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# PNB declares United Breweries Holdings 'wilful defaulter'

By ET Bureau | Feb 17, 2016, 04.18 AM IST

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NEW DELHI | MUMBAI: [Punjab National Bank](#) (PNB) has declared Vijay Mallya-led United Breweries (Holdings), [Kingfisher Airlines](#) and Vijay Mallya as 'wilful defaulter', and bank's chairman Usha Ananthasubramanian said it will explore all legal routes to seek recovery of loans. Shares of United Breweries fell 11% to close at Rs 21.15 on BSE on Tuesday.

The company has said it plans legal action against Punjab National Bank (PNB). "The company is in consultation with its legal counsels to challenge the decision by taking appropriate legal action that may be required in this regard," United Breweries said in a notice sent to stock exchanges in response to PNB's decision.

The bank has an exposure of around Rs 710 crore towards the now grounded Kingfisher Airlines. "When people have the wherewithal to pay, they must pay," said Ananthasubramanian. She said PNB has invoked all the recovery mechanisms such as recovery suit in the debt recovery tribunal (DRT) and other legal powers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act.

In a statement issued on Tuesday, PNB noted that as per the Delhi High Court order, these defaulters were allowed to be represented before a committee constituted by the bank through their legal representatives. "After hearing the representatives, the committee declared them as wilful defaulters as per RBI guidelines," it said.

Last year, State Bank of India (SBI) and United Bank of India (UBI) had declared Mallya, Kingfisher Airlines and its holding company United Breweries as wilful defaulters. Kingfisher Airlines has an outstanding exposure of around Rs 7,000 crore towards 11 state-run banks. [SBI](#), the leader of the consortium, has an exposure of Rs 1,458 crore, followed by IDBI Bank (Rs 728 crore), PNB (Rs 710 crore), Bank of India (Rs 575 crore) and Bank of Baroda (Rs 538 crore) towards the airlines. PNB's latest move comes within weeks of the SBI-led bank consortium finalising the sale of Kingfisher House located near Mumbai airport to recover dues. SBICAP Trustee Company, which took possession of the property last year, has set reserve price of Rs 150 crore for the e-auction of the 2,401.70 square meter property auction on March 17, which has [United Breweries Holdings](#) as its guarantor.

The Central Bureau of Investigation is already investigating Vijay Mallya in a Rs 900 crore loan default case along with some officials of IDBI Bank, the lender in this case. Last year, the investigating agency also conducted raids at some offices of the UB Group. At present, there are more than 7,000 wilful defaulters with staterun banks, with outstanding amount of almost Rs 60,000 crore. So far, first information report has been filed in 1,347 cases.

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