

August 18, 2021

BSE Limited
Listing Department
Dalal Street,
Mumbai 400 001
Scrip Code: 531879

National Stock Exchange of India Ltd
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra East, Mumbai- 400051
Scrip Code: PIONDIST

Dear Sir / Madam,

Sub: Orders dated February 8, 2021 and August 13, 2021 issued by the National Company Law Tribunal ("NCLT"), Bengaluru for convening the meeting of the Equity Shareholders of Pioneer Distilleries Limited ("Company")

Disclosure under Regulation 30(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is with reference to our intimation dated December 2, 2019, informing the decision of the Board of Directors of the Company approving the Scheme of Amalgamation and Arrangement amongst the Company and United Spirits Limited ("**USL**") and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013, ("**Scheme**"), subject to the receipt of requisite approval from the relevant statutory authorities including the Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, the NCLT and the respective shareholders and creditors of the Company and USL.

In this regard, we would like to inform you that the Bengaluru Bench of the NCLT, vide its Orders dated (i) February 8, 2021 in Company Application (CAA) No. 9 / BB / 2021 and (ii) August 13, 2021 in C.A. No. 58 of 2021 in Company Application (CAA) No. 9 / BB / 2021 (uploaded on the website of the NCLT today i.e. August 18, 2021) ("**Orders**") (enclosed here) has directed the Company to convene a meeting of its equity shareholders through video conferencing / other audio-visual means on Thursday, the 30th day of September, 2021 at 3.00 p.m. (IST) to consider and approve the Scheme. Additionally, the NCLT vide its Orders has dispensed with the requirement of holding the meeting of the unsecured creditors of the Company.

The Company is in the process of issuing notices to the equity shareholders.

We request you to kindly take the above information on record.

Thank you,

For **Pioneer Distilleries Limited**

BHAT
LAKSHMINA
RAYANA
AKSHARA

Digitally signed by
BHAT
LAKSHMINARAYAN
A AKSHARA
Date: 2021.08.18
23:16:39 +05'30'

B L Akshara
Company Secretary

Enclosed: As above

FREE OF COST COPY

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU**

C.A. (CAA) No.09/BB/2021
U/ss. 230 to 232 of the Companies Act, 2013

IN THE MATTER OF

SCHEME OF AMALGAMATION AND ARRANGEMENT

M/s. Pioneer Distilleries Ltd.

R/Off: UB Tower, Level 10,
No.24, Vittal Mallya Road,
Bengaluru – 560 001.

- Applicant Company No.1/
Transferor Company

AND

M/s. United Spirits Ltd.

R/Off: UB Tower, Level 10,
No.24, Vittal Mallya Road,
Bengaluru – 560 001.

- Applicant Company No.2/
Transferee Company

AND

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Date of Order: 08th February, 2021

Coram: 1.Hon'ble Shri Rajeswara Rao Vittalana, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Parties/Counsels Present (through Video Conference):

For the Applicant Companies : Mr. C K Nandakumar, Adv.

ORDER

Per: Ashutosh Chandra, Member (Technical)

1. This Joint Application bearing C.A.(CAA) No.09/BB/2021 is filed by M/s. Pioneer Distilleries Ltd. ('the Applicant Company No.1/Transferor Company), and M/s. United Spirits Ltd. ('the Applicant Company No.2/Transferee Company'), under Sections 230 to 232 of the Companies Act, 2013, by *inter-alia* seeking for convening and holding the meeting of the equity shareholders



of the Transferor Company, and dispense with the meetings of Secured Creditors, Unsecured Creditors and Preference Shareholders of the Transferor Company, and convening and holding the meetings of Equity Shareholders and Unsecured Creditors of the Transferee Company, and dispense with of the meeting of the Preference Shareholders and Secured Creditors of the Transferee Companies, etc.

2. Brief facts of the case, as mentioned in the Application, which are relevant to the issue in question, are as follows:

(1) **M/s. Pioneer Distilleries Limited** ('Applicant Company No.1 /Transferor Company), was incorporated on 25.11.1992 as 'Ganga Orgchem Limited' under the provisions of the Companies Act, 1956 as a public limited Company in the State of Andhra Pradesh. The name of the Transferor Company was changed to 'Pioneer Distilleries Limited' bearing CIN: L24116KA1992PLC125992 on September 12, 1994 as a fresh certificate of incorporation consequent to change of name issued by the Registrar of Companies. The present registered office of the Company is at UB Tower, Level-10, No.24, Vittal Mallya Road, Bangalore-560001. Its Authorised Share Capital of Rs.20,00,00,000/- consist of 1,75,00,000 equity shares of Rs.10/- each and 25,00,000 preference shares of Rs.10/- each and the Issued, Subscribed and Paid-up Share Capital of Rs.13,41,94,000/- consists of 1,33,88,200 equity shares of Rs.10/- each and 62,400 equity shares of Rs.5/- each. The main objects of the Company *inter-alia* are to carry on the business of manufacture, import, export, and deal in rectified spirit, industrial alcohol, denatured spirit, Extra Neutral Alcohol, Arrack, Alcohol of various grades by dry, wet or any process, and also manufacture and deal in all other chemicals and other products involving usage of alcohol in the process, etc.

(2) Prakash Hegde, Chartered Accountants, the Statutory Auditors of the Transferor Company have issued certificates dated 20.11.2020 by



certifying that there are top One Hundred (100) Equity Shareholders namely, United Spirits Limited holding 10041150 equity shares, Balkrishna Ramji Haribhai Devani holding 287181 equity shares, Philip Thombra Antony holding 133801 equity shares, etc, and there are no Preference Shareholders in the Transferor Company. Further, the said Statutory Auditors have issued another certificate dated 12.11.2020 certifying that there are no Secured Creditors and there are Unsecured Creditors amounting to Rs.633,36,09,269.75/- in the Transferor Company. Further the consent letters (95%) in the form of affidavits have been given by the Unsecured Creditors of the Transferor Company to dispense with the holding of the meetings of the Unsecured Creditors for the proposed Scheme.

- (3) The Board of Directors of the Transferor Company at its meeting held on 02.12.2019 have *inter alia* resolved as under:

"RESOLVED THAT the scheme of amalgamation and arrangement in relation to the proposed merger of Pioneer Distilleries Limited with United Spirits Limited (the Company) as recommended by the Audit and Risk Management Committee, be and is hereby accepted, approved and taken on record by the Board subject to compliance in terms of the provisions of Sections 230 to Section 232 and other applicable provisions of the Companies Act, 2013 including any statutory modifications, re-enactments or amendments thereof and the rules thereunder, as well as applicable rules, regulations and circulars issued by Securities and Exchange Board of India (SEBI) and subject to requisite approvals, sanctions, consents, observations, no objections/approvals of the shareholders and/or the creditors of the Company, as may be required, and subject to the approval of SEBI, the stock exchanges, the National Company Law Tribunal (NCLT), the Central Government and other concerned authorities.

RESOLVED FURTHER THAT the draft scheme of amalgamation and arrangement in relation to the proposed merger of Pioneer Distilleries Limited with the Company (the Scheme), as placed before



the Board and initialled by the Company Secretary for the purpose of identification be and is hereby approved."

- (4) **M/s. United Spirits Limited.** ('the Applicant Company No.2 /Transferee Company') was incorporated on 31.03.1999 as 'McDowell Spirits Limited' under the provisions of Companies Act, 1956 as a public limited company bearing CIN:L01551KA1999PLC024991. Further its name was changed to 'McDowell & Company Limited' on April 12, 2001 as per a fresh certificate of incorporation by the Registrar of Companies. Subsequently the name of Transferee Company was changed to 'United Spirits Limited' on October 17, 2006, as per a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Karnataka. The registered office of the Company is at UB Tower, Level-10, No.24, Vittal Mallya Road, Bangalore-560001. Its Authorised Share Capital is Rs.7,192,000,000/- and consists of 274,00,00,000 Equity Shares of Rs.2/- each and 17,12,00,000 Preference Shares of Rs.10/- each and the Issued, Subscribed and Paid-up Capital is Rs.1,453,277,430/- divided into 72,66,38715 Equity Shares of Rs.2/- each. The Company is carrying on the business inter alia to manufacture Alcohol, Rectified Spirit, Potable and Industrial Alcohol, to manufacture brew, distil, blend, compound, prepare, process, render potable or marketable all sorts of liquors, wines ,spirits and beers, etc.

- (5) Prakash Hegde, Chartered Accountants, the Statutory Auditors of the Transferee Company have issued certificates dated 20.11.2020 by certifying that there are top One Hundred (100) Equity Shareholders namely, Relay B.V holding 406447245 equity shares, Vijay Mallya (shares are held on behalf of USL Benefit Trust, the sole beneficiary of which is United Spirits Limited) holding 17295450 equity shares, Deputy Director, Directorate of Enforcement, Mumbai holding 12511545 equity shares, etc, and there are no Preference Shareholders in the Transferee Company. Further the said Statutory Auditors have issued another certificate dated 22.11.2020 by certifying that there are no



Secured Creditors and there are Unsecured Creditors amounting to Rs.2351,33,56,395.07/- in the Transferee Company.

- (6) The Board of Directors of the Transferor Company at its meeting held on 02.12.2019 have *inter alia* resolved as under:

"RESOLVED THAT the scheme of amalgamation and arrangement in relation to the proposed merger of Pioneer Distilleries Limited with United Spirits Limited (the Company) as recommended by the Audit and Risk Management Committee, be and is hereby accepted, approved and taken on record by the Board subject to compliance in terms of the provisions of Sections 230 to Section 232 and other applicable provisions of the Companies Act, 2013 including any statutory modifications, re-enactments or amendments thereof and the rules thereunder, as well as applicable rules, regulations and circulars issued by Securities and Exchange Board of India (SEBI) and subject to requisite approvals, sanctions, consents, observations, no objections/approvals of the shareholders and/or the creditors of the Company, as may be required, and subject to the approval of SEBI, the stock exchanges, the National Company Law Tribunal (NCLT), the Central Government and other concerned authorities.

RESOLVED FURTHER THAT the draft scheme of amalgamation and arrangement in relation to the proposed merger of Pioneer Distilleries Limited with the Company (the Scheme), as placed before the Board and initialled by the Company Secretary for the purpose of identification be and is hereby approved."

- (7) Further, Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, the Statutory Auditors of the Transferee Company issued a certificate dated 02.12.2019, by confirming that the accounting treatment contained in the aforesaid scheme is in compliance with Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, the applicable Accounting standards



specified under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles.

(8) The rationale for the Scheme is that the proposed amalgamation will achieve are as under:

- simplification of the corporate structure and consolidation of the group's business;
- realising business efficiencies, inter alia, through optimum utilization of resources due to pooling of management, expertise and other resources of the Companies, and to achieve economies of scale;
- overcoming limitations on raising capital for the Transferor Company, ensuring improved allocation of capital and optimum cash flows contributing to better utilization of capacity and the overall growth of the combined entity;
- creation of a larger asset base and facilitation of access to better financial resources;

(9) 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 of 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”

- (10) It is stated that 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.
- (11) Upon the Scheme becoming effective and with effect from the Appointed date, the Transferor Company shall, in accordance with Sections 230-232 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.
- (12) Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and income-tax/indirect tax return (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.
- (13) SRBC & Co LLP, an independent chartered accountant firm, and Manju Singhal, Chartered Accountant and registered valuer have issued valuation reports on the Share Exchange Ratio adopted under the



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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.

- (14) 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.
- (15) It is stated that no investigation has been instituted or is pending in relation to the Applicants under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956. Further no proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against the Transferor Company.
- (16) It is also stated that the Transferee Company received following show cause notice under the Act/the Companies Act, 1956 from the ROC, Karnataka and the same are currently pending:

- i. ROCB/MMM/SCN/SEC/188/24991/2016 dated 23rd June, 2016



ii. ROCB/MMM/SCN/SEC301(2)/24991/2016 dated 23rd June, 2016

iii. ROCB/MMM/SCN/SEC78/24991/2016 dated 23rd June, 2016

iv. ROCB/MMM/Sec205/USL/024991/2016 dated 23rd June, 2016

- (17) Further no winding up proceedings have been filed or are pending against the Applicants under the Act or the corresponding provisions of the Companies Act, 1956 and no proceeding has been filed or is pending against the Applicants under the IBC, 2016.
- (18) Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Applicants. No compromise is offered under the Scheme to any of the creditors of the Applicants. The liability of the Creditors of the Applicants is neither being reduced nor being extinguished under the Scheme. Accordingly, no creditors of either of the Applicants would in any manner be affected by the Scheme.
- (19) The Scheme is conditional upon and subject to, inter alia receipt of the written approval of the Directorate of Industries, Government of Maharashtra under the eligibility certificate issued for the Mega Project under Package Scheme of Incentives 2007. The Directorate of Industries, Government of Maharashtra has given its in principle approval for the Scheme under the eligibility certificate issued for the Mega Project under Package Scheme of Incentives 2007 vide its letter dated June 19, 2020.
- (20) It is stated that the respective observation letters issued to the Applicants by NSE and BSE require the Applicants to ensure full disclosures about "Mr. Vijay Mallya and other promoter entities being wilful defaulters/Fugitive Economic Offender and about all actions taken by SEBI against the listed entities/its directors/promoters are made before the Hon'ble NCLT and shareholders, while seeking approval of the Scheme". The Transferee Company has disclosed the following matters as part of its applications to the stock exchanges under



Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (i) Disclosure in relation to the status of certain members of the UB Group (defined therein) who continue to be identified as promoters of the Transferee Company for historical reasons.
- (ii) Disclosure in relation to an ongoing dispute between the Transferee Company and IDBI Bank, including in relation to the inclusion of Transferee Company and its directors in the list of defaulters as part of the RBI's database on non-suit filed accounts. For the avoidance of doubt, neither the Transferee Company nor any of its directors have been declared as a wilful defaulter by any bank of financial institution.
- (iii) Disclosure in relation to United Breweries (Holdings) Limited and Kingfisher Finvest India Limited, continuing to be identified as promoters of the Transferee Company, and certain proceedings against them.

3. Mr. C K Nandakumar, learned Counsel for the Applicant Companies appeared and was heard through **Video Conference**. We have carefully perused the pleadings of the party and extant provisions of the Companies Act, 2013 and the Rules made thereunder and the Law on the issue.
4. The learned Counsel for the Applicant Companies, while pointing out various averments made in the Company Application, has further submitted that the Scheme in question is made in the best interests of the Companies and their shareholders. The Chartered Accountants of Applicant Companies, after verifying the records of the Companies, have duly certified the Equity/Preference Shareholders, Secured/Unsecured Creditors of the Companies. The Applicant Companies vide their respective letterheads have provided the list of Equity Shareholders. Further, Unsecured Creditors of Transferor Company vide their consent letters (in majority) have given their no objection to the Scheme of Amalgamation and consent for dispensation



of their meeting by the Tribunal. Therefore, the Tribunal may allow the Application as prayed for. It is seen that there are 310 (Three Hundred Ten) Unsecured Creditors in Transferor and 4,969 (Four Thousand Nine Hundred and Sixty Nine) Unsecured Creditors in Transferee Company. Further there are no Preference Shareholders and Secured Creditors in both the Companies.

5. Section 230(9) of the Companies Act, 2013, empowers this Tribunal to dispense with calling of a meeting of creditors or class of creditors, where such creditors or class of creditors, having at least ninety per cent value, agree and confirm, by way of affidavit, to the Scheme of Amalgamation. At this point we may mention that a Scheme of Arrangement proposed by a Company for commercial expediency and in its commercial wisdom cannot ordinarily be interfered. However, it is a settled position of law that any sanction to a Scheme of Arrangement under the extant provisions of Companies Act, does not imply waiver of any liability or legal action for violation of the provisions of any Statute or the Rules made thereunder, or to prevent any statutory authority from initiating action for any such violation. The final approval shall therefore be subject to the approval of all such statutory and other authorities.
6. We have perused the Certificates given by the Chartered Accountants, as mentioned above, and the requisite consent letters, wherein the parties have consented for the Scheme and also for dispensation of their meetings for consideration of the Scheme by the Tribunal. The Statutory Auditors/Chartered Accountants of the Applicant Companies have issued Certificates by *inter alia* certifying the details with regard to Shareholders/Preference Shareholders, Unsecured/Secured Creditors, and compliance of accounting treatment as prescribed U/s 133 of the Companies Act, 2013 with reference to the Scheme in question. The Applicant Companies have disclosed material information with regard to the Scheme in question. The Applicants have made out a case for grant of relief as sought for, for dispensing with meetings of the Preference Shareholders, Secured Creditors, Unsecured Creditors of the Transferor Company and Preference



Shareholders, Secured Creditors of the Transferee Company, and to convene the meeting of the Equity Shareholders of the Transferor and Transferee Company and to convene the meeting of the Unsecured Creditors of the Transferee Company by appointing the Chairperson and Scrutinizer for convening the meeting, time, quorum, etc. As there are no Preference Shareholders and Secured Creditors in both the Applicant Companies, as mentioned by the Statutory Auditors of the Applicant Companies, the question of convening any meeting of Preference Shareholders, Secured creditors of the Applicant Companies does not arise.

7. In the result, **C.A. (CAA) No.09/BB/2021** is disposed of with the following directions:

- (1) The convening and holding of the meeting of the Preference Shareholders, Secured Creditors, of both the Applicant Companies and Unsecured Creditors of the Transferor Company is hereby dispensed with.
- (2) A meeting of the Equity Shareholders of the Applicant Company No.1/Transferor Company be convened and held on **07.05.2021 at 03:00 P.M** either physically or through Audio Visual means for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. Mr. Girish Kumar, Advocate, having address at No.46, 6th Cross, Sampige Road, Malleshwaram, Bangalore 560003, Contact No.9845505273 is hereby appointed as Chairperson and Mr. Qaiser Magdum, PCS, having address at #255, 8th Block, 3rd Main, Koramangala, Bangalore - 560034, Contact No.9916771679 appointed as Scrutinizer for the said meeting. The remuneration for Chairperson shall be Rs.50,000/- and for Scrutiniser shall be Rs.30,000/-.The quorum for the said meeting shall be 30% in terms of total paid-up equity share capital. Further as prescribed in the Act, in the meeting so held, majority of the persons representing three fourth in value of the Equity Shareholders voting in person or by proxy or by postal ballot, shall



agree to the compromise of Amalgamation for it to have binding effect, subject to its being sanctioned by this Tribunal.

- (3) A meeting of the Equity Shareholders of the Applicant Company No.2/Transferee Company be convened and held on **07.05.2021 at 11:00 A.M** through Audio Visual means for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. Mr. Girish Kumar, Advocate, having address at No.46, 6th Cross, Sampige Road, Malleshwaram, Bangalore-560003, Contact No.9845505273 is hereby appointed as Chairperson and Mr. Qaiser Magdum, PCS, having address at #255, 8th Block, 3rd Main, Koramangala, Bangalore - 560034, Contact No.9916771679, appointed as Scrutinizer for the said meeting. The remuneration for Chairperson shall be Rs.50,000/- and for Scrutiniser shall be Rs.30,000/-.The quorum for the said meeting shall be 30% in terms of total paid-up equity share capital. Further as prescribed in the Act, in the meeting so held, majority of the persons representing three fourth in value of the Equity Shareholders voting in person or by proxy or by postal ballot, shall agree to the compromise of Amalgamation for it to have binding effect, subject to its being sanctioned by this Tribunal.

- (4) A meeting of the Unsecured Creditors of the Applicant Company No.2/Transferee Company be convened and held on **07.05.2021 at 01:00 P.M** through Audio Visual means for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. Mr. Girish Kumar, Advocate, having address at No.46, 6th Cross, Sampige Road, Malleshwaram, Bangalore-560003, Contact No.9845505273 is hereby appointed as Chairperson and Mr. Qaiser Magdum, PCS, having address at #255, 8th Block, 3rd Main, Koramangala, Bangalore - 560034, Contact No.9916771679, appointed as Scrutinizer for the said meeting. The remuneration for Chairperson shall be Rs.50,000/- and for Scrutiniser shall be Rs.30,000/-.The quorum for the said



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meeting shall be 30% in terms of total paid-up equity share capital. Further as prescribed in the Act, in the meeting so held, majority of the persons representing three fourth in value of the Equity Shareholders voting in person or by proxy or by postal ballot, shall agree to the compromise of Amalgamation for it to have binding effect, subject to its being sanctioned by this Tribunal.

- (5) The Notice of the meeting of the Equity Shareholders of the Applicant Companies and Unsecured Creditors of the Applicant Company No.2, shall be published in an English Daily "Business Standard" and in Kannada Daily 'Prajavani'. The Applicant Companies and the Chairperson and Scrutiniser appointed in the case, are hereby directed to follow all extant provisions of the Companies Act, 2013 R/w Companies (Compromises, Arrangements and Arrangements) Rules, 2016 in convening above meetings.
- (6) The Chairperson and Scrutinizer are directed to file their respective reports with Registry of this Tribunal, within two weeks from the date of conclusion of the respective meetings, and thereafter, subject to the report of the Chairman and Scrutinizers, the Applicant Companies may file appropriate Company Petition within two weeks, in accordance with law, to seek sanction of the Scheme in question, subject to all statutory Compliances and approvals from the relevant statutory and enforcement authorities.
- (7) Any party, aggrieved by this Order, is entitled to file miscellaneous application, in the instant Company Application, for seeking appropriate direction(s).



**ASHUTOSH CHANDRA
MEMBER, TECHNICAL**




**RAJESWARA RAO VITTANALA
MEMBER, JUDICIAL**

CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL

for Deputy Registrar
National Company Law Tribunal
Bengaluru Bench


**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

C.A. No.58/2021 in
C.A. (CAA)No.09/BB/2021
Under Rules 11, 32 & 154 of NCLT Rules, 2016

In the matter of:

M/s. Pioneer Distilleries Ltd.

R/o. UB Tower, Level 10,
No.24, Vittal Mallya Road,
Bengaluru – 560 001

- Applicant No.1/
Transferor Company

AND

M/s. United Spirits Ltd.

R/o. UB Tower, Level 10,
No.24, Vittal Mallya Road,
Bengaluru – 560 001

- Applicant No.2/
Transferee Company

Order delivered on: 13 .08.2021

Coram: 1. Hon'ble Shri Bhaskara Pantula Mohan, Acting President
2. Hon'ble Shri Hemant Kumar Sarangi, Member (Technical)

Parties/Counsels Present (through Video Conference):

For the Applicants : Shri Arun Kathpalia, Sr. Counsel with
Shri Raghuram Cadambi

ORDER

Per: Hemant Kumar Sarangi, Member (Technical)

1. C.A.No.58/2021 in C.A.(CAA)No.09/BB/2021 is filed by M/s. Pioneer Distilleries Ltd. (Applicant No. 1/Transferor Company) and M/s. United Spirits Ltd. (Applicant No.2/Transferee Company),



Under Rules 11, 32 & 154 of NCLT Rules, 2016, by inter-alia seeking to modify paragraph 7(4) of the order dated 08.02.2021 to specify a quorum for the meeting of Unsecured Creditors of the Applicant No.2/Transferee Company; and reschedule the date of the meetings of the (i) Equity Shareholders of the Applicant No.1/Transferor Company; (ii) Equity Shareholders of the Applicant No.2/Transferee Company; and (iii) Unsecured Creditors of the Applicant No.2/Transferee Company from 07.05.2021 to 30.09.2021.

2. Brief facts of the case, as mentioned in the Application, inter alia, contending as follows:

- (1) The Applicant Companies had filed an Application U/Ss.230-232 of the Companies Act, 2013 seeking, dispensation of the requirement of convening meetings of the (i) preference shareholders of the Transferor Company (ii) secured creditors of the Transferor Company; (iii) Unsecured Creditors of the Transferor Company (iv) Preference Shareholders of the Transferee Company (v) Secured Creditors of the Transferee Company, as well as the issuance of directions to convene the meetings of the (i) Equity Shareholders of the Transferor Company; (ii) Equity Shareholders of the Transferee Company; and (iii) Unsecured Creditors of the Transferee Company.
- (2) The Order dated 08.02.2021 of this Tribunal disposed of the present Application as prayed for. In particular this Tribunal was pleased to direct the convening of the meetings of (i) Equity Shareholders of the Transferor Company on 07.05.2021 at 03.00 P.M; (ii) Equity Shareholders of the Transferee Company on 07.05.2021 at 11.00 AM and (iii)



Unsecured Creditors of the Transferee Company on 07.05.2021 at 1.00 PM.

- (3) In paragraph 7(4) of the said order, which pertains to the convening of the meeting of Unsecured Creditors of the Transferee Company, due to typographical error, it has been stated that the quorum for the said meeting shall be 30% in terms of the total Paid-up Share Capital, and that persons representing three fourth in value of the Equity Shareholders voting in person or by proxy or by postal ballot, shall agree to the scheme of amalgamation. The Applicant Companies pray that the quorum for the said meeting be fixed at either 20 unsecured creditors or 30% of the Unsecured Creditors in terms of total value.

3. The learned Counsel for the Applicant Companies have also filed a Memo dated 31.07.2021 (which is taken on record), that reads as under:

- (1) To modify the inadvertent error in paragraph 7(4) of the order dated 08.02.2021, and consider and, if thought fit, order the following quorum requirement in respect of the meeting of Unsecured Creditors of the Transferee Company: Either 20 Unsecured Creditors or 30% of the Unsecured Creditors in terms of total value. It is further submitted that the meetings be held as follows:

Transferor Company – Pioneer Distilleries Limited			
Sl. No.	Meeting	Proposed Date and Time	Paper publication for the meeting
1	Equity Shareholders	30.09.2021 at 3.00 PM	English – Business Standard; Kannada : Prajavani
Transferee Company – United Spirits Limited			

2	Equity Shareholders	30.09.2021 at 11.00 AM	English – Business Standard Kannada – Prajavani
3	Unsecured Creditors	30.09.2021 at 1.00 PM	English: Business Standard Kannada : Prajavani

4. Heard Shri Arun Kathpalia, learned Sr. Counsel with Shri Raghuram Cadambi, learned Counsel for the Applicant Companies, through Video Conference. We have carefully perused the pleadings of the party and extant provisions of the law.
5. Upon hearing the Counsel for the Applicants and having perused the Application and Memo dated 31.07.2021 filed by the Applicant Companies, we are convinced with the reasons cited by the Applicant in the instant Application and are inclined to allow the Applicant in terms of the Memo dated 31.07.2021.
6. In the result, **C.A.No.58 of 2021 in C.A.(CAA)No.09/BB/2021** is disposed of with the following directions:
 - (1) We hereby modify the paragraph 7(4) of the Order dated 08.02.2021 and consider the quorum for the Unsecured Creditors meeting of the Applicant No.2/Transferee Company as either 20 Unsecured Creditors or 30% of the Unsecured Creditors in terms of total value;
 - (2) The Applicant No.1/Transferor Company is permitted to convene the meeting of Equity Shareholders on 30.09.2021 at 03.00 PM;
 - (3) The Applicant No.2/Transferee Company is permitted to convene the meeting of Equity Shareholders on 30.09.2021 at 11.00 AM;



- (4) The Applicant No.2/Transferee Company is permitted to convene the meeting of Unsecured Creditors on 30.09.2021 at 1.00 PM;
- (5) The Notice of the meeting of the Equity Shareholders of the Transferor Company and Equity Shareholders, Unsecured Creditors of the Transferee Company, shall be published in an English Daily "Business Standard" and in Kannada Daily "Prajavani".
- (6) The remaining terms and conditions of the order dated 08.02.2021 passed in C.A. (CAA) No.09/BB/2021 will remain same. No order as to costs.

(BHASKARA PANTULA MOHAN)
ACTG. PRESIDENT

(HEMANT KUMAR SARANGI)
MEMBER (TECHNICAL)

Shruthi