



**Allied Blenders
& Distillers**

July 14, 2022

To,
Mr. Vivek Gaur
Email: vivek.gaur@hotmail.com
Mobile: +91-9811857829

Re: Emails dated July 5, 2022, July 6, 2022, July 8, 2022, July 10, 2022, July 11, 2022 and July 13, 2022 (collectively, the "Emails"), with reference to the draft red herring prospectus of the Company dated June 27, 2022 ("DRHP") filed by Allied Blenders and Distillers Limited ("Company") in relation to its proposed initial public offering (the "Offer") of equity shares of face value of ₹ 2 each

Dear Sir,

This is in reference to your Emails wherein you had communicated certain observations/queries ("Queries") in relation to the DRHP and the Offer. Subsequently, we received your e-mail dated July 13, 2022, addressed to the Company, wherein you have mentioned that you have terminated your research on the Offer and that our revert is no longer necessary. While we have noted your withdrawal of the observations, we are furnishing our response to each of your observations, as set out in **Annexure A**, without prejudice to any legal recourse that we may have.

At the outset, we deny all allegations made by you in your Emails. We make further reference to your email dated July 13, 2022, addressed to Mr. Kishore Rajaram Chhabria. We wish to put on record our strong denial to your suggestion and allegation of any involvement of the Company or its officials in engaging anti-social elements, and we reiterate that in the event the Company has been named a party to any criminal complaint, we will cooperate with the authorities and follow due process with their investigation.

We trust the enclosed information addresses the Queries in your Emails. Kindly note that the disclosures made in the DRHP are in compliance with applicable law, and that no changes are required to be made in the DRHP pursuant to the Queries shared by you.

All capitalised terms used but not defined herein shall have the meaning ascribed to it in the DRHP.

Sincerely,

For **Allied Blenders and Distillers Limited**

Authorised Signatory

Name: Ritesh Ramniklal Shah

Designation: Company Secretary and Compliance Officer

Contact Number: + 91 22 4300 1111

Email: complianceofficer@abdindia.com

Enclosed: as above

Allied Blenders And Distillers Limited.

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ANNEXURE A

Sr. No.	Query/ Observation	Company's Response
1.	<p>ABD entered in agreement with Madanlal & ABD Dwelling for 0% interest bearing Debentures of 39.8 crs & 36.3 crs respectively in exchange for right of use of their Flats in Malabar, Mumbai. Interestingly, none of these 2 companies owned those flats at the time of Agreement. These two companies bought the Flats after receiving money from ABD. It seems like ABD financed the purchase of those Properties. ABD diverted interest bearing borrowed funds to Madanlal & ABD Dwelling <i>interest free</i> while at the same time defaulting on its repayments to Yes Bank. Furthermore, right before the IPO, ABD entered into agreement with these 2 companies to transfer the entire holding to the KRC family. This is a gross misuse of public money received in the form of Bank loans to enrich the family of promoters while defaulting on its own loan repayment obligations.</p>	<p>(i) As disclosed at Pages 224-225 of the DRHP, the Company has entered into two memorandums of understanding (“MoUs”) with Madanlal Estates Private Limited (“Madanlal”) and ABD Dwellings Private Limited (“ABD Dwellings”) respectively, each dated October 30, 2020, by way of which it has been agreed to provide financial assistance by investing in the convertible securities of both Subsidiaries and these Subsidiaries have granted exclusive and irrevocable right in favour of the Company for usage of the premises, i.e., flat no. 101, Casa Grande, 22 K.S. Tayyabji Marg, Malabar Hill, Mumbai- 400 006, Maharashtra, India (“Premise 1”), and flat no. 92, Casa Grande, 22 K.S. Tayyabji Marg, Malabar Hill, Mumbai- 400 006, Maharashtra, India (“Premise 2”, together with Premise 1, the “Premises”), for the sole purpose of use as accommodation centre-cum-guest house facility for the Company’s Directors and employees, for a period of five years commencing from January 1, 2021.</p> <p>(ii) Further, as disclosed at Pages 224-225 of the DRHP, pursuant to the resolutions (“Resolutions”) passed on November 2, 2020, the Board of the Company has approved: (a) investments of up to ₹ 460 million in the compulsorily convertible debentures of ABD Dwellings, and of up to ₹ 400 million in the compulsorily convertible debentures of Madanlal, and utilization of such subscription amount by these Subsidiaries in furtherance of their respective business activities, including acquisition of immovable properties, and (b) the two MoUs as described above. Girish Kambadaraya, registered valuer, issued two valuation reports dated October 5, 2020 on the fair value of equity shares of ABD Dwellings and Madanlal for allotment of debentures.</p> <p>(iii) As disclosed under “Financial Information - Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information - Note 47- Related party disclosures, as per IND AS 24” at page 332 of the DRHP, our Company had cumulatively invested, in aggregate, the amounts of ₹ 301.05 million and ₹ 373.00 million respectively in the compulsorily convertible debentures of ABD Dwellings and Madanlal, as on December 31, 2021. Further, as on the date of the Draft Red Herring Prospectus, i.e., June 27, 2022, apart from its equity holding in these two Subsidiaries as disclosed in “Our Subsidiaries - ABD Dwellings Private Limited”</p>



		<p>on page 228 of the DRHP and “<i>Our Subsidiaries – Madanlal Estates Private Limited</i>” on page 229 of the DRHP, the Company has cumulatively invested, in aggregate, the amounts of ₹ 363.05 million in ABD Dwellings by way of 36,305,000 compulsorily convertible debentures of ₹ 10 each, and ₹ 398 million in Madanlal by way of 39,800,000 compulsorily convertible debentures of ₹ 10 each, respectively, as disclosed on page 225 of the DRHP. Such investments are in compliance with applicable laws.</p> <p>(iv) The MoUs and Resolutions also provide that both Subsidiaries were in the process of acquiring the Premises at the time of execution of MoUs, and that the reason for such investment in convertible securities of the Subsidiaries was to enable the Subsidiaries to acquire the Premises. Madanlal acquired possession of Premise 1 upon execution of the agreement for sale dated December 29, 2020, and it acquired the title to Premise 1 by way of the sale deed dated July 15, 2021. The transfer of title for Premise 2 in favour of ABD Dwellings took place by way of the sale deed dated December 17, 2020. As described above, in addition to receiving the CCDs in lieu of the investment, the Company also received the right to use the Premises as accommodation centre-guest house facilities for the Company’s Directors and employees, for a period of five years commencing from January 1, 2021.</p> <p>(v) Please note that such steps have been undertaken pursuant to the Company’s commercial considerations and are in compliance with applicable laws. All related party transactions have been entered into in accordance with applicable laws, and at an arm’s length basis.</p> <p>(vi) As disclosed on Page 45 of the DRHP, while we have obtained requisite lender consent from Yes Bank in relation to the Offer, our Company was unable to fulfil certain conditions as mentioned in the loan documentation/sanction letter with respect to facilities availed from Yes Bank Limited, where there was a breach of certain covenants for Fiscal 2020 and 2021. Yes Bank Limited has waived / condoned the breach. Further, there was an overdue on repayment of certain facilities from Yes Bank Limited, however, as per the letter dated May 26, 2022 from Yes Bank Limited, the amount overdue has been paid and that the rectification has been accepted, making the account standard. For details, see “<i>Risk Factors – Internal Risk Factors – 16. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing</i>”</p>
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		<p>agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition." on pages 44-45 of the DRHP.</p>
2.	<p>a. In 2019, 110 cr were given to Ashoka Liquors as Advance for purchase of Land. Out of that 75 crs received back by ABD from Ashoka as investment in PSC of ABD. This inflated the net worth of ABD by 75 crs & current assets by 110 crs for FY19. For 3 years, no land was transferred from Ashoka to ABD & part of said advance (36 Cr) was returned to ADB in FY20. In FY2022 PSC of 75 cr was redeemed by Ashoka & the same 75 cr returned to ABD as refund of advance. This round tripping of interest bearing borrowed public money resulted in substantial push up in ratios of ABD Financials and seems to be targeted at defrauding Banks for availment/resanctioning of Loans.</p> <p>b. Rs 36 cr returned by Ashoka in FY20 were then given to Power Brands again as Advance for purchase of Land along with WC advance of Rs 50 cr in FY19 & 43 cr in FY20. Part of the WC Advances were paid back in FY20 & FY21. Transfer of Plot is yet to happen even after 2 years.</p>	<p>1. Response to Point (a) of the query</p> <p>(i) The Company had entered into an agreement for sale ("Agreement for Sale") dated March 27, 2019 with Ashoka Liquors Private Limited ("ALPL") (which at the time of execution of such agreement, was a promoter of the Company, as disclosed at Page 262 of the DRHP, and is now a member of the Promoter Group as well as a Group Company, as disclosed respectively at Pages 264 and 268 of the DRHP) in order to purchase certain properties ("Properties") in Gurugram, Haryana, since it was keen to set up a bottling unit to cater to the local market. The Company therefore paid an advance ("Advance") of ₹ 1,110.00 million to ALPL in Fiscal 2019 pursuant to this Agreement for Sale, as disclosed at Page 326 of the DRHP.</p> <p>Pandya & Associates issued a valuation report dated April 4, 2019 in relation to such Properties. The Company subsequently entered into a supplementary agreement ("Supplementary Agreement") with ALPL dated March 29, 2019 and also executed extension letters dated March 25, 2020 and March 22, 2021, to extend the period of the Agreement for Sale and Supplementary Agreement till March 27, 2022. Subsequently, owing to the COVID-19 pandemic, changes in industry and business dynamics, the Company made a commercial decision to not pursue establishment of such bottling unit in Gurgaon and instead decided to focus on expansion of its existing bottling units. By way of its letter to ALPL dated July 1, 2021, the Company sought to terminate the Agreement for Sale and Supplementary Agreement.</p> <p>The Company also recalled the Advance made to ALPL, as also disclosed at Page 357 of the DRHP. ALPL refunded amounts of ₹ 360 million and ₹ 750 million in Fiscal 2020 and the nine month period ended December 31, 2021, respectively, as disclosed at Page 326 of the DRHP. As on the date of the DRHP, the entire transaction had been closed and no advance was outstanding, and there is no impact on the Company's present capital structure or balance sheet.</p> <p>(ii) ALPL made an investment in 6,818,180 0.01% Non-cumulative convertible preference shares of ₹ 10 each ("NCCPS") of the Company on July 4, 2019, as disclosed at Page 100 of the DRHP. Subsequently, the Company and ALPL mutually decided to redeem the NCCPS issued by the</p>



	<p>Company and the NCCPS were redeemed on July 8, 2021. For further details, see “<i>Capital Structure – Notes to the Capital Structure – (1) Share Capital History of the Company – (b) Preference Shares – 0.01% Non-Cumulative Convertible Preference Shares of ₹ 10 each (“NCCPS”)</i>” on page 100 of the DRHP. The Statutory Auditors have confirmed in their audit report on the audited financials for Fiscal 2020 that: (i) the Company has complied with the requirement of Section 42 of the Companies Act and the rules framed thereunder, in relation to such issuance of NCCPS, and (ii) the amounts so raised have been used for the purposes for which the funds were raised. As on the date of the DRHP, the entire transaction had been closed and no NCCPS was outstanding, and there is no impact on the Company’s present capital structure or balance sheet.</p> <p>2. Response to Point (b) of the query</p> <p>(i) The Company entered into an agency agreement (“Agency Agreement”) dated October 10, 2019 with Power Brands Enterprises India Private Limited (“PBEIPL”) (which has been identified as a member of the Promoter Group as well as a Group Company, as disclosed respectively at Pages 264 and 267 of the DRHP), since the Company was desirous of engaging PBEIPL for providing its expertise for identifying a suitable parcel of land in Telangana for setting up of a state of art manufacturing facility. The advance of ₹ 360 million (“PB Advance”) made by the Company to PBEIPL, as disclosed at Page 326 of the DRHP, was pursuant to such Agency Agreement. However, the Company later sent a letter dated October 11, 2021 for termination of the Agency Agreement and recovery of the PB Advance. Such recovery was therefore made subsequent to the balance sheet date, as disclosed at Page 357 of the DRHP. As on date, the Company does not plan to acquire any parcel of land through PBEIPL.</p> <p>(ii) As disclosed at Page 326 of the DRHP, the Company paid working capital advances to PBEIPL in the ordinary course of business, in Fiscals 2019, 2020 and 2021. Further, the closing advances lying with PBEIPL in Fiscals 2019, 2020 and 2021 are disclosed at Page 329 of the DRHP. The balance amounts due from PBEIPL had been recovered subsequently post balance sheet date, as disclosed at Page 357 of the DRHP.</p> <p>Disclosures for the transactions described above have been made under “<i>Financial Information - Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information - Note 47- Related party disclosures, as per IND AS 24</i>”,</p>
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		<p>beginning on page 324 of the DRHP.</p> <p>Please note that the transactions as described at Points 1, 2(i) and 2(ii) above are separate and not related.</p> <p>Please note that such steps have been undertaken pursuant to the Company's commercial considerations and are in compliance with applicable laws. As disclosed above, the uncertainties owing to COVID 19 pandemic have also impacted the timing of Company's business decisions which would have otherwise been possible to implement in a shorter time frame. For details, see "<i>Risk Factors – Internal Risk Factors – 6. The current and continuing impact of the COVID-19 pandemic on our business and operations, including its impact on the ability or desire of consumers to purchase our products, may have an adverse effect on our business, results of operations, financial condition and cash flows</i>" on page 38 of the DRHP.</p> <p>Further, please note that as disclosed at Page 276 of the DRHP, the Statutory Auditors of the Company have confirmed that the Restated Consolidated Financial Information has been prepared in accordance with the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time. All related party transactions have, been entered into in accordance with applicable laws, and at an arm's length basis.</p>
<p>3.</p>	<p>Oriental Radios were paid 95 cr by ABD in FY22 in the form of Compound Financial Instrument and 100 crs were returned to ABD in the form of CCD, eventually converted into Equity Shares.</p>	<p>Please note that the Company did not make any payment to Oriental Radios Private Limited in the form of compound financial instrument, as evident from the disclosures on pages 325-328 of the DRHP.</p> <p>As disclosed under "<i>Capital Structure – Notes to the Capital Structure – (1) Share Capital History of the Company – (c) 8.5% Compulsorily Convertible Debentures ("CCD")</i>" at Page 101 of the DRHP, 8,547,000 CCDs of face value of ₹ 117 each were allotted by our Company to Oriental Radios Private Limited ("ORPL") for a total consideration of ₹ 999.99 million on July 27, 2021. Subsequently, the Board of the Company pursuant to its resolution dated June 20, 2022, approved the conversion of 8,547,000 CCDs of face value of ₹117 each, into 8,547,000 Equity Shares of face value of ₹2 at a premium of ₹115 per Equity Share. Since the consideration for CCDs was fully paid at the time of their allotment, no additional consideration was paid upon conversion into Equity Shares.</p> <p>As disclosed at Page 101 of the DRHP, Oriental Radios Private Limited paid the Company a consideration amounting to ₹ 999.99 million for its investment in the CCDs of the Company. Such consideration was paid for the CCDs which were compound financial instrument, and as disclosed at Page 327 of the DRHP, the Company accounted for</p>



		<p>the equity component as well as liability component of such compound financial instrument. Such accounting was made as per IND AS 32.</p> <p>Further, disclosures for such transactions have been made under “<i>Financial Information - Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information - Note 47- Related party disclosures, as per IND AS 24</i>” beginning on page 324 of the DRHP.</p> <p>Please note that such steps have been undertaken pursuant to commercial considerations and based on discussions between the Company and Oriental Radios Private Limited, one of its Promoters, and these steps are in compliance with applicable laws. All related party transactions have been entered into in accordance with applicable laws, and at an arm’s length basis.</p>
4.	<p>On June 20, 2022, Oriental Radios Private Limited was allotted 85.47 Lac Shares at the effective price of Rs 117. Since it is a recent transaction, IPO should also be priced at or below Rs 117 per share otherwise it would be unjust enrichment to shareholders of Oriental Radios Private Limited, who are members of KRCs family, at the cost of public money.</p>	<p>As disclosed under “<i>Capital Structure – Notes to the Capital Structure – (i) Share Capital History of the Company – (c) 8.5% Compulsorily Convertible Debentures (“CCD”)</i>” at Page 101 of the DRHP, and described above, 8,547,000 CCDs of face value of ₹ 117 each were allotted by our Company to Oriental Radios Private Limited (“ORPL”) for a total consideration of ₹ 999.99 million on July 27, 2021. Since the consideration for CCDs was fully paid at the time of their allotment, no additional consideration was paid upon conversion into Equity Shares.</p> <p>Please note that as disclosed at Page 125 and the cover page of the DRHP, the Offer Price will be determined by the Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described at Page 125 of the DRHP. Please read the red herring prospectus to be filed by the Company to form an informed view before making an investment decision.</p>
5.	<p>India Ratings has rated ABD as BBB+. There was a downgrade by India Rating in 2019. CRISIL & CARE Ratings have suspended ratings since 2016 due to non-cooperation by the ABD Management. Yet it is declared by ABD that there are no Credit Ratings outstanding.</p>	<p>i. India Ratings & Research (“India Ratings”) had downgraded the Company’s credit ratings from Ind A- to Ind BBB+/Stable ratings in 2019, for the reasons mentioned in its report dated February 28, 2019, such as stretched credit metrics and delays in deleveraging and leverage levels sustaining above 4.0x in Fiscal 2018. However, subsequently on August 20, 2021, India Ratings revised the outlook from stable to positive, while reaffirming its rating at Ind BBB+, owing to infusion from promoter(s) to support liquidity and improve capital structure. For details, see “<i>Risk Factors – Internal Risk Factors – 16. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing agreements involve variable interest</i></p>



		<p><i>rates and an increase in interest rates may adversely affect our results of operations and financial condition," on pages 44-45 of the DRHP.</i></p> <p>ii. The Company had decided to discontinue using CARE ratings in 2015 and communicated the same to CARE, subsequent to which its credit ratings were suspended in 2016. Further, the Company had decided to discontinue using CRISIL ratings in 2015 and communicated the same to CRISIL, subsequent to which its credit ratings were suspended in 2016. The Company had obtained requisite consents from the lenders for switching over from CRISIL to other RBI approved credit rating agencies. Accordingly, the Company switched to India Ratings for its credit ratings, as disclosed in point (i) above.</p>
6.	As per DRHP, selling Promoters have not given any guarantees to third parties whereas as per MCA data, several Loans are availed in subsidiary companies where selling Promoters are Directors & have provided Personal Guarantees to the Banks. Also ABD has provided Corporate Guarantees to these Loans. Kindly recheck on Guarantees & Contingent Liabilities arising out of Corporate Guarantee on ABD's part.	Please note that in terms of SEBI ICDR Regulations, the Company is required to disclose details of guarantees given to third parties by the Promoter Selling Shareholders. The Promoter Selling Shareholders have not given any guarantees to any third party for any loans availed by the Company or its Subsidiaries. The requisite confirmation in this regard as required under the SEBI ICDR Regulations, is disclosed at Page 225 of the DRHP.
7.	Rs 13.3 debt of ABD International General LLC was written off in FY22 causing loss of 13.3 cr to ABD which will be borne by future public shareholders in part. This causes enrichment of LLC stakeholders at the cost of the Indian public. No legal remedy was sought against the LLC.	<p>The Company provided unsecured loan to Allied Blenders and Distillers International General Trading LLC ("LLC") in Fiscals 2015 and 2016. Such unsecured loan totalling to ₹ 132.96 million as of March 31, 2019 was written off in Fiscal 2019, as disclosed on Page 325 of the DRHP. This was owing to loss incurred by the LLC due to high operating costs and the Company entered into a share sale deed for divestment of its holding in the LLC on June 17, 2019 and received consideration for such divestment on July 10, 2019. For details, see "<i>Financial Statements - Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information - Note 47- Related party disclosures, as per IND AS 24</i>" and "<i>Financial Statements - Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information - Note 68- Disposal of interest in Joint Venture</i>" on pages 324 and 357 of the DRHP. The Board by way of its resolution dated August 29, 2019 approved such write-off of the unsecured loan. The write-off of the unsecured loan was in accordance with applicable accounting policies.</p> <p>Please note that such investment decisions have been undertaken pursuant to the Company's commercial considerations and are in compliance with applicable laws. All related party transactions have been entered into in accordance with applicable laws, and at an arm's length basis.</p>
8.	Technopak was hired and paid by ABD to conduct a survey/report on the Liquor Industry.	As disclosed at Page 178 of the DRHP, the industry and market data used in the DRHP has been derived



	<p>By their own admission, the cited report is of "general nature" and is "intended to provide a general guide to the subject matter and should not be relied on as a basis of business decisions". And yet, this report is cited by ABD to influence the investment/business decisions of the prospective investors. Since Technopak is a paid vendor, its report cannot be perceived as unbiased. Apart from this 'paid-for' report, no independent report is quoted by ABD in DRHP.</p>	<p>from industry publications, in particular, the report titled "Industry Report On Indian Alco-Beverage Market" dated June 21, 2022 (the "Technopak Report") prepared and issued by Technopak Advisors Private Limited appointed on March 23, 2022, and exclusively commissioned and paid for by the Company to understand the industry in which it operates in connection with the Offer.</p> <p>Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in the DRHP. The Technopak Report uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in the DRHP in this context.</p> <p>For further details, please refer to "Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data – Industry and Market Data", "Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data – Disclaimer by Technopak" and "Risk Factors – Internal Risk Factors – 62. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Technopak Advisors Private Limited exclusively commissioned and paid for by us for such purpose" on pages 29 and 65, respectively, of the DRHP.</p> <p>Further, Technopak, in its consent letter dated June 21, 2022, has also confirmed that: (i) it does not have any relation with the Company, its Directors or its Key Managerial Personnel; (ii) it is an independent consultant with respect to the Company and its associates; and (iii) neither it nor its associates hold any Equity Shares of the Company.</p>
9.	<p>Mr KRC holds nil shares in ABD & taking home 45 cr a year plus perks from ABD. He has no skin in the future of the company and still is the most influential person despite his advanced age. He also is being benefitted via these interest free "financial assistance" to various companies in which he is a shareholder.</p>	<p>In addition to being a Promoter of the Company, please note that as disclosed at Pages 231 and 254, of the DRHP, Mr. Kishore Rajaram Chhabria is the Whole-time Director (Chairman) and Key Managerial Personnel of the Company. As disclosed at Page 235 of the DRHP, he plays an executive role in overseeing the strategies, risk management, governance, capital, financial reporting and M&A activities of the Company. Further, details of his remuneration as well as interest in the Company are disclosed at Pages 236-240 and 262-263 of the DRHP. Additionally, please note that his remuneration in his capacity as Whole-time Director have been approved by the Board and Shareholders pursuant to resolutions dated March 31, 2022 and April 1, 2022 respectively, as disclosed at Page 236 of the DRHP.</p> <p>Mr. Kishore Rajaram Chhabria does not hold any shares in the Company, Subsidiaries, corporate Promoters, Promoter Group entities, Group Companies, or joint ventures or associates of the Company. Therefore any allegation of any benefit to</p>



		him via interest free "financial assistance" to various companies in which he is a shareholder, is not relevant to the Company, Subsidiaries, corporate Promoters, Promoter Group entities, Group Companies, joint ventures or associates of the Company, or the Offer.
10.	While going through DRHP prima facie, it seems ABD has and continues to divert the Loan Funds to subsidiaries in the guise of Capital Advances to strengthen its Financials which defrauds the Banks and its investors in general, not to mention loss to Government Revenue since Capital Transactions does not attract any tax implications. ABD has also tried to benefit the KRC family through a series of transactions right before the IPO which will cause loss to future investors like me.	<p>Please note that disclosures as required under the SEBI ICDR Regulations in relation to the business interest between the Company and the Subsidiaries have been made under "<i>History and Certain Corporate Matters – Other Agreements – Memorandum of Understanding dated October 30, 2020 entered into between Madanlal Estates Private Limited ("Madanlal") and our Company, and Memorandum of Understanding dated October 30, 2020 entered into between ABD Dwellings Private Limited ("ABD Dwellings") and our Company</i>", "<i>Our Business</i>" and "<i>Financial Statements - Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information - Note 47- Related party disclosures, as per IND AS 24</i>" and "<i>Our Subsidiaries – Business Interest between our Company and our Subsidiaries</i>" on pages 224, 178, 324 and 230 of the DRHP, respectively.</p> <p>Further, disclosures as required under the SEBI ICDR Regulations in relation to interest of the Promoters have been made at Pages 262-263 of the DRHP.</p> <p>Please note that such transactions have been undertaken pursuant to the Company's commercial considerations and are in compliance with the Companies Act and applicable accounting policies. Please note that as disclosed at Page 276 of the DRHP, the Statutory Auditors of the Company have confirmed that the Restated Consolidated Financial Information has been prepared in accordance with the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time. All related party transactions have been entered into in accordance with applicable laws, and at an arm's length basis.</p> <p>Please read the red herring prospectus to be filed by the Company to form an informed view before making an investment decision.</p>
11.	Vice Chairperson Resham Chhabria's Husband Jeetendra Amar Hemdev was Director in ABD till 2017 until he was disqualified u/s 164 (2) by RoC. Infact most of his family members are disqualified under same section by RoC. All his family Companies are either non-Compliant or struck off by RoC. No details are given about defaults they committed on repayments of Public Deposits which caused their Disqualification.	<p>Please note that in terms of SEBI ICDR Regulations, changes in the board of the Company, along with reasons thereof, are required to be disclosed only for the past three years. Such changes have been duly disclosed at Pages 239-240 of the DRHP.</p> <p>Jeetendra A Hemdev, is only a member of the Promoter Group of the Company. While he was disqualified as a director under Section 164(2) of the Companies Act and ceased to be a director of the Company pursuant to a Board resolution dated December 20, 2017, please note that he has not held</p>



		<p>any directorship or executive position in relation to the Company since date of cessation, nor does he currently hold any such directorship or executive position in the Company as on the date of the DRHP.</p> <p>Accordingly, the requisite disclosures required from Jeetendra A Hemdev in his capacity as a member of the Promoter Group, in terms of the SEBI ICDR Regulations, have been made in the DRHP.</p>
12.	<p>Mr Arun Bark joined ABD on 2nd June 2022 as MD and resigned 18 days later on 20 June 2022. Reason for such a Senior Executive leaving within 18 days.</p>	<p>As disclosed at Page 239 of the DRHP, Mr. Arun Barik was appointed as an additional director on June 2, 2022 and subsequently resigned and ceased to be a director on June 20, 2022. Please note that the requisite disclosures in relation to such change in directorship, along with reasons thereof, as required under the SEBI ICDR Regulations, have been made in the DRHP.</p> <p>Mr. Arun Barik continues to remain associated with the Company as head of the product development and quality assurance division, and will continue to lead the product development and quality assurance initiatives of the Company.</p>





**Allied Blenders
& Distillers**

To

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Maharashtra, India

Equirus Capital Private Limited
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N.M. Joshi Marg, Lower Parel,
Mumbai 400 013,
Maharashtra India

(ICICI Securities Limited, Axis Capital Limited, JM Financial Limited, Kotak Mahindra Capital Company Limited and Equirus Capital Private Limited along with any other book running lead managers which may be appointed in relation to the Offer are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")

Re: Proposed initial public offering of equity shares of face value of ₹2 each (the "Equity Shares" and such offering, the "Offer") of Allied Blenders and Distillers Limited (the "Company")

This is in relation to email dated January 6, 2023 received from ICICI Securities Limited containing a complaint from Mahesh Kumar S dated December 16, 2022 ("Complaint") made to the Securities and Exchange Board of India ("SEBI") in relation to the draft red herring prospectus dated June 27, 2022 ("DRHP") filed by the Company with the SEBI for the purposes of the Offer.

In relation to the captioned matter, at the outset, we deny in entirety, the allegations, contentions and averments ("Allegations") raised in the Complaint. Further, please see a tabular response to the Allegations as Annexure A, without prejudice to any legal recourse that we may have. As the Complaint does not provided any communication address or email address in the Complaint, we are unable to respond to the Complaint.

We would like to confirm that all relevant disclosures were made in the DRHP, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and, therefore, the DRHP was in compliance with the spirit and text of the SEBI ICDR Regulations.

This letter can be relied upon by the BRLMs and the legal advisors appointed in respect of the Offer, including for the purposes of any communication between the BRLMs, Mahesh Kumar S and SEBI.

Allied Blenders and Distillers Limited.

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Registered Office : 394/C, Ground Floor, Lamington Chambers, Lamington Road, Mumbai - 400004, India. T. : +91-22-6777 9777 F. : +91-22-6777 9725
www.abdindia.com, CIN. : U15511MH2008PLC187368

All capitalized terms not defined in this letter and the annexure and schedules shall have the meanings ascribed to such terms in the DRHP.

We authorize the BRLMs to file their response to the Complaint with SEBI.

Thanking you,

For **Allied Blenders and Distillers Limited**



Authorized Signatory

Name: Ramakrishnan Ramaswamy

Date: January 11, 2023

cc:

AZB & Partners

AZB House
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013

IndusLaw

#1502B, 15thFloor
Tower –1C, "One World Centre"
Senapati Bapat Marg, Lower Parel
Mumbai –400013

Hogan Lovells Lee & Lee

50 Collyer Quay,
#10-01 OUE Bayfront,
Singapore- 049321

ANNEXURE A

S.N.	Allegations	Company's Response
1.	<p>The market share claimed by the Company is not accurate and based on lot of assumptions and presumptions. The growth rate also is misrepresented since there is no authentic data available due to complexity in the route to market. In India presently there are three route to markets, the monopolistic markets, the distribution market and the distribution by the Govt. Therefore, the data on sales may lead to unwary investor to invest in the company believing the same as true and correct.</p>	<p>Please note that unless otherwise indicated, industry and market data, including the Company's market share, provided in the DRHP has been derived from industry publications, in particular, the report titled "<i>Indian Alco-Beverage Market</i>" dated June 21, 2022 (the "Technopak Report") prepared and issued by Technopak Advisors Private Limited appointed on March 23, 2022, and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate. This has also been disclosed in the DRHP on pages 34, 65, 137, 178 and 362 and a copy of the Technopak Report is available on the website of the Company at https://www.abdindia.com/investor-relations/investor-information/reports/.</p> <p>The year-on-year industrial growth rate in respect of the market share is not disclosed in the DRHP. Accordingly, as the Complaint does not specifically clarify on the allegation pertaining to the misrepresentation in the growth rate, we will not be able to comment on the same.</p> <p>The financial information pertaining to the 'sale of goods' of the Company has been included from the Restated Consolidated Financial Information of the Company, which have been prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 the SEBI (Issue of Capital and Disclosure Requirments) Regulations, 2018, as amended, ("SEBI ICDR Regulations") and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. For further details you may refer to the the section "<i>Financial Statements</i>" beginning on page 272 of the DRHP.</p>
2.	<p>The disclosure on legal cases against the Company is also not correct as the company has failed and neglected to update all the cases which are pending before various forums including High Courts of the jurisdiction in India relating to taxation and other subjects.</p>	<p>The allegation does not specify the litigation proceedings that have not been disclosed or appropriately updated in the DRHP. Accordingly, we will not be able to comment on the same.</p> <p>Please note that the disclsoures of the outstanding litigation proceedings, including the taxation proceedings, have been made in accordance with (i) Schedule VI of the SEBI ICDR Regulations and (ii) the materiality policy of the Company adopted pursuant to a resolution of the Board dated June 23, 2022 for, <i>inter alia</i>, identification of material outstanding litigation proceedings. For further details you may refer to the section "<i>Outstanding Litigation and Material Developments</i>" beginning on page 410 of the DRHP.</p>



**Allied Blenders
& Distillers**

PRIVATE & CONFIDENTIAL

December 28, 2023

ICICI Securities Limited

ICICI Venture Centre
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025

Axis Capital Limited

1st Floor, Axis House
C-2, Wadia International Centre P.B. Marg,
Worli, Mumbai – 400025

JM Financial Limited

7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Maharashtra, India

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. C – 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

Equirus Capital Private Limited

12th Floor, C Wing, Marathon Futurex
N M Joshi Marg
Lower Parel
Mumbai – 400 013
Maharashtra, India

(ICICI Securities Limited, Axis Capital Limited, JM Financial Limited, Kotak Mahindra Capital Company Limited, Equirus Capital Private Limited are collectively referred to as the “Book Running Lead Managers” or the “BRLMs”)

Dear Sir/Ma’am(s),

Re: Email dated December 20, 2023 from SEBI with reference to the proposed initial public offering (the “Offer”) of equity shares of face value of ₹ 2 each (the “Equity Shares”) of Allied Blenders and Distillers Limited (the “Company”).

This is in reference to the email from SEBI dated December 20, 2023 requesting the BRLMs to provide para-wise comments on the response dated December 7, 2023 submitted by us with SEBI in relation to the letter received on November 22, 2023 by SEBI from a complainant, which was forwarded to ICICI Securities Limited, one of the BRLMs, on November 29, 2023, and which was subsequently forwarded to our Company on November 29, 2023, wherein the complainant communicated certain observations in relation to the Offer.

Allied Blenders and Distillers Limited

(Formerly known as Allied Blenders and Distillers Private Limited)

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www.abdindia.com CIN No: U15511MH2008PLC187368

Please note that the BRLMs were the BRLMs to the proposed initial public offering of our Company. Pursuant to the letter dated December 8, 2023, filed by the BRLMs with your office, the BRLMs have withdrawn the draft red herring prospectus dated June 27, 2022 (the “**DRHP**”) filed with SEBI, BSE Limited and National Stock Exchange of India Limited under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The BRLMs have also terminated the engagement letter dated June 27, 2022, with our Company. Therefore, the response to the email dated December 20, 2023, is being provided by the erstwhile BRLMs.

All capitalised terms used but not defined herein shall have the meaning ascribed to it in the DRHP.

We confirm that the information in this letter (including the annexures and schedules hereto) is true, correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This letter may be relied on by the BRLMs and the legal counsels in relation to the Offer.

Sincerely,

For **Allied Blenders and Distillers Limited**

RAMAKRISHN Digitally signed
AN by
RAMAKRISHNA
RAMASWAMY N **RAMASWAMY**

Ramakrishnan Ramaswamy
Chief Financial Officer