

24th January 2023

BSE Limited
Listing Department
Dalal Street,
Mumbai 400 001
Scrip Code: 532432

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

Dear Sirs,

Sub: Disclosure pursuant to regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This has reference to our intimation dated 12th March 2022 and 29th April 2022, in relation to investment in Nao Spirits & Beverages Private Limited (“NAO”). This is to further inform that the board of directors of the Company at its meeting held today has inter-alia approved further investment in NAO by subscribing to 6,078 Compulsory Convertible Preference Shares (“CCPS”) of NAO for an aggregate consideration of INR 15 crore. Upon consummation of the aforesaid proposal, the Company’s shareholding in NAO will increase to 30% of the equity share capital on a fully diluted basis.

The details required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015 are enclosed as “Annexure – A”.

This is for your information & records.

Thank you,
For United Spirits Limited

Mital Sanghvi
Company Secretary

Encl: as above



Annexure A

Disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

No.	Required Details	Particulars
a)	Name of the target entity details in brief such as size, turnover etc.	Nao Spirits & Beverages Private Limited (“NAO”), whose turnover for the financial year ended 31 March 2022 and net worth as on 31 March 2022 were INR 20.65 crore and INR 9.65 crore respectively.
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter / promoter group / group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	As the Company has an existing investment in NAO, subscription of CCPS in NAO is a related party transaction. Further, promoter / promoter group / group companies of the Company have no interest in NAO. The transaction is at arm’s length basis.
c)	Industry to which the entity being acquired belongs	As an alcohol beverage company, NAO is engaged in the business of development, marketing & selling of craft alcoholic beverage products, both within and outside India.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The proposed investment will enable NAO to fund its operating expenses and fixed / working capital requirements for growth and expansion.
e)	Brief details of any governmental or regulatory approvals required for the acquisition	None. The proposed investment will be made upon execution of the definitive agreement and fulfilment of condition precedents etc.
f)	Indicative time period for completion of the acquisition	On or before 30 th April 2023
g)	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
h)	Cost of acquisition or the price at which the shares are acquired	INR 15 crore
i)	Percentage of shareholding / control acquired and / or number of shares acquired	Subscribing to 6,078 Compulsory Convertible Preference Shares (“CCPS”) of NAO for INR 15 crore.

No.	Required Details	Particulars
		<p>The Company had executed (i) a Share Subscription & Shareholders' Agreement and (ii) Share Purchase Agreement on 12th March 2022 to –</p> <p>a) subscribe to 8,094 Compulsory Convertible Preference Shares (“CCPS”) and 10 equity shares of NAO for INR 20 crore; and</p> <p>b) purchase, from existing shareholders, 4,660 equity shares of NAO for INR 15 crore.</p> <p>The current shareholding of the Company in NAO is 22.5% (on a fully diluted basis).</p> <p>The total shareholding percentage of the Company in NAO after the proposed investment shall stand increased to 30% (on a fully diluted basis).</p>
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>NAO has successfully developed an Indian craft gin with a global appeal. In a short span of 2-3 years, it has become one of the top emerging gin brand in India. Its products - Greater Than and Hapusa have won awards both in India and internationally.</p> <p>NAO was incorporated on 1 January 2010. Its turnover for last 3 years is as under:</p> <p>FY 21-22 – INR 20.65 crore</p> <p>FY 20-21 – INR 14.07 crore</p> <p>FY 19-20- INR 6.54 crore</p> <p>Approximately, 90% of its revenues is from India. Additionally, NAO's products are available in 8 countries including the United States of America and the United Kingdom.</p>