UNITED SPIRITS LIMITED

Registered Office: 'UB Tower', # 24, Vittal Mallya Road, Bangalore – 560 001.
Tel: +91 80 3985 6500; Fax: +91 80 3985 6862; www.unitedspirits.in
CIN: L01551KA1999PLC024991

COURT CONVENED MEETING OF THE SECURED CREDITORS

Date	:	16th June 2014
Day	:	Monday
Time	:	12.00 pm
Venue	:	Chowdiah Memorial Hall, 16th Cross, Gayathri Devi Park Extension, Vyalikaval, Bangalore - 560 003 Karnataka

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

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF UNITED SPIRITS LIMITED

AND

IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN UNITED SPIRITS LIMITED AND ENRICA ENTERPRISES PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. 770 OF 2014

United Spirits Limited
'UB Tower',
24, Vittal Mallya Road,
Bangalore - 560 001.

APPLICANT / TRANSFEROR COMPANY

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY

To,

The **Secured Creditors** of **United Spirits Limited** (the **"Applicant Company"**)

TAKE NOTICE that by an Order made on 29th day of April 2014 the Hon'ble High Court of Karnataka has directed that a meeting of the Secured Creditors of the Applicant Company be convened and held at Chowdiah Memorial Hall, 16th Cross, Gayathri Devi Park Extension, Vyalikaval, Bangalore - 560 003, Karnataka on Monday the 16th day of June 2014 at 12.00 pm for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement (the **"Scheme"**) between the Applicant Company and Enrica Enterprises Private Limited and their respective shareholders and creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of Secured Creditors of the Applicant Company will be held at **Chowdiah Memorial Hall, 16th Cross, Gayathri Devi Park Extension, Vyalikaval, Bangalore - 560 003, Karnataka on Monday, the 16th day of June 2014 at 12.00 pm** at which place, day, date and time you are requested to attend.

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

The Hon'ble High Court has appointed Shri P.A.Murali, Executive Director of the Applicant Company or failing him, Shri Ghyanendra Nath Bajpai, Director of the Applicant Company or failing him, Shri Sudhakar Rao, Director of the Applicant Company to be the Chairman of the said meeting.

A copy each of the Scheme, the Explanatory Statement under section 393 of theCompanies Act, 1956, a Form of Proxy and the Attendance Slip are enclosed.

Sd/-
P.A. Murali
(Chairman appointed for the meeting)

Dated this 10th day of May 2014

Registered Office:
'UB Tower',
24, Vittal Mallya Road,
Bangalore- 560 001

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

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

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

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IN THE MATTER OF UNITED SPIRITS LIMITED

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IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN UNITED SPIRITS LIMITED AND ENRICA ENTERPRISES PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. 770 OF 2014

United Spirits Limited
'UB Tower',
24, Vittal Mallya Road,
Bangalore- 560 001

APPLICANT / TRANSFEROR COMPANY

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. In this statement, United Spirits Limited is referred to as the "Applicant/Transferor Company" and Enrica Enterprises Private Limited is referred to as the "Transferee Company or Enrica". The other definitions contained in the proposed scheme of arrangement between the Transferor Company and the Transferee Company and their respective shareholders and creditors (hereinafter referred to as the "Scheme") will also apply to this statement under Section 393(1)(a) of the Companies Act, 1956 ("Explanatory Statement").

2. Pursuant to the Order dated 29th day of April 2014 passed by the Hon'ble High Court of Karnataka in Company Application No. 770 of 2014, separate meetings are being convened of the equity shareholders, secured creditors and unsecured creditors of the Applicant Company for the purpose of considering and if thought fit, approving, with or without modifications, the Scheme of Arrangement (the "**Scheme**") between the Applicant Company and Transferee Company, annexed to the Notice.

3. A copy of the Scheme setting out in detail the terms and conditions on which the Scheme is proposed, as approved by the Board of Directors of the Applicant Company is enclosed.

4. The Scheme proposes the hive-off of the Transferred Undertaking (as defined in the Scheme) of the Applicant Company into Enrica, by way of slump sale, as a going concern and the consequent payment of cash consideration by Enrica to the Transferor Company under Section 391 to 394 and other applicable provisions of the Companies Act 1956 (hereinafter referred to as the 'Act') with effect from 1st of April, 2013.

5. The Applicant Company is primarily engaged in the business of manufacture, purchase and sale of beverage alcohol (spirits and wines) including through tie-ups / brand franchise, which constitute a single business segment.

6. Enrica was incorporated under the Companies Act, 1956 on September 6, 1990 and its registered office is located in the State of Tamil Nadu. The Registered Office of Enrica is presently situated at New No. 9, Old No. 5, Chinnaiah Street, T Nagar, Chennai 600 017. Enrica was inter alia in the business of manufacturing metal caps and is now proposing to enter the business of manufacturing Indian Made Foreign Spirits

7. A) Capital structure of the Applicant Company

The authorised, subscribed and paid-up share capital of the Applicant Company as on March 31, 2013 is as follows:

Particulars	Rupees
Authorized Share Capital	
395,000,000 Equity Shares of Rs.10/- each	3950,000,000
159,200,000 Preference Shares of Rs.10/- each	1592,000,000
Total	**5542,000,000**

Particulars	Rupees
Issued, Subscribed and Paid-up Share Capital	
130,794,968 Equity Shares of Rs.10/- each fully paid-up	1307,949, 680
Total	**1307,949,680**

Subsequent to 1st April, 2013, the issued, subscribed and paid-up share capital of the Applicant Company has changed and the share capital as on 1st November, 2013 of the Applicant Company is as under:

Particulars	Rupees
Authorized Share Capital	
395,000,000 Equity Shares of Rs. 10/- each	3950,000,000
159,200,000 Preference Shares of Rs. 10/- each	1592,000,000
Total	**5542,000,000**

Particulars	Rupees
Issued, Subscribed and Paid-up Share Capital	
145,327,743 Equity Shares of Rs.10/- each fully paid-up	1453,277,430
Total	**1453,277,430**

The Applicant Company has no shareholders holding preference shares of the Applicant Company.

B) Capital Structure of Enrica

The authorised, subscribed and paid-up share capital of Enrica as on March 31, 2013 is as follows:

Particulars	Rupees
Authorized Capital	
1,50,000 Equity Shares of Rs. 10/- each	15,00,000
Total	**15,00,000**

Particulars	Rupees
Issued, Subscribed and Paid-up	
1,50,000 Equity Shares of Rs. 10/- each fully paid-up	15,00,000
Total	**15,00,000**

Post March 31, 2013, there is no change in the authorised, issued, subscribed and paid-up share capital of Enrica.

8. In line with the Applicant Company's intent of premiumising the brand offering and to prioritize the focus on national brands, it has decided to hive-off the Transferred Undertaking to Enrica. Enrica would acquire a fully operational unit with established processes and employees, and would thereby continue the production of the products which have an existing successful market. The transfer will provide opportunities for flexibility of fund raising capability for future growth and expansion and to create a business structure, which is geared to take advantage of possible growth opportunities.

The Applicant Company has entered into a Master Sale Agreement ('MSA') to record the arrangement for hive-off of the business pertaining to Poonamallee Unit through a Scheme for a lump sum cash consideration. In addition, the Company has also entered into a Franchise Agreement with Enrica to bottle its brand(s) and earn royalty income.

9. The Applicant Company and Enrica post transfer and vesting of the Transferred Undertaking will have better operational prospects including but not limited to efficient management of costs, resources, better maintenance of the manufacturing facilities and improved administrative control of the Transferred Undertaking. The businesses and activities of the respective companies will be carried on more economically, conveniently and advantageously under the proposed Scheme and the same will have beneficial results for the said companies, their shareholders, stakeholders and all concerned.

10. The Scheme would not be prejudicial to the interests of the shareholders or creditors (secured and unsecured), if any, of either of the companies. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner. Hence, the transfer of the Transferred Undertaking of the Transferor Company to the Transferee Company pursuant to the proposed Scheme will not cast any additional burden on the shareholders or creditors of the Transferor Company or the Transferee Company, nor will it affect the interest of any of the shareholders or creditors, as post arrangement, the assets of the Transferor Company will be far in excess of the liabilities and sufficient to discharge the liabilities.

11. Hence, the Scheme is proposed to hive-off the Transferred Undertaking of the Applicant Company into Enrica by way of a slump sale on a going concern basis. The same would be in the interest of the Applicant Company and its shareholders and creditors. The hive-off of the Transferred Undertaking of the Applicant Company into Enrica on a going concern basis is proposed under the provisions of Sections 391 to 394 of the Companies Act, 1956, and the same, if approved and sanctioned by this Hon'ble Court and also approved and sanctioned by the Hon'ble High Court of Judicature at Madras, within which the registered office of the Transferee Company is situated, will take effect from the Appointed Date i.e., April 1, 2013.

12. The salient features of the Scheme of Arrangement are as stated hereunder:

    A. The Appointed Date under the Scheme is April 1, 2013.

    B. The Effective Date of the Scheme is the date on which the last of the approvals and events which have been listed out in Clause 17 of the Scheme are obtained or completed or have occurred.

    C. The Scheme provides for the hiving off of the Transferred Undertaking to the Transferee Company by way of a slump sale, on a going concern basis.

    D. The Scheme further provides:-

        i. All the assets (excluding any intellectual property), investments, right, title or interest acquired by the Transferor Company after the Appointed Date but prior to the Effective Date in relation to the Transferred Undertaking shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon coming into effect of the Scheme;

        ii. All the movable assets (excluding any intellectual property) of the Transferred Undertaking and the assets which are capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company.

        iii. In respect of any movable assets (excluding any intellectual property) of the Transferred Undertaking, which are incapable of transfer by physical delivery, including actionable claims, sundry debtors, deferred tax asset, allocable miscellaneous expenditure, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company and the Transferee Company may enter into novation agreement(s), if required.

        iv. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and are subsisting/have effect immediately before the Effective Date shall continue to be in full force and effect against or in favour of, the Transferee Company.

        v. The Transferee Company shall be deemed to be authorized to take such actions and execute such deeds (including deeds of adherence), confirmations, or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party, on behalf of the Transferor Company, in relation to the Transferred Undertaking and to carry out or perform all such formalities or compliances as may be necessary in order to give formal effect to the provisions of the Scheme.

vi. All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferred Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 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 debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;

vii. Other than those in relation to any intellectual property, all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, import entitlements, expressions of interest, authorizations, franchises, instruments, licenses, registrations, engagements, certificates, permissions, consents, approvals, concessions, incentives, credits (including in relation to income tax, unexpired credit for minimum alternate tax, tax on book profits, sales tax, excise duty, custom duty, service tax, Value Added Tax and others), remissions, refunds under any law for the time being in force, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the respective Transferor Company may be eligible and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the said Transferor Company, the Transferee Company had been a party or beneficiary thereto.

viii. All legal and other proceedings including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date shall be continued and / or enforced by or against the Transferee Company only, to the exclusion of the respective Transferor Company in the manner and to the same extent as would have been continued and enforced by or against the said Transferor Company. On and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the respective Transferor Company.

ix. Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, instruments, licenses, registrations, engagements, certificates, permissions, consents, approvals, concessions, incentives, credits (including in relation to income tax, unexpired credit for minimum alternate tax, tax on book profits, sales tax, excise duty, custom duty, service tax, Value Added Tax and others), remissions, refunds under any law for the time being in force, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the respective Transferor Company may be eligible and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the said Transferor Company, the Transferee Company had been a party or beneficiary thereto.

x. the staff, workmen and other employees in the service of the Transferor Companies (including those on sabbatical/ maternity leave) on the Effective Date shall be deemed to have become the staff, workmen and employees of the Transferee Company with effect from the effective date without any break or interruption in their service and on the terms and conditions not less favorable than those applicable to them with reference to the respective Transferor Company on the Effective date.

E. The Scheme further mentions that the Transferee Company, with effect from the Appointed Date, shall record the assets and liabilities as per the fair values attributable to such assets and also any cost incurred in respect of payment of stamp duty thereon and liabilities based on purchase price allocation to be carried out by an independent valuer.

F. As per the Scheme, pursuant to the hive-off of the Transferred Undertaking of the Applicant Company into Enrica, a sum of Rs. 125,07,00,000/- (Rupees One Hundred Twenty Five Crores and Seven Lakhs only) shall be paid by Enrica to the Applicant Company as consideration, with a sum of Rs. 100,00,00,000 (Rupees One Hundred Crores only) being payable on the Effective Date and the balance amount payable within 45 days of the Effective Date.

Note: Reader is requested to read the entire text of the Scheme attached herewith to get better acquainted with the provisions thereof. What is stated hereinabove are brief salient features.

13. The Transferor Company has obtained valuation report from Ernst & Young LLP, dated 8th of November 2013 and fairness opinion from Morgan Stanley India Private Limited, dated 8th of November 2013.

14. The Board of Directors of the Applicant Company and Enrica have approved and adopted the Scheme at their respective meetings held on November 8, 2013, by virtue of which, the Transferred Undertaking of the Applicant Company is being

transferred to Enrica subject to the approval and sanction of this Hon'ble High Court, within whose jurisdiction the registered office of the Applicant Company is situated and the approval and sanction of the Hon`ble High Court of Judicature at Madras, within whose jurisdiction the registered office of the Transferee Company is situated.

15. The Applicant Company has received Observation Letter from the Bangalore Stock Exchange Limited ('BgSE') dated December 12, 2013 and the BSE Limited ('BSE') dated March 24, 2014 and the National Stock Exchange of India Limited ('NSE') dated March 25, 2014 respectively, conveying their "No Objection" to the proposed scheme. A copy of the observation letters issued by each of the Stock Exchanges is enclosed.

16. In accordance with the Securities and Exchange Board of India ("SEBI") circulars dated February 4, 2013 and May 21, 2013, the Applicant Company is exempt from providing any valuation report as there is "no change in the shareholding pattern". However, the Applicant Company has submitted a valuation report to the SEBI. The Applicant Company is also exempt from following the procedure of postal ballot and e-voting as contemplated under the circular dated May 21, 2013 issued by the SEBI as it has submitted to the stock exchanges a certificate from its auditor and an undertaking of its Board of Directors.

17. As required by SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL Complaints) with the Stock Exchanges on December 31, 2013. A copy of the Complaints Report filed with the Stock Exchanges is enclosed.

18. The Competition Commission of India ("CCI") has by its order dated 26.12.2013 approved of the proposed hive-off as set out in the Scheme.

19. As there will be no issue of shares pursuant to the Scheme of Arrangement, the Pre and Post arrangement shareholding of the Transferor Company would remain unchanged. The shareholding pattern of Transferor Company as on March 31, 2014 is given below:

Cat-egory Code	Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares
			As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)
(A)	Shareholding of Promoter and Promoter Group[2]		
(1)	Indian		
(a)	*Individuals/ Hindu Undivided Family	12510	0.01
(b)	Central Government/ State Government(s)	-	-
(c)	Bodies Corporate	14283376	9.83
(d)	Financial Institutions/ Banks	-	-
(e)	Any Other (specify)	-	-
	Sub-Total (A)(1)	**14295886**	**9.84**
(2)	Foreign		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-
(b)	Bodies Corporate	41,827,132	28.78
(c)	Institutions	-	-
(d)	Qualified Foreign Investor	-	-
(e)	Any Other (specify)	-	-
	Sub-Total (A)(2)	**41827132**	**28.78**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**56,123,018**	**38.62**
(B)	Public shareholding[3]		
(1)	Institutions		
(a)	Mutual Funds/ UTI	5,671,397	3.90
(b)	Financial Institutions/ Banks	61,490	0.04
(c)	Central Government/ State Government(s)	30,367	0.02

Cat-egory Code	Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares
			As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors	58,331,452	40.14
(g)	Foreign Venture Capital Investors	-	-
(h)	Qualified Foreign Investor	12,775	0.01
(i)	Any Other (specify)	-	-
	Sub-Total (B)(1)	**64,107,481**	**44.11**
(2)	**Non-institutions**		
(a)	Bodies Corporate	9,841,993	6.77
(b)	Individuals -		
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	6,350,588	4.37
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,948,997	4.09
(c)	Any Other (specify)		
	Trust	100852	0.07
	Unclaimed Suspence A/c	544305	0.37
	NRI	688133	0.47
	Clearing Member	802653	0.55
	Foreign OCB DR	46900	0.03
	Overseas Corporate Bodies	3504	0.00
	Sub-Total (B)(2)	**24,327,925**	**16.74**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**88,435,406**	**60.85**
	TOTAL (A)+(B)	**144,558,424**	**99.47**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**		
1	**Promoter and Promoter Group**	-	-
2	**Public**	769,319	0.53
	Sub-Total (C-1)+(C-2)	**769,319**	**0.53**
	GRAND TOTAL (A)+(B)+(C)	**145,327,743**	**100.00**

20. As there will be no issue of shares pursuant to the Scheme of Arrangement, the Pre and Post arrangement shareholding of the Transferee Company would remain unchanged. The shareholding pattern of Transferee Company as on March 31, 2014 is given below:

NAME OF THE SHAREHOLDERS	NO. OF SHARES HELD
Spurthi Holdings Private Limited	52700
Viki Investments and Properties Private Limited	47600
Sree Shyam Sayi Investments and Traders Private Limited	49700
TOTAL NO. OF SHARES	**1,50,000**

21. None of the Directors of the Applicant Company and Transferee Company are concerned and/or interested in the proposed Scheme.

22. The said Scheme would be effective upon filing of the Orders of the High Court of Karnataka and the High Court of Judicature at Madras under provisions of Sections 391-394 of the Companies Act, 1956, with the respective Registrar of Companies.

23. In order to give effect to the Scheme as proposed, it has become necessary to convene separate meetings of equity shareholders, secured creditors and unsecured creditors to consider, and if thought fit, to approve the proposed Scheme. Accordingly, the convening of separate meeting(s) of the equity shareholders, secured creditors and unsecured creditors of the Applicant Company, has been directed by the Hon'ble High Court of Karnataka.

24. The following documents will be open for inspection at the Registered Office of Transferor Company on any working day (except Saturdays, Sundays and Public Holidays) between 10.00 A.M and 3.00 P.M till June 13, 2014:

a. Memorandum and Articles of Association of Transferor and Transferee Company.
b. Scheme of Arrangement.
c. Audited Financial Statements of Transferor Company as on March 31, 2013.
d. Audited Financial Statements of Transferee Company as on March 31, 2013.
e. Order dated 29th day of April, 2014 of the Hon'ble High Court of Karnataka, directing the convening of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company.
f. Copies of the Observation Letters dated December 12, 2013, March 24, 2014, March 25, 2014 from BgSE, BSE and NSE respectively.
g. Copy of Valuation Report, dated 8th November 2013 obtained from Ernst & Young LLP.
h. Copy of Fairness Opinion, dated 8th November 2013 obtained from Morgan Stanley India Company Private Limited.
i. Complaints Report dated December 31, 2013 filed by the Applicant Company.

Sd/-
P.A.Murali
(Chairman appointed for the meeting)

Dated this the 10th day of May 2014

SCHEME OF ARRANGEMENT

UNDER SECTION 391 TO 394 OF THE COMPANIES ACT, 1956

BETWEEN

UNITED SPIRITS LIMITED…The Transferor Company

AND

ENRICA ENTERPRISES PRIVATE LIMITED …The Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

In respect of the transfer of an Undertaking of United Spirits Limited to Enrica Enterprises Private Limited

A: PREAMBLE

1. United Spirits Limited ("**Transferor Company**") is a public limited company incorporated under the provisions of the Companies Act, 1956, having its registered office at 'UB Tower', #24, Vittal Mallya Road, Bangalore - 560 001. The Transferor Company is primarily engaged in the business of manufacture, purchase and sale of beverage alcohol (spirits and wines) including through tie-ups/brand franchise, which constitute a single business segment. The equity shares of the Transferor Company are listed on the BSE Limited the National Stock Exchange of India Limited and the Bangalore Stock Exchange Limited.

2. Enrica Enterprises Private Limited ("**Transferee Company**") is a company incorporated under the Companies Act, 1956, having its registered office at New No.9, Old No. 5, Chinnaiah Street, T. Nagar, Chennai, 600 017. The Transferee Company is inter-alia proposed to be engaged in the business of manufacturing of Indian made foreign spirits ("**IMFS**") and supply of IMFS to parties designated by the Government of Tamil Nadu and to manufacture, distill, blend, bottle, prepare, market, brew all kinds of Indian made foreign liquors and other liquors, wines, spirits, beers and other alcohol.

3. In line with the Transferor Company's stated intent of premiumising the brand offering and to prioritize the focus on national brands, it has decided to hive-off the Transferred Undertaking (defined hereinafter).

4. Therefore, with a view to achieve the above, the Transferor Company proposes that the Transferred Undertaking (defined hereinafter) be transferred to and vested in the Transferee Company by way of slump sale on a going concern basis to be undertaken through this Scheme (defined hereinafter) under the provisions of Sections 391-394 and other relevant provisions of the Act (defined hereinafter), for such consideration and in such manner as provided for in this Scheme (defined hereinafter).

5. This Scheme, under Sections 391 to 394 of the Companies Act, 1956, provides for the transfer of entire business of Transferred Undertaking (defined hereinafter) of the Transferor Company by way of slump sale on a going concern basis to the Transferee Company.

6. Upon the sanction of the Scheme by the High Courts (defined hereinafter) and the Scheme becoming effective on the Effective Date (defined hereinafter), the Transferred Undertaking shall stand transferred to, and be vested in, the Transferee Company on and from the Appointed Date (defined hereinafter) for all intent and purposes.

7. This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

B: PARTS OF THE SCHEME

(i) **Part I** deals with the Definitions and Share Capital of the Transferee Company and Transferor Company;

(ii) **Part II** deals with the mechanics of the transfer of the Transferred Undertaking, by way of slump sale, on a going concern basis for consideration being discharged in cash;

(iii) **Part III** deals with General Terms and Conditions.

PART I- DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as provided anywhere in the body of this Scheme and as defined in this Part I:

(a) "**Act**" shall mean the Companies Act, 1956 or Companies Act, 2013 (as the case may be) or any statutory modification or re-enactment thereof;

(b) "**Arrangement**" means the term "arrangement" as referred to and understood under the provisions of Sections 391 to 394 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013, as the case may be;

(c) "**Appointed Date**" means opening of business hours on April 1, 2013;

(d) "**Board of Directors**" in relation to each of the Transferee Company and the Transferor Company, as the case may be, shall, also include their respective committee of directors;

(e) "**Consideration**" shall have the meaning ascribed to it in Clause 5 hereof;

(f) "**Courts**" or "**High Courts**" means the High Court of Karnataka and High Court of Judicature, Madras and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the Act;

(g) "**Effective Date**" shall mean the date on which the last of the approvals and events specified in Clause 17 of this Scheme are obtained or completed or have occurred;

(h) "**Poonamallee Unit**" means the Transferor Company's Distillery Unit located at Poonamallee, Chennai, Tamil Nadu;

(i) "**Remaining Business**" means all the business and the divisions/units of the Transferor Company, other than the Transferred Undertaking;

(j) "**SEBI**" means the Securities and Exchange Board of India;

(k) "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Arrangement in its present form submitted to the High Courts or with any modification(s) made under Clause 16 of this Scheme or with such other modifications/ amendments as the High Courts may direct;

(l) "**Transferred Undertaking**" means Transferor Company's entire undertaking, business activities and operations pertaining to the Poonamallee Unit, including all movable properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company pertaining to Poonamallee Unit. The term Transferred Undertaking shall include the following:-

(i) All assets including movable and immovable assets (including those described in Schedule 1) (whether real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible excluding any intellectual property) wherever situated and of whatever nature, pertaining thereto through which the Transferor Company carries on the business activities and operations relating to Poonamallee Unit including in particular, the factory land and building, workshops, warehouses, plant and machinery, equipments, furniture and fixture, vehicles and any other fixed assets; all current assets, inventory, stock-in-trade, unbilled work-in-progress, account receivables, loans and advances, prepaid expenses and other assets; cash and cash equivalents, bank balances and bank accounts; security deposits, advances, earnest monies, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers, all in relation to Poonamallee Unit;

(ii) All present and future liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, current liabilities and provisions, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the business activities and/or operations relating solely to Poonamallee Unit;

(iii) All permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, import entitlements, expressions of interest, authorizations, franchises, municipal and other statutory permissions, approvals, applications, consents, licenses, excise license, brand registrations, label registrations , sale tax registrations, VAT registration, service tax registration and other registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease, rights, licenses, permits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests including but

not limited to various incentives, samadhan and other amnesty schemes subsidies, rehabilitation schemes, special statutes and other benefits or privileges enjoyed, granted by any Government body, local authority, or by any other person, or availed of by Transferor Company, as the case may be, are concerned;

(iv) All agreements (including lease agreements and leave and license agreements), rights, contracts (including customer contracts of every nature and revenue and receipts associated therewith), entitlements, pre-qualifications, permits, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits or tax relief or deduction in respect of VAT/ sales tax law, VAT/sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/ Service tax credits, etc.) relating to Poonamallee Unit;

(v) All employees of the Transferor Company who are engaged in relation to or in connection with Poonamallee Unit;

(vi) All necessary records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to Poonamallee Unit;

(vii) All pending litigations or Proceedings filed by or against the Transferor Company pertaining to Poonamallee Unit;

(viii) All loans specifically raised and utilized for the activities or operations of Poonamallee Unit and cash credit facilities availed of by the Transferor Company for the purposes of Poonamallee Unit and other liabilities incurred in connection therewith; and

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to Poonamallee Unit or whether it arises out of the activities or operations of Poonamallee Unit shall be decided by mutual agreement between the Boards of Transferor Company and the Transferee Company.

2. DATE OF COMING INTO EFFECT

2.1. The Scheme in its present form or with any modification approved or imposed or directed by the High Courts shall be effective from the Appointed Date but shall be operative from the Effective Date.

2.2. Any reference in this Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "upon the coming into effect of the Scheme" shall mean the Effective Date.

3. SHARE CAPITAL

3.1. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 1st April, 2013 is as under:

Particulars	Rupees
Authorized Share Capital	
395,000,000 Equity Shares of Rs.10/- each	3950,000,000
159,200,000 Preference Shares of Rs.10/- each	1592,000,000
Total	**5542,000,000**

Particulars	Rupees
Issued, Subscribed and Paid-up Share Capital	
130,794,968 Equity Shares of Rs.10/- each fully paid-up	1307,949,680
Total	**1307,949,680**

Subsequent to 1st April, 2013, the issued, subscribed and paid-up share capital of the Transferor Company has changed and the share capital as on 1st November, 2013 of the Transferor Company is as under:

Particulars	Rupees
Authorized Share Capital	
395,000,000 Equity Shares of Rs.10/- each	3950,000,000
159,200,000 Preference Shares of Rs.10/- each	1592,000,000
Total	**5542,000,000**

Particulars	Rupees
Issued, Subscribed and Paid-up Share Capital	
145,327,743 Equity Shares of Rs.10/- each fully paid-up	1453,277,430
Total	**1453,277,430**

3.2. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on 1st April, 2013 is as under:

Particulars	Rupees
Authorized Capital	
1,50,000 Equity Shares of Rs. 10/- each	15,00,000
Total	15,00,000

Particulars	Rupees
Issued, Subscribed and Paid-up	
1,50,000 Equity Shares of Rs. 10/- each fully paid-up	15,00,000
Total	15,00,000

PART – II- TRANSFER OF THE TRANSFERRED UNDERTAKING

4. TRANSFER OF TRANSFERRED UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferred Undertaking pursuant to the provisions of Sections 391 to 394 of the Act shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company on a going concern basis for the Consideration as detailed in Clause 5 of the Scheme, without any further act, deed, matter or thing and in the following manner:

4.1. Assets

(a) The whole of the Transferred Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to vest in the Transferee Company all rights, title and interest pertaining to the Transferred Undertaking;

(b) The mutation of the ownership or title, or interest in the immovable properties (including those described in Schedule 1 hereto)in favor of the Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and it becoming effective in accordance with the terms thereof;

(c) All assets (excluding any intellectual property), investments, right, title or interest acquired by the Transferor Company after the Appointed Date but prior to the Effective Date in relation to the Transferred Undertaking shall also, without any further act, instrument or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act;

(d) All the movable assets (excluding any intellectual property) of the Transferred Undertaking and the assets which are capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such date of delivery shall be within 30 (thirty) days from the Effective Date or such other date as may be mutually agreed upon by the Transferor Company and the Transferee Company;

(e) In respect of any movable assets (excluding any intellectual property) of the Transferred Undertaking which are incapable of transfer by physical delivery, including actionable claims, sundry debtors, deferred tax asset, allocable miscellaneous expenditure, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company and the Transferee Company may enter into novation agreement(s), if required.

4.2. Contracts

(a) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking 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 against or in favor of, as the case may be, the Transferee Company in which the Transferred Undertaking vests by way of slump sale hereunder 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 oblige thereto or there under; and

(b) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferred Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party (including securing the change of record of rights and any revenue and other records of government and local bodies, inter alia

for mutating the legal ownership of any immovable property (including those described in Schedule 1)vested with the Transferee Company and relating to the Transferred Undertaking) or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company in relation to the Transferred Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

4.3. **Liabilities**

(a) All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferred Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 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 debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;

(b) Where any of the loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company 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;and

(c) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferred Undertaking after 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 to the extent they are outstanding on the Effective Date, 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 debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.

4.4. **Licenses, permissions and incentives**

(a) Other than those in relation to any intellectual property, all permits, quotas, rights, entitlements, industrial and and other licences, bids, tenders, letters of intent, import entitlements, expressions of interest, authorizations, franchises, municipal and other statutory permissions, approvals, applications, consents, licenses, excise license, other registrations, sale tax registrations, VAT registration, Service tax registration, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease, rights, licenses, permits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests shall vest in and become available to Transferee Company pursuant to this Scheme as if the said licenses, permits, permissions, registrations, approvals, authorizations, consents and applications were from the beginning given by Transferee Company and shall be appropriately mutated, registered, recorded by the statutory authorities concerned therewith in favour of Transferee Company.

(b) Entitlement of Transferor Company, if any, to various incentives schemes, samadhan and other amnesty schemes and policies and pursuant to this Scheme, it is declared that upon the coming into effect of the Scheme, the benefits under all such schemes and policies shall be vested in and become available to Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including sales tax concessions, samadhan and other amnesty schemes and incentives shall be claimed by Transferee Company and these shall relate back to Appointed Date as if Transferee Company was entitled to all benefits under such incentive schemes and/or policies subject to continued compliance by Transferee Company of all terms and conditions subject to which the benefits under the incentives schemes, samadhan and other amnesty schemes were made to Transferor Company.

4.5. **Security**

The security and charge over the assets forming part of the Transferred Undertaking which relate to any liabilities pertaining to the business other than the Transferred Undertaking, or liabilities of the Transferor Company other than the liabilities of the Transferred Undertaking, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities of the Remaining Business. Without prejudice to the foregoing and with effect from the Effective Date, the Transferor Company and the Transferee Company shall execute all such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrars of Companies to give formal effect to the above provisions, if required.

4.6. **Others**

All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company pertaining to the Transferred Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honor all cheques issued by the Transferor Company

pertaining to the Transferred Undertaking for payment after the Effective Date. If required, the Transferor Company may allow maintaining of banks accounts in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company in connection with the business of the Transferred Undertaking. It is hereby expressly clarified that any Proceedings (defined hereinafter) by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company pertaining to the Transferred Undertaking shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

If any payment is received by the Transferor Company by wire transfer in relation to Transferred Undertaking after the Effective Date and such payment amount is not transferred by Transferor Company to the Transferee Company, the Transferor Company shall ensure that such payment (together with any benefit or sum, net of tax, accruing to the Transferor Company as a result of holding such amount since Effective Date) is transferred to the Transferee Company as soon as reasonably practicable after discovery of such non-transfer and on the terms that no consideration is payable by any person for such transfer. All such costs of the transfer shall be for the account of the Transferor Company.

5. CONSIDERATION

5.1. Subject to the terms and conditions of this Scheme, in consideration of the transfer of the Transferred Undertaking by the Transferor Company to the Transferee Company upon the terms of this Scheme, the Transferee Company shall pay a lump sum consideration of Rs. 125,07,00,000/- (Rupees One Hundred Twenty Five Crores Seven Lakhs only **("Consideration")**.

5.2. The total Consideration shall be discharged in following manner:

i. Rs. 100,00,00,000/- (Rupees One Hundred Crores only) by wire transfer on the Effective Date or such other date, as may be mutually decided by the Board of Directors or the authorized officials of the Transferor Company and the Transferee Company, and

ii. the balance Consideration shall be paid within 45 (Forty Five) days from the Effective Date.

6. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

6.1. Upon the Scheme becoming effective, the Transferor Company shall account for the Scheme, with effect from the Appointed Date as under:

(a) The accounts representing the assets and liabilities pertaining to the Transferred Undertaking shall stand reduced/ closed on transfer to the Transferee Company in accordance with Clause 4 above;

(b) Any difference between Consideration received as per Clause 5 above and the items mentioned in Clause 6.1(a) above shall be credited as 'income' in its Profit and Loss Account. Conversely, if the difference between Consideration received as per Clause 5 above and the items mentioned in Clause 6.1(a) above is a deficit, such amount shall be debited in its Profit and Loss Account.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

7.1. Upon the Scheme becoming effective, the Transferee Company shall account for the Scheme, with effect from the Appointed Date as under:

(a) The Transferee Company shall record the assets and liabilities pertaining to the Transferred Undertaking vested in it in accordance with Clause 4, as per the fair values attributable to such assets as also any cost incurred in respect of payment of stamp duty thereon and liabilities based on purchase price allocation to be carried out by an independent valuer;

(b) The excess, if any, of the balances as recorded under Clause 7.1 (a) above over the Consideration as detailed in Clause 5 shall be recorded as and credited as Capital Reserve in the books of the Transferee Company. Conversely, if the difference of balances as recorded under Clause 7.1.(a) above and the Consideration as detailed in Clause 5 is a shortfall, such amount shall be recorded as Goodwill.

8. ASSETS TO BE HELD ON TRUST

If any asset relating to the Transferred Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Transferor Company owns, cannot be transferred to the Transferee Company, for the time being for any reason whatsoever, the Transferor Company shall (i) hold such asset in trust for the sole benefit of the Transferee Company till the same is transferred provided that all costs incurred by the Transferor Company including the maintenance of such assets shall be reimbursed by the Transferee Company promptly upon demand by the Transferor Company and all the risks in relation to such assets shall be to the account of the Transferee Company; and (ii) make best efforts to transfer such asset to the Transferee Company within the earliest possible period after the Scheme becomes effective for which stamp duty, VAT or any other indirect taxes shall be borne by the Transferee Company and capital gain tax, if any, shall be borne by the Transferor Company and each party shall bear and pay its respective legal other costs in relation to this Scheme.

9. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

Unless otherwise stated herein under, with effect from the Appointed Date and upto and including the Effective Date:

9.1. The Transferor Company shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective assets of the Transferor Company pertaining to Transferred Undertaking for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with reasonable prudence until the Effective Date.

9.2. With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall preserve and carry on the business and activities pertaining to Transferred Undertaking with reasonable diligence and business prudence and shall not, in relation to the Transferred Undertaking, without the prior consent in writing of any of the persons authorized by the Board of Directors of Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business.

9.3. All profits accruing to the Transferor Company or losses, arising or incurred by the Transferor Company in relation to the Transferred Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferee Company.

9.4. Any income or profit accruing or arising to the Transferor Company in relation to the Transferred Undertaking and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, service tax, VAT, other indirect taxes, etc), arising or incurred by the Transferor Company in relation to the Transferred Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses, losses or taxes, as the case may be, of the Transferee Company.

9.5. With effect from the date of the Board meeting of Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall not vary the terms and conditions of employment of any of their employees of Transferred Undertaking, without the prior consent of Transferee Company, except in the ordinary course of business.

9.6. The Transferee Company, after obtaining prior approval of the Transferor Company (which shall not be unreasonably withheld), shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any applicable law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferred Undertaking after the Effective Date and to give effect to the Scheme.

9.7. All compliances with respect to advance tax, withholding taxes or tax deduction at source, service tax, VAT, other indirect taxes, etc. to be done or done by the Transferor Company in relation to the Transferred Undertaking shall for all purposes be treated as compliances to be done or done by the Transferee Company.

10. LEGAL PROCEEDINGS

10.1. From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("**Proceedings**") by or against the Transferor Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferred Undertaking shall be continued and enforced by or against the Transferee Company after the Effective Date, to the extent legally permissible. To the extent, such Proceedings cannot be taken over by the Transferee Company, the Proceedings shall be pursued by the Transferor Company as per the instructions of and entirely at the costs and expenses of the Transferee Company.

10.2. If the Proceedings are taken against the Transferor Company in respect of the matters referred to in Clause 10.1 above, it shall defend the same in accordance with the advice and instructions of the Transferee Company and at the cost of the Transferee Company and the latter shall reimburse and indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

11. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets and liabilities of the Transferred Undertaking as per this Scheme and the continuance of the Proceedings by or against the Transferee Company shall not affect any transaction or Proceedings already completed by the Transferor Company for any period commencing on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts deeds and things done and executed by and on behalf of the Transferee Company.

12. EMPLOYEES

12.1. On and from the Appointed Date, the employees who are part of the Transferred Undertaking as may be confirmed by the Board of Directors of the Transferor Company and the Transferee Company, or their respective delegates, shall, be deemed to have ceased to be employees of the Transferor Company, and the Transferee Company shall be deemed to have employed such employees on the terms and conditions which are not less favorable or are on the same terms and conditions on which they are engaged as on the Appointed Date by the Transferor Company without any interruption of service as a result of the transfer.

12.2. It is expressly provided that, on the Scheme becoming effective, in terms of the Effective Date, the Provident Fund, Gratuity Fund, Superannuation Fund, or any other Special Fund or Trusts (hereinafter referred to as "Fund" or "Funds") created or existing for the benefit of the staff, workmen and employees of Transferred Undertaking shall become the Funds of Transferee Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Transferred Undertaking of Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of Transferred Undertaking of the Transferor Company shall be treated as having been continuous for the purpose of the said Funds.

13. INTELLECTUAL PROPERTY

It is clarified that notwithstanding anything to the contrary contained herein, all rights relating to patents, designs and drawings, trademarks, service marks, logos, domain names and utility models, copyrights, inventions, business names and brand names which are possessed and/or owned and/or used by the Transferor Company shall continue to exclusively belong to the Transferor Company.

14. REMAINING BUSINESS

14.1. The Remaining Business and all the assets, liabilities and reserves, other than the assets and liabilities and obligations pertaining to the Transferred Undertaking shall continue to exclusively belong to and be vested in and be managed by the Transferor Company.

14.2. Any Proceedings by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted in future whether in respect of any matter arising before or after the Effective Date and relating to the Remaining Business (including those relating to any property, right, security, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company the Transferee Company shall in no event be responsible or liable in relation to any such Proceedings against the Transferor Company.

PART III- GENERAL TERMS AND CONDITIONS

15. APPLICATION TO HIGH COURTS

15.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the High Courts or such other appropriate authority under Sections 391 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of the Transferor Company and the Transferee Company as may be directed by the respective High Courts or such other appropriate authority.

15.2 On the Scheme being approved by the requisite majorities of the classes of the members and/or creditors of the Transferor Company and the Transferee Company, whether at a meeting or otherwise, as prescribed under law and/or as directed by the High Courts or such other appropriate authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the High Courts or such other appropriate authority for sanctioning the Scheme under Sections 391 to 394 of the Act, and for such other order or orders, as the said High Courts or such other appropriate authority may deem fit for carrying this Scheme into effect.

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

16.1. Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize thereof, may make and/or consent to any modifications/amendments to the Scheme (i) including but not limited to the terms and conditions thereof or (ii) to incorporate any conditions or limitations that the Courts or any other authority may deem fit to direct or impose; or (iii) which may otherwise be considered necessary, desirable or appropriate by them in terms of the applicable laws or otherwise.

16.2. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Transferred Undertaking".

16.3. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegates of the Transferor Company and the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to:

(i) Approval by the requisite majority of such classes of persons including the shareholders and/or creditors of the Transferor Company and the shareholders and/or creditors of the Transferee Company, in terms with the applicable provisions of the Act and guidelines issued by the SEBI as amended from time to time;

(ii) Sanctions under the provisions of Sections 391 and 394 of the Act and the necessary orders under Section 394 of the Act being obtained from the High Courts and filed with the Registrars of Companies, Karnataka and Tamil Nadu;

(iii) The Transferor Company filing this Scheme with the National Stock Exchange of India Limited, BSE Limited and Bangalore Stock Exchange Limited, wherein its shares are listed, in accordance with the Listing Agreements and obtaining approval or deemed approvals of such Stock Exchanges;

(iv) Any other sanctions and approvals as may be required by law in respect of this Scheme being effective.

18. COMPLIANCE WITH TAX LAWS

18.1. Upon the coming into effect of the Scheme, the Transferee Company may, if it considers necessary or expedient, revise (with retroactive effect if applicable) its income tax returns, TDS returns, services tax returns, sales tax returns and other tax returns, and claim refunds and/or credits, etc. pertaining to the Transferred Undertaking pursuant to the provisions of the Scheme.

18.2. Upon the coming into effect of the Scheme, the Transferor Company is also expressly permitted to revise (with retroactive effect if applicable) its income tax returns, TDS returns, services tax returns, sales tax returns and other tax returns, and to claim refunds and /or credits, etc, pertaining to the Remaining Business pursuant to the provisions of the Scheme.

19. EFFECT OF NON-RECEIPT OF SANCTIONS

19.1 In the event of any of the said sanctions and approvals not being obtained and/or this Scheme not being sanctioned by either of the High Court and/or the order or orders not being passed as aforesaid on or before 31 December 2014, or within such further period/s as may be agreed upon between the Transferor Company by its Board of Directors and the Transferee Company by its Board of Directors (and which the Board of Directors of the Transferor Company and the Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto or as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and the Transferor Company and the Transferee Company shall bear the respective costs incurred.

19.2 The Board of Directors of Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare this Scheme of no effect if they are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on Transferor Company and Transferee Company.

20. COSTS, CHARGES & EXPENSES

20.1 The stamp duty on this Scheme as also any document incidental to this Scheme shall be borne and paid by the Transferor Company and the Transferee Company in equal share.

20.2 The Transferor Company and the Transferee Company shall each bear their respective fees of their legal advisor.

20.3 All costs, charges, taxes and all other expenses (other than stamp duty), if any (save as expressly otherwise agreed) arising out of, or incurred in relation to Clause 4 above for carrying out and implementing this Scheme and matters incidental thereto, shall be borne solely by the Transferee Company. It is clarified that the income tax payable by the Transferor Company pursuant to this Scheme shall be borne by the Transferor Company.

Schedule – 1

Details of land pertaining to Poonamallee Unit and the buildings and structures standing thereon)	
Particulars	**Area in sq. mtrs.**
Survey No-136 - By Pass Road, Poonamallee, Chennai 600056	8950.5
Survey No-139/1- By Pass Road, Poonamallee, Chennai 600056	769.5
Survey No-139/2- By Pass Road, Poonamallee, Chennai 600056	688.5
Survey No-139/3- By Pass Road, Poonamallee, Chennai 600056	810
Survey No-140/1- By Pass Road, Poonamallee, Chennai 600056	243
Survey No-140/2- By Pass Road, Poonamallee, Chennai 600056	2389.5
Survey No-141- By Pass Road, Poonamallee, Chennai 600056	972
Survey No-142- By Pass Road, Poonamallee, Chennai 600056	3847.5
Survey No-143 - By Pass Road, Poonamallee, Chennai 600056	8748
Survey No-144- By Pass Road, Poonamallee, Chennai 600056	4333.5
Survey No-145 - By Pass Road, Poonamallee, Chennai 600056	4050
Survey No-143,212/1C,212/1D, 212/2 - By Pass Road, Poonamallee, Chennai 600056	931.5

UNITED SPIRITS LIMITED

Registered Office: 'UB Tower' #24, Vittal Mallya Road, Bangalore – 560 001
Tel: +91 80 3985 6500; Fax: +91 80 3985 6862; www.unitedspirits.in
CIN: L01551KA1999PLC024991

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF UNITED SPIRITS LIMITED

AND

IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN UNITED SPIRITS LIMITED AND ENRICA ENTERPRISES PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. 770 OF 2014

United Spirits Limited
'UB Tower',
24, Vittal Mallya Road,
Bangalore- 560 001

APPLICANT / TRANSFEROR COMPANY

FORM OF PROXY

I/We, the undersigned being the Secured Creditor of **UNITED SPIRITS LIMITED**, the Applicant Company, hereby appoint ……of……, and failing him/her ……..,of……., as my/our proxy, to act for me/us at the Court Convened Meeting of the Equity Shareholders of the Applicant Company to be held at **Chowdiah Memorial Hall, 16th Cross, Gayathri Devi Park Extension, Vyalikaval, Bangalore-560 003, Karnataka on Monday the 16th day of June 2014 at 2.30 pm,** for the purpose of considering and, if thought fit, approving, with or without modification(s), the Scheme of Arrangement (the "**Scheme**") between United Spirits Limited and Enrica Enterprises Private Limited and their respective shareholders and creditors at such meeting and any adjournment thereof, to vote, for me/us and in my/our name ……..(here, if for, insert **'for'**, if against, insert **'against'**, and in the latter case, strike out the words below after 'Scheme') the said Scheme either with or without modification(s)* as my/our proxy may approve.

*strike out what is not necessary.

Dated this ..... day of 2014

Signature : _____

Name : _____

Address : _____

_____

Affix Re. 1/- Revenue Stamp

Signature across the stamp

Notes:

1. The Proxy must be deposited at the Registered Office of the Applicant Company at 'UB Tower', #24, Vittal Mallya Road, Bangalore – 560 001 atleast 48 hours before the scheduled time of the meeting. The Proxy need not be a Secured Creditor of the Applicant Company.
2. All alternations made in the form of proxy should be initialed.
3. Strike out what is not necessary.

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UNITED SPIRITS LIMITED

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ATTENDANCE SLIP

COURT CONVENED MEETING OF THE SECURED CREDITORS ON MONDAY, 16th JUNE, 2014 AT 12:00 P.M.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the Court Convened Meeting of the Secured Creditors of United Spirits Limited, the Applicant Company, convened pursuant to the Order dated 29th April 2014, of the Hon'ble High Court of Karnataka, held at **Chowdiah Memorial Hall, 16th Cross, Gayathri Devi Park Extension, Vyalikaval, Bangalore - 560 003, Karnataka, on Monday, 16th June, 2014 at 12:00 p.m.**

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

_____

_____

_____

Signature _____

Name of the Proxy (**in BLOCK LETTERS**):

Signature _____

NOTE: Secured Creditors attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

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