4.4.2012
Names of the stock exchanges where the shares of the Target Company	Bangalore Stock Exchange Limited, The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited

Details of the Promoters' Holdings (The term "event" indicates creation/invocation/release of encumbrance, as the case may be)							
Promoter(s) or PACs with him	Pre-event holding		Details of events pertaining to encumbrance		Post event holding (encumbered shares to be excluded)		(*) Details of encumbrance (pledge/lien or others- give details)
Names	Number	% of total share capital	Type- creation/invocation/release	Date(s)	Number	% of total share capital	
United Breweries (Holdings) Limited	23,881,821	16.26	Release/Creation	28.3.2012 &29.3.2012	1,915,606	1.46	Release /Pledge of equity shares

For United Breweries(Holdings) Limited

Kaushik Majumder
Corporate Vice President- Legal &
Company Secretary

16. In light of the Stock Exchange (s) records and also considering the Annexure 1 of the Noticee No. 1, it is clear that the Noticee No. 1 had failed to make disclosures regarding the “invocation of pledge”transaction that took place on February 15, 2012 and March 24 & 26 of 2012 and also failed to make disclosure regarding the transaction of “creation of pledges”that took place on March 26 of 2012.

17. Though, no consolidated disclosures for the entire transactions as relied by the Noticee No. 1 is proved, but,even if it is so presumed, even then also, there is delay of 4 days is submitting the required disclosuresregarding the invocation of pledge on March 24 and 26 of 2012 and creation of pledge on March 26, 2012as the due date for such disclosures was April 04, 2012 (as admitted by the Noticee No. 1 in its reply dated September 11, 2015), but the same as claimed weredelivered to stock exchange (s) only on April 09, 2012.

18. The plea of the Noticee No. 1 regarding invocation / creation of pledge that took place on March 24 & 26 of 2012i.e. (*it came to know only on March 28, 2012 about the invocation of pledge transaction that took place on March 24 & 26 of 2012 when Depository Participant through De-mat Transaction Statement informed the same and being the borrower, it cannot come to know about action of lender of invocation until it is informed to it; and therefore, the calculation of due date of 7 working days must starts only upon such intimation*), do not necessarily warrants the examinationof such transactions as the core ground of consolidated disclosures (Annexure 1 of the Noticee) in respect of invocation/creation of pledge on March 24 & 26 of 2012,is not proved in light of observations / conclusion made in aboveparas.

19. However, since this issue is raised in the matter, therefore, additionally, there would be no infirmity in dealing with the same. Here, I do not agree with the aforesaid plea / contention of “knowledge/intimation” of invocation of pledge transactions on the two following grounds. Firstly, as per the bare reading of regulation 31 (3) of the SAST Regulations, the disclosures are required to be made “*within seven working days from the creation or invocation or release of*

encumbrance". The said regulation clearly stipulates the mandatory requirement of disclosures to be made from the day of creation / invocation / release of pledge and does not leave any scope of "*knowledge / intimation*" as prior condition for the person who is required to make such disclosures. Had the "knowledge / intimation" been the intent of the statute then, it would have been very well incorporated in the SAST Regulations itself.Secondly, while making / creating pledge of shares by the borrower, certain terms / condition as well as the timeline of invocation of pledged shares in case of breach in making payment/loan are pre fixed between the borrower and the lender.Needless to say that if such time line towards the pledged shares are there, then, the borrower (the Noticee No. 1) is supposed to know the last day after which invocation of pledged share may take place by the lender upon breach of payment.

20. Further, it is important to mention that if the arguments advanced by the Noticee No. 1 is accepted, then, the very purpose of aforesaid SAST Regulations(meant to stipulate such specific time lines of 7 working days from the date of transactions in the interest of investor to keep them well informed about stock decision / management etc.) would be defeated.Hence, the submission of the Noticee No. 1 regarding "intimation / knowledge" of invocation of pledge as a pre-condition is without any merit.

21. It is also worth to mention that manner of creation / invocation of pledge has been laid down in regulation 58of the SEBI (Depositories and Participants) Regulations, 1996 (hereinafter referred to as 'DP Regulations'). For the purpose of invocation, regulation 58 (8) and 58 (9) warrants hereunder;

(8) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly.

(9) After amending its records under sub-regulation (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledgee respectively.

22. It is clear from the aforesaid provision of the DP Regulations that it is the duty of the Depository towards the Participant and in turn of Participants towards the pledger / pledgee, to **immediately** inform about such invocation. The intent of the statute in respect of word"immediately"should be construed in its true sense meaning thereby that it should be informed immediately or within the same day itself. Had the intent of the statute was different, then, it would have been otherwise incorporated in DP Regulation like the regulation 58 (3) specifying the timeline for creating record of pledge.The depository participants (who is in other words is like an agent /authorized entity of the Noticee in this behalf) should inform the person required to make disclosures without any delay.

23. In view of the above and also in view of the plea of Section 9 (1) of the General Clauses Act, 1897, taken by the Noticee in their support, it is clear that "intimation/Knowledge" of such invocation of pledge is not warranted under law.

24. As regards to the allegation of failure to make disclosure about "Creation" of pledge for 1,86,000 shares and "Release" of 11,69,000 pledged shareson March 28, 2012 by the Noticee No. 1, the NSE records reveals that the same were not disclosed; and BSE's records reveals that creation of pledge was not disclosed but the release of pledge was disclosed by Noticee No.1 with 1 day delay as the Noticee was supposed to make disclosures by April 10, 2012 however, BSE received such disclosure only on April 11, 2012.

25. In respect to above, from the Annexure IV (delivery proof of disclosure) enclosed with reply of the Noticee No. 1, it is noted that disclosure for the date of March 28 and 29 of 2012 were made on April 04, 2012 and the same were delivered to the stock exchanges on April 09, 2012 i.e. before April 10, 2012. Therefore, no fault

can be found in making disclosures by the Noticee No. 1 for the transaction dated March 28, 2012.

26. In light of the exchange records and also considering the Annexure 1 of the Noticee No. 1, it is concluded that the Noticee No. 1 had violated regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations as it had failed to make the disclosures regarding the “invocation of pledge” that took place on February 15, 2012 and March 24 & 26 of 2012 and also failed to make disclosures regarding the “Creation of pledges” of shares that took place on March 26 of 2012.

Examination of case in respect of Noticee No. 2 (KFIL)

27. As regards to the allegation of failing to make disclosures / delay in making disclosure about “creation” of pledge transaction on March 28, 2012for 6,67,000 shares by the Noticee No. 2,the NSE records reveals that the same were not disclosed; and BSE’s records reveals that same was disclosed with 1 day delay as the Noticee No. 2 was supposed to make such disclosure by April 10, 2012 however, BSE received such disclosure only on April 11, 2012.

28. Further, as regards to the allegation of making delayed disclosure about “release” of 10,000 pledged shares on October 25, 2012 by the Noticee No. 2, the BSE and NSE records reveals that the same were disclosed on November 07, 2012 and November 06, 2012 respectively, with a delay of 1 day as the Noticee No. 2 was supposed to make disclosure by November 05, 2012.

29. The Noticee No. 2 submitted that while calculating the due date of disclosure under Regulation 31 of the Takeover Regulations, section 9 (1) of the General Clauses Act, 1897, should be applied which states as :-

"In any Central Act or Regulation made after the commencement of this Act, it shall be sufficient, for the purpose of excluding the first in a series of days or any other period of

time, to use the word "from ", and, for the purpose of including the last in a series of days or any other period of time, to use the word "to"."

30. In respect to the allegation, the Noticee No. 2 submitted it had created a pledge on 6, 67,000 equity shares of USL on March 28, 2012 and the due date for making disclosures in relation to this transaction was April 10, 2012 from March 28, 2012 as March 31, 2012, April 01, 05, 06, 07 and 08, 2012 were not working days. The Noticee submitted that the disclosures were dispatched on April 04, 2012, and were delivered to the stock exchanges on April 09, 2012.

31. In regard to the release of pledge on 10,000 equity shares of USL on October 25, 2012, the Noticee submitted that the due date for making disclosures in relation to this transaction was November 05, 2012 from October 25, 2012 as October 27 and 28, 2012, and November 03 and 04, 2012, were not working days. The Noticee No. 2 stated that disclosures filed with the NSE and BSE were dispatched by courier on November 05, 2012, and were delivered on November 06, 2012 (the first working day after the date on which the disclosure was dispatched). Further, the Noticee No. 2 stated that the disclosure filed with Bangalore Stock Exchange Limited was hand delivered on November 05, 2015, and the delivery of the same was acknowledged by the Bangalore Exchange on November 05, 2015. The Noticee No. 2 stated that the public shareholders of USL were made aware of the transaction undertaken by KFIL by virtue of it being disclosed to the Bangalore Exchange on November 05, 2015.

32. In support of its submission, the Noticee No. 2 enclosed delivery proof of submission of said disclosures to stock exchanges. It was stated by the Noticee No. 2 that it is the sister concern of the Noticee No.1 and located at the same address, hence, the disclosures were made together with Noticee No.1 to stock exchanges and therefore the courier receipts were generated in name of UBHL only.

33. I have perused the available records and observed that the case against the Noticee No. 2 is that it had delayed disclosures by mere 1 day. It is noticed that in respect of creation of pledge of 6, 67,000 equity shares on March 28, 2012, the due date for making disclosures was April 10, 2012 and as per the annexures provided by the Noticee No. 2 in its aforesaid replies including disclosures delivery proof, it is observed that the said disclosure was dispatched by the Noticee No. 2 on April 04, 2012, and were delivered to the stock exchange (s) on April 09, 2012 i.e. within the due date. Therefore, no fault can be found with the disclosures made for the transaction done on March 28, 2012.

34. In respect to the “release” of 10,000 pledged shares transacted on October 25, 2012, the due date for making disclosures was November 05, 2012 and as per the annexures provided by the Noticee No. 2 in its aforesaid replies including disclosures delivery proof, it is observed that the said disclosure was dispatched by the Noticee No. 2 on November 05, 2012, and were delivered to NSE and BSE on November 06, 2012 and to Bangalore Stock Exchange on November 05, 2012 itself. I cannot ignore the material fact that the Noticee No. 2 had taken efforts to dispatch the required disclosures to all the 3 stock exchanges before the due date of disclosures, and even though it reached to NSE and BSE with mere one day delay, but it reached to Bangalore stock exchange on the due date itself.It is relevant to mention that the disclosure in this respect were filed with Bangalore Stock Exchange within due date and therefore shareholding under USL were made aware to public of the transaction undertaken by KFIL.

35. Therefore, keeping in view the various mitigating factors viz. mere 1 day delay that too for one transaction only, involvement of small number of shares of 10,000, efforts made by the Noticee No. 2 to dispatch the disclosures within the due date, delivery to one of the stock exchange (Bangalore stock exchange) on time, no repetitive nature of irregularities were shown on records to have been committed by the Noticee No. 2, considering the case holistically/judiciously in the given facts and circumstance of the case and in the interest of justice, I am of the

view that this is not a fit case for making the Noticee No. 2 liable for imposition of monetary penalty.

ISSUE No. 2 - whether said violation attracts monetary penalty under sections 15 A (b) of the SEBI Act?

36. As the violation of regulation 31 (1), 31(2) read with 31 (3) of the SAST Regulations stood established against the Noticee No. 1 (UBHL) as observed in Para 13 **to** 26 above, and after taking into account the facts and circumstance of the case, I am of the view that this is the fit case to impose monetary penalty against the Noticee No. 1 for the aforesaid violations.

37. Thus, the aforesaid violation by the Noticee No. 1 makes it liable for penalty under Section 15 A (b) of SEBI Act, 1992 which read as follows:

Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder,-

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;

ISSUE NO. 3- What would be the monetary penalty that can be imposed upon the Noticee No. 1 taking into consideration the factors mentioned in section 15J of the SEBI Act read with rule 5 (3) of the Adjudication Rules?

38. While determining the quantum of penalty under sections 15 A (b), it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

"15J - Factors to be taken into account by the adjudicating officer

While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default."

39. Before arriving to the quantum of penalty in the matter, it is necessary to refer the importance of such disclosures. The main objective of the SAST Regulations is to achieve fair treatment by *inter alia* mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change in control. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well informed decision.

40. No specify disproportionate gains or unfair advantage made by the NoticeeNo. 1 or the specific loss suffered by the investors due to such non / delayed disclosures is available on records; and no repetition of the default is shown on records to have been committed by the Noticee No. 1. However, taking into consideration the facts and circumstance of the case (non disclosures of total 4 transactions viz. "invocation of pledge" that took place on February 15, 2012 and March 24 & 26 of 2012; and also the non disclosures regarding the "Creation of pledges" that took place on March 26 of 2012),I am of the view that a justifiable penalty needs to be imposed upon the NoticeeNo. 1to meet the ends of justice.

41. The caseof RaseshKanakia and HimanshuKanakia in the matter of Cinemax India Limited, as relied by the Noticee No. 1 in respect of imposition of penalties,do not hold good in its favourkeeping in view the facts and circumstance of this case and also keeping in view the penalty provision under section 15 A (b) whereby rupees one lakh can be imposed for each day failure.

ORDER

42. After taking into consideration all the facts and circumstances of the case, I hereby impose a penalty of ₹15,00,000/- (RupeesFifteen Lakh only) under section 15 A (b) of the SEBI Act uponon the Noticee No. 1 / United Breweries (Holding) Ltd. I am of the view that the said penalty would be commensurate with the violations committed by the Noticee No.1.

43. The NoticeeNo. 1 / United Breweries (Holding) Ltd,shall pay the said amount of penalty by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, within 45 days of receipt of this order. The said demand draft should be forwarded to Chief General Manager, Enforcement Department at the address:- SEBI Bhavan, Plot No. C4A, G Block, BandraKurla Complex, Bandra (E), Mumbai-400 051.

44. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the NoticeeNo. 1 and also to the Securities and Exchange Board of India.

Date: November 27, 2015 **RACHNA ANAND**

Place: Mumbai **ADJUDICATING OFFICER**

BEFORE THE SECURITIES APPELLATE TRIBUNAL MUMBAI

Date of Decision : 25.09.2017

Appeal No. 20 of 2016

United Breweries (Holdings) Limited
Level 12, UB Tower,
UB City, No. 24,
Vittal Mallya Road,
Bangalore – 560 001. …Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A,
G-Block, Bandra-Kurla Complex,
Bandra (East), …Respondent
Mumbai – 400 051.

Mr. Shashank M. Patil, Advocate i/b Finsec Law Advisors for the Appellant.

Mr. Aditya Mehta, Advocate with Mr. Pulkit Sukhramani and Ms. Vidhi Jhawar, Advocates i/b The Law Point for the Respondent.

CORAM : Justice J.P. Devadhar, Presiding Officer
Dr. C.K.G. Nair, Member

Per : Dr. C.K.G. Nair, Member (Oral)

1. This appeal has been filed challenging the order of the Adjudicating Officer ('AO' for short) of the Securities and Exchange Board of India ('SEBI' for short) dated November 27, 2015. By the said order a penalty of ` 15 Lakh has been imposed under Section 15A(b) of the Securities and Exchange Board of India Act, 1992 for failure to make disclosures regarding creation / invocation / release of four pledge transactions made by the appellant and thereby violating certain provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as 'Takeover Regulations').

2. Facts relevant to the matter are the following:-

(a) SEBI conducted suo moto investigation relating to trading / dealing in the shares of United Spirits Ltd. (for Short 'USL'), a listed company, during the period from January 2, 2012 to November 30, 2012. During the investigation period it was, inter alia, noticed that the appellant (and another entity which has been exonerated in the impugned order) had made certain pledge transactions of their USL shareholding and disclosures as required were not done. In respect of the appellant herein the transactions include invocation of three pledges of 34,528 shares on February 15, 2012, 2,20,000 shares on March 24, 2012, 50,000 shares on March 26, 2012 and creation of a pledge of 1,50,000 shares on March 26, 2012.

(b) As per the Takeover Regulations, the disclosure requirement relating to encumbered shares is as follows:-

> *"**Disclosure of encumbered shares.***
> *31(1) The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such form as may be specified.*
>
> *(2) The promoter of every target company shall disclose details of any invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified.*
>
> *(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the creation or invocation or release of encumbrance, as the case may be to,-*
>
> *(a) every stock exchange where the shares of the target company are listed; and*
>
> *(b) the target company at its registered office."*

Accordingly, as per Regulation 31(3) disclosures on all four transactions as stated in para 2(a) above had to be made to the stock exchanges as well as to the target company within 7 working days from the date of creation / invocation / release of encumbrance.

3. The main contention of the appellant is that the required disclosures have been made on April 4, 2012 for all the 4 transactions under reference in a consolidated manner. Shri. Shashank M. Patil Learned Counsel appearing on behalf of the appellant submitted a detailed chart stating the nature of transactions, number of shares involved in each transaction, date of each transaction, date of invocation / creation of pledge, due date for disclosure, actual date of disclosure etc. and argued that only in respect of one transaction i.e. invocation of pledge on February 15, 2012 relating to 34,528 shares there was an inadvertent delay of 24 days. In respect of other 3 transactions where delay has been alleged in the impugned order actually there has been no delay. These contentions take into account the date of receiving intimation from the depository, holidays coming in between the date of the event and the date of receipt of the information by the stock exchanges etc.

4. Shri. Aditya Mehta, Learned Counsel appearing on behalf of the respondent submitted that the filing made by the appellant dated April 4, 2012 claiming as consolidated filing for the 4 transactions referred to actually do not give the complete details. It does not disclose invocation of pledge of large quantities of shares. Furthermore, the dates are not matching and not fully disclosed; it only specifies 28 & 29 March, 2012 as the dates while the actual date of transactions were 15, 24 and 26 March, 2012. So the

so-called consolidated disclosure dated April 4, 2012 is not only confusing but is not a full picture of the actual encumbrances involved as invocation of pledge is not even indicated, whereas, sub-regulation 32(2) specifically mandates disclosure within 7 working days for such invocation / release.

5. We have perused the documents on record including the consolidated statement dated April 4, 2012 relied heavily by the appellant. We note that the consolidated disclosure is vague as is clarified and amplified in the impugned order as there is no indication to the effect of 3 invocation of pledge whereby the shareholding of the appellant in USL came down substantially. We also note that all the arguments made by the appellant before us have been dealt in the impugned order in detail and we see no reason to differ with the said reasoning. We also make it clear that the 4 transactions relating to the encumbrance of the shareholding of USL by the appellant were distinct events, each one needing disclosure within 7 working days from the date of each of the event and as such each one is a separate violation. Although penalty for each violation could be levied separately, in the facts of present case, considering all mitigating factors, the AO has imposed consolidated penalty of ` 15 Lakh which cannot be said to be unreasonable or excessive.

6. For the above said reasons, we find no merit in the appeal and appeal is dismissed with no order as to costs. Appellant is directed to pay the penalty within 30 days from the date of this order.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Dr. C.K.G. Nair
Member

25.09.2017
Prepared and compared by: msb

Extract of email dated 13th October 2020 from the Company to SEBI in response to SEBI's query

Quote:

Dear Mr Prasad,

We refer to the query raised by SEBI to JM Financial Ltd., our financial advisors in relation to the promoter shareholding of United Spirits Limited ("Company"). We would like to confirm that Relay B.V., which has a 55.94% shareholding in the Company, is the only Diageo entity that holds shares of the Company. Further, Relay B.V. is a 100% indirect subsidiary of Diageo Plc., and neither Mr. Vijay Mallya nor any of his associates/group companies have any shareholding/other interest in Relay B.V. We also confirm that Relay B.V. does not hold any shares in any of the other promoters of the Company, i.e., United Breweries (Holdings) Limited, Kingfisher Finvest India Limited, Rossi And Associates Private Limited, Vittal Investments Private Limited, Mallya Private Limited and Devi Investments Private Limited.

We trust this meets your requirements.

Please let us know in case you require any further information/ clarifications and we would be happy to provide the same to you.

Thanks and regards,

Mital Sanghvi
Company Secretary
United Spirits Limited
UB Tower # 24
Vittal Mallya Road
Bangalore - 560001

Unquote:

Extract of email dated 16th October 2020 from the Company to SEBI in response to SEBI's query

Quote:

Dear Mr. Prasad,

*We refer to the query raised by SEBI to JM Financial Limited, our financial advisor, in relation to the shareholding of Mr. Vijay Mallya and his associates/ group companies in United Spirits Limited ("**Company**") before and after the proposed merger of Pioneer Distilleries Limited ("**PDL**") with the Company. In this regard, we would like to reiterate that the proposed merger envisages that equity shares are issued by the Company to the Public Shareholders of PDL pursuant to the Scheme, and does not involve issuance of equity shares to any of the shareholders of USL, including Mr. Vijay Mallya or his associates/ group companies by virtue of their shareholding in USL.*

As requested, please find below the pre and post-merger shareholding of Mr. Vijay Mallya and his associates/ group companies in the promoter and promoter group category of the Company:

Name of shareholder	Pre-Merger as of [Sep 30, 2020]		Post-Merger	
	Total nos. equity shares held	% Shareholding	Total nos. equity shares held	% Shareholding
Vijay Mallya	62,550	0.0086%	62,550	0.0086%
Rossi and Associates Private Limited	1,75,560	0.0242%	1,75,560	0.0241%
United Breweries Holdings Limited	55,68,895	0.7664%	55,68,895	0.7656%
Kingfisher Finvest India Limited	-	0.0000%	-	0.0000%
Vittal Investments Private Limited	1,56,350	0.0215%	1,56,350	0.0215%
Mallya Private Limited	-	0.0000%	-	0.0000%
Devi Investments Private Limited	-	0.0000%	-	0.0000%
Total	**59,63,355**	**0.8207%**	**59,63,355**	**0.8199%**
Total Equity Shares Outstanding	72,66,38,715		72,73,50,853	

Furthermore, we understand that on May 3, 2018, a total of 1,25,11,545 equity shares (25,02,309 equity shares prior to the 1:5 share split) of the Company held by the associate / group companies of Mr. Vijay Mallya were transferred unilaterally to the demat account held in the name of the Deputy Director, Directorate of Enforcement, and have since been disclosed as part of the Public category. These 1,25,11,545 equity shares represent 1.7218% of the Company's equity shares as of September 30, 2020, and 1.7202% of the Company's equity shares post-merger.

We trust that the above meets your requirements.

Should you require any further clarifications, please do not hesitate to contact us.

Thanks and regards,

Mital Sanghvi
Company Secretary
United Spirits Limited
UB Tower # 24
Vittal Mallya Road
Bangalore - 560001

Unquote: