

June 19, 2019

Watson Ltd. (the company) - Term Loan of USD 135 million availed from Standard Chartered Bank (SCB), London

The company defaulted in payment of interest and principal on the Term Loan, the Lender tried to enforce the security (Pledged equity shares of United Breweries Ltd. in the name of Shri.Vijay Mallya and Shri. Siddharth Mallya). However, the consortium of Lenders, with SBI, as the Lead Bank of consortium Lenders, appealed before the DRT and DRT stayed any action on part of the Trustee to alienate the security, till further orders. Although, SCB recovered their outstanding dues from Diageo Ltd., Netherlands (Diageo), courtesy the Backstop Guarantee, the company still owes the money to Diageo.

The Enforcement Directorate has attached the pledged shares. There are several on-going cases in DRT and High Courts in India and abroad for recovery of outstanding dues.