

DIAGEO

INDIA

United Spirits Limited

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www.diageoindia.com

01st August 2021

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

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

Dear Sirs,

Sub: Newspaper publication – Notice of 22nd Annual General Meeting and e-voting

In accordance of the captioned subject, copies of the newspaper advertisement published on 01st August 2021 in 'Business Line' and 'Prajavani' are enclosed.

This is for your information and records.

Thank you,

for United Spirits Limited

Mital Sanghvi
Company Secretary

Encl: as above.



IPO Windlas Biotech

Wait for the wind

Valuations discount high growth

SAI PRABHAKAR YADAVALLI
BL Research Bureau

Windlas Biotech (Windlas), the fifth largest domestic CDMO (Contract development and manufacturing organization) in India aims to raise around ₹400 crore. Out of this ₹237 crore is an offer for sale from existing shareholders. The PE investor from 2015, Tano India are putting their entire 22 per cent stake on the block with this IPO.

Windlas provides development and manufacturing services to Indian generic formulation manufacturers, serving 7 of the top 10 in India including MNCs. The company operates from four plants in Dehradun and is primarily into CDMO operations. Windlas is also developing a trade generics business which sells unbranded generics in a low-cost setting.

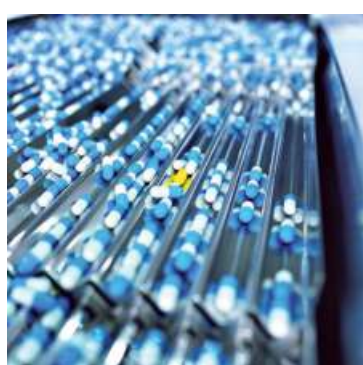
The Windlas IPO is at the higher end of the closest industry (API manufacturers) valuation range. The valuation hinges on the company sustaining its historical bottom line growth at around 20 per cent in the medium-term. Long term investors need not subscribe to the IPO now. They can wait to see how company's results play out in quarters post listing and enter later based on sustainability of earnings and valuation.

Valuations

Based on reported EPS of ₹8.7 in FY21, the valuation is at 54 times earnings, at the higher end of IPO price. Adjusted for the impairment charge in FY21 (₹27 crore), the PE multiple is around 32 times FY21 earnings compared to other API manufacturers who trade at 24-35 times FY21 earnings. Increased outsourcing may support the higher multiple for CDMO industry.

Earnings sustainability?

Windlas has to sustain a growth of 20 per cent in top and bottom line for the next two years for an acceptable,



IPO RATING	
Business	★★★★★
Financials	★★★★★
Management	★★★★★
Valuation	★★★★★
Overall	★★★★★
Rankings 1 to 5, 1 denoting lowest and 5 highest	
Offer period	Aug 4-6, 2021
Price band	₹448 - 460
Market lot	30 shares

P/E to growth ratio (PEG ratio), of around 1.5 times. Although the company has generated such growth in the past, it was aided by factors such as the Covid outbreak and reduction in interest costs.

Windlas has reported revenue and adjusted earnings (before extraordinary items) growth of 19 per cent and 26 per cent in the period FY19-21. The revenue growth was driven by the growth in number of customers and products it handled. The revenue growth in FY21 also gained from Covid-19 related sales, adjusted for which growth would be similar to industry growth rates of 13 per cent. Even as EBITDA margins improved only marginally to 12.8 per cent in FY21, deleveraging aided faster bottom line growth.

Windlas' current utilization rates hover around 30-40 per cent which is below the optimal 65 per cent range and may not need further capex in the medium term. Windlas plans to restart its injectable operations from a new building utilising IPO proceeds. The company can expect faster than industry growth, but only marginally, as outsourcing injectable products require longer term relations. Also on the margin front, Windlas as an outsourcing partner is a price taker with limited scope of margin improvement. As interest costs benefits wind down, that aspect has also run out for supporting bot-

tom line growth. Windlas' large range of products aids revenue growth through cross selling, but cannot aid scale of operations with such wide ranging inputs. Large API manufacturers generate higher margins by building scale in limited range of products which cannot be replicated by CDMO operators.

'Extraordinary' items

Windlas has a chequered history with respect to its US formulations plant. The company's subsidiary Windlas Healthcare issued shares to Cadila Healthcare in late 2018 whereby it acquired a controlling stake by paying ₹155 crore, a portion of which reflected as gains in P&L statement. Later as the plant received an import alert from a plant inspection in early 2020, Windlas had to buy back the share from Cadila with the same funds. The asset meanwhile went from a subsidiary to an associate investment and then back to the company along with an impairment of the ANDA filings done considering the import alert. A portion of the impairment went through the P&L and the remaining portion through reserves. The facility is now contributing to the CDMO operations of MNC companies and the company is trying for remediation as part of regulatory cycle, but may not pursue US markets anymore. Developments such as these do not inspire confidence.



Scan & Share

INFORMATION TECHNOLOGY Cognizant \$73.53

Turnaround play

Course correction provides an opportunity

HARI VISWANATH
BL Research Bureau

Long-term investors can accumulate the stock of Nasdaq listed IT services company Cognizant Technology Solutions (Ticker: CTSH). Its business and operations are comparable with the Tier-1 Indian IT services companies (TCS, Infosys, Wipro and HCL Tech), driven and supported well by a solid offshore model based out of India. Cognizant's lack of participation in the rally of IT service stocks and broader market, provides an opportunity for investors who are willing to be patient as the company fixes some of its past missteps that have impacted business performance in recent years.

On the basis of one-year forward PE (price to earnings) multiple of 17.2 times, Cognizant is trading inline with its historical average and at a good discount to Tier-1 peers (PE multiple range of 19 to 30 times).

The company is net cash positive (around 3 per cent of market cap) and the business is yielding strong cash flows (CY21 free cash flow yield expected at around 6 per cent). This, along with stability in earnings provides a decent margin of safety in the stock at current levels. Given that the turnaround visible from its recently reported Q2 results may take some time to yield results, investors can also accumulate the stock on dips, instead of buying in one go.

Business

The main driver of growth now is digital services, where Internet of Things (IoT), Artificial Intelligence (AI), experience driven software engineering and cloud are key areas of focus. At the end of June



quarter, digital represented around 44 per cent of revenue and grew 15 per cent Y-o-Y.

The company has 4 business verticals - Financial Services (34 per cent of revenue), Healthcare (29 per cent), Communication and Technology (15 per cent), Products and Resources (22 per cent).

Cognizant gets three-fourths of its revenues from North America. Over the long-term US will likely remain the biggest spender on IT services.

Disruptions in recent years

For the decade between CY 2006-16 (FY2007-17) peers), it grew at a pace that far exceeded that of rivals - USD revenue CAGR of 25 per cent versus TCS at 19 per cent; Infosys at 16 per cent and Wipro at 13 per cent. However, since 2016, it has fallen a bit on the way-side. Its dollar revenue growth came at a CAGR of just 2 per cent between CY18-20 and operating margins contracted by almost 300 bps to 14 per cent in 2020.

While it is hard to pin point a single reason for its under-performance, it appears to be the cumulative effect of multiple distractions the company faced had to face since 2016. In 2016, it got embroiled in an alleged bribery investigation in India and thus violated US anti-corruption laws. This was followed by activist

hedge fund Elliot Management taking a 4 per cent stake in the company in 2016 and pressuring the board and management to make changes to its business and financial strategies. Subsequently, company had to deal with an exodus of senior management. The company was hit by a ransomware attack in April 2020 just as Covid started impacting operations.

Turning around

The company has been gradually trying to find its feet back. In 2019 it appointed Brian Humphries, who was then the CEO of Vodafone Business and had wide experience in the tech industry, as its new CEO to drive its business with focus on digital segment.

In its recently concluded June quarter, the company surprised on the positive side with revenue of \$4.6 billion and adjusted EPS of \$0.99 that were about 3 per cent above consensus. It also increased its CY21 organic constant currency revenue growth guidance to 5.8 to 6.8 per cent versus growth of around 4 per cent guided at the end of March quarter. The results and guidance increase reflect strong demand for its digital solutions. Despite the high attrition which usually impact margins, the full year operating margin guidance was maintained, which can be viewed positively.

CHART FOCUS

Ashok Leyland (₹132.8): Buy

YOGANAND D
BL Research Bureau

Investors with a medium-term perspective can buy the stock of Ashok Leyland at current levels. In March 2020, the

stock registered a multi-year low at ₹33 and bottomed out. Since then, it has been in an uptrend. It had conclusively breached the psychological resistance at ₹100 in early January this year and contin-

ued to go up. But the stock met with a resistance at ₹139 in early February and started to move sideways. Although, it has formed a symmetrical triangle - a bullish continuation pattern. On Friday, the

stock jumped 6 per cent accompanied by extraordinary volume, confirming the pattern. It trades well above the 21- and 50-day moving averages. Also, the daily and the weekly relative strength in-

dex (RSI) have entered the bullish zone. Thus, it has potential to reach the price targets of ₹147 and ₹155 over the medium term with a pause at around ₹150. So, traders can buy with stop-loss at ₹120.

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Email: investor.india@diageo.com Website: www.diageoindia.com
Corporate Identity Number: L01551KA1999PLC024991

NOTICE OF 22ND ANNUAL GENERAL MEETING AND E-VOTING

Notice is hereby given that the twenty-second Annual General Meeting ('AGM') of the equity shareholders of the Company will be held on Thursday, August 26, 2021 at 3.30 p.m. through Video Conferencing ("VC")/Other Audio Visual Means (OAVM) to transact the businesses, as set forth in the Notice of the AGM of the Company, in compliance with applicable provisions of the Companies Act, 2013 (Act) and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (Listing Regulations)), read with circulars issued by Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and General Circular No. 02/2021 dated January 13, 2021 and circular issued by Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred as "relevant circulars" or "Circulars").

The Notice of the AGM of the Company along with the Annual Report for the financial year 2020-21, containing *inter alia* Report of the Directors, Statement of Profit and Loss, Balance Sheet and Report of the Auditors thereon, is being sent through electronic means to those shareholders, as on July 23, 2021, whose email addresses are registered with the Company/depository participants. The Notice of the AGM along with the Annual Report 2020-21 is also made available on the Company's website at www.diageoindia.com and on the website of stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.

In compliance with the provisions of section 108 of the Act read with rule 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the SEBI (Listing Regulations), the Company is providing its members facility to exercise their right to vote on resolutions proposed to be passed at the AGM, remote e-voting and e-voting during the AGM through services of Central Depository Services (India) Limited (CDSL). The remote e-voting facility will commence on Monday August 23, 2021 from 10.00 a.m. (IST) and ends on August 25, 2021 at 5 p.m. (IST). The e-voting module shall be disabled by CDSL for voting thereafter. Members who are present in the AGM VC / OAVM facility and have not casted their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM. A person whose name is recorded in the register of Members / Beneficial owners as on the cut-off date i.e. August 19, 2021 are entitled to avail the facility of remote e-voting as well as e-voting during the AGM. The voting rights of members shall be in proportion to their shareholding in the Company as on the beginning of the cut-off date i.e., August 19, 2021.

Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes casted by such shareholders shall be considered as invalid, as the facility of e-voting during the meeting is available only to the shareholders attending the meeting. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

Any persons who acquire and becomes shareholder of the Company after the dispatch of the Notice of the AGM and holding shares as of the cut-off date i.e. August 19, 2021 can cast their vote through remote e-voting or vote during the AGM by obtaining the login ID and password by sending an email to helpdesk.evoting@cdslindia.com by mentioning their Folio no./DP ID Client ID. However, if such shareholder is already registered with the CDSL for e-voting then existing user ID and password can be used for casting vote. Such members may obtain the Notice of the Meeting from Company's website at www.diageoindia.com or write to investor.india@diageo.com or bg1sta@integratedindia.in. The Notice of the AGM is also made available on CDSL e-voting website www.evotingindia.com.

Sl. No.	Particulars	Day, Date & Time
1.	Date of Completion of Dispatch of Notice of 22 nd AGM:	Saturday, July 31, 2021
2.	Date and time of commencement of remote e-voting:	Monday, August 23, 2021 at 10 a.m. (10.00 hours IST)
3.	Date and time of ending of remote e-voting:	Wednesday, August 25, 2021 at 5.00 p.m. (17.00 hours IST)
4.	Cut – Off Date	August 19, 2021

Members holding shares in dematerialised mode, who have not registered/updated their email addresses with their Depository Participants (DP), are requested to register / update their email addresses with the relevant DP. Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by writing to Registrars and Transfer Agents ("RTA") of the company at bg1sta@integratedindia.in with the signed request letter mentioning name, folio number, address with PIN code, contact number, along with self-attested copies of PAN card and address proof (Aadhar card/voter ID card/passport). Accordingly, members are requested to register/update their email addresses, as specified above.

Members who hold shares in dematerialised mode, physical mode and members who have not registered their email addresses, can cast their votes, once the remote e-voting starts, by following the instructions given below:

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders/Members" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next, enter the Captcha as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10-digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ RTA or contact bg1sta@integratedindia.in
Dividend Bank Details OR Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) above.

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN of the Company.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution(s) you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xvii) Facility for Non-Individual Shareholders and Custodians-Remote Voting
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required to send the relevant Board resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address Viz: sudhir.compsec@gmail.com or investor.india@diageo.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Members who hold shares in dematerialised mode, physical mode and members who have not registered their email addresses, can cast their votes, during the AGM, by following the instructions given below:

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor.india@diageo.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor.india@diageo.com. These queries will be responded appropriately by the company.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

The members are requested to email their grievances, if any, for speedy redressal to bg1sta@integratedindia.in / investor.india@diageo.com. In case of any queries/grievances relating to voting by electronic means, the Members may contact at the following address:

Central Depository Services (India) Limited,
17th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001.
Phone – 1800 200 5533
email – helpdesk.evoting@cdslindia.com

If Members have any queries or issues regarding attending AGM through VC and/or e-voting, may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under Help section or may write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542 or 022-23058543.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For UNITED SPIRITS LIMITED

Date : 31st July 2021
Place : Bengaluru

Mital Sanghvi
Company Secretary

