

United Spirits Limited

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Date: June 25, 2018

**1. BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001

Scrip code – 532432

**2. National Stock Exchange of India Ltd.**

Exchange Plaza, Plot No. C/1, G Block,

Bandra-Kurla Complex, Bandra (E)

Mumbai – 400 051

Scrip Code – MCDOWEL-N

Dear Sirs,

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A, Part A of Schedule III to the said Regulations**

We hereby enclose the Company's disclosure under the above Regulations in connection with the Company's equity investment in Hip Bar Private Limited along with the Press Release on the subject.

Kindly acknowledge receipt.

Yours faithfully,

For **UNITED SPIRITS LIMITED****V Ramachandran****Executive Vice – President and Company Secretary**

### EQUITY INVESTMENT IN HIP BAR PRIVATE LIMITED

Earlier today, i.e., June 25, 2018, United Spirits Limited (the *Company*) has subscribed to 4,567,568 (four million five hundred and sixty-seven thousand five hundred and sixty-eight) equity shares of Hip Bar Private Limited (*Hip Bar*), constituting approximately 26% of the paid-up equity share capital of Hip Bar, for a subscription price of Rs. 270,000,000 (Two Seventy Million Rupees). The investment was completed pursuant to the terms of a Share Subscription Agreement and a Shareholders' Agreement entered into by the Company with, amongst others, Hip Bar and its promoters, on the same date.

The Company will continue to partner with Hip Bar for promoting the Company's products on Hip Bar's platform, pursuant to the terms of a brand partner agreement.

Set out below are the relevant details required to be disclosed pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*LODR Regulations*):

#### A. Disclosures under sub-paragraph 1 of Para A, Part A of Schedule III of LODR Regulations in relation to share subscription:

No.	Required Details	Particulars
(a)	Name of the target entity details in brief such as size, turnover etc.	The target company is Hip Bar, whose turnover and net worth for the financial year ended March 31, 2017 were Rs. 8,108 (Eight Thousand One Hundred and Eight Rupees) and Rs. 38,145,431 (Thirty Eight Million One Hundred Forty Five Thousand Four Hundred Thirty One Rupees), 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"	The Company's investment in Hip Bar is not a related party transaction, and the promoter / promoter group / group companies of the Company have no interest in Hip Bar. However, following the Company's investment, Hip Bar has become an "associate company" of the Company, i.e., by virtue of the Company having a shareholding in excess of 20% in Hip Bar. Accordingly, Hip Bar is now a "related party" of the Company.
(c)	Industry to which the entity being acquired belongs	Hip Bar is a digital payments company servicing the beverage alcohol industry and its consumers.
(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)	It is believed that Hip Bar's platform should provide growth opportunities for the Company's on-line / e-commerce route to market. The investment enables the Company to participate in Hip Bar's growth and further strengthen the Company's partnership with Hip Bar.
(e)	Brief details of any governmental or regulatory approvals required for the acquisition	The investment does not require any prior governmental or regulatory approvals.



No.	Required Details	Particulars
(f)	Indicative time period for completion of the acquisition	The investment was completed on the same date as the execution of the Share Subscription Agreement, i.e., June 25, 2018.
(g)	Nature of consideration - whether cash consideration or share swap and details of the same	The entire subscription price was paid by the Company in cash by way of a demand draft drawn in favour of Hip Bar.
(h)	Cost of acquisition or the price at which the shares are acquired	The subscription price paid by the Company was Rs. 270,000,000 (Two Seventy Million Rupees), representing approximately Rs. 59.11 (Fifty Nine Rupees and Eleven Paise) per equity share.
(i)	Percentage of shareholding / control acquired and / or number of shares acquired	The Company has subscribed to 4,567,568 (four million five hundred and sixty-seven thousand five hundred and sixty-eight) equity shares of Hip Bar, constituting approximately 26% of the paid-up equity share capital of Hip Bar.
(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>Hip Bar was incorporated on February 20, 2015. Hip Bar is in the business of owning and operating a web-based mobile application under the name and style of "HIPBAR", which acts as an electronic payment platform servicing the beverage alcohol industry and its consumers.</p> <p>Hip Bar did not have any turnover in the first financial year following its incorporation (i.e., for the financial year ending March 31, 2016). In its second financial year (i.e., the financial year ending March 31, 2017), Hip Bar had a turnover of Rs. 8,108 (Eight Thousand One Hundred and Eight Rupees).</p> <p>Hip Bar currently has operations only in India.</p>

**B. Disclosures under sub-paragraph 5 of Para A, Part A of Schedule III of LODR Regulations in relation to Shareholders' Agreement:**

No.	Required Details	Particulars
(a)	Name(s) of parties with whom the agreement is entered	The Shareholders' Agreement dated June 25, 2018 was entered into between the Company, Hip Bar, the promoters of Hip Bar, i.e., Mr. Prasanna Natarajan and Mrs. Rajalakshmi Natarajan, and another shareholder of Hip Bar, Mr. Vallal RCK.
(b)	Purpose of entering into the agreement	The Shareholders' Agreement sets out the agreement and the relationship between the parties thereto, including in relation to the shareholding of the Company and other matters in connection therewith.



No.	Required Details	Particulars
(c)	Shareholding, if any, in the entity with whom the agreement is executed	As mentioned above, the Company has subscribed to 4,567,568 (four million five hundred and sixty-seven thousand five hundred and sixty-eight) equity shares of Hip Bar, constituting approximately 26% of the paid-up equity share capital of Hip Bar.
(d)	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The Company has various customary minority protection rights under the Shareholders' Agreement, including the right to currently appoint one director to the board of Hip Bar, various information and related rights, a list of reserved matters in relation to Hip Bar which require the affirmative approval of the Company, pre-emptive rights for the Company in connection with future rights issuances, first right to share subscription in case of issuance of shares to certain types of investors, exit rights upon the occurrence of an event of default, etc. The Company and Hip Bar's promoters also have mutual rights of first refusal (and in the Company's case, also certain tag-along rights) in connection with any proposal by either party to transfer shares in Hip Bar to a third party.
(e)	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	The promoter / promoter group / group companies of the Company have no interest in Hip Bar.
(f)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	The Company's investment in Hip Bar is not a related party transaction. However, following the Company's investment, Hip Bar has become an "associate company" of the Company, i.e., by virtue of the Company having a shareholding in excess of 20% in Hip Bar. Accordingly, Hip Bar is now a "related party" of the Company.
(g)	In case of issuance of shares to the parties, details of issue price, class of shares issued	The Company has subscribed to equity shares constituting approximately 26% of the paid-up equity share capital of Hip Bar. The subscription price paid by the Company was Rs. 270,000,000 (Two Seventy Million Rupees), representing approximately Rs. 59.11 (Fifty Nine Rupees and Eleven Paise) per equity share.
(h)	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;	NA



No.	Required Details	Particulars
(i)	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; and d) details of amendment and impact thereof or reasons of termination and impact thereof.	NA



## **DIAGEO INDIA INVESTS IN HIPBAR**

**25 JUNE 2018:** Diageo India, the country's leading beverage alcohol group, through its legal entity United Spirits Limited today announced an equity investment in Hip Bar Private Limited, a payment technology start-up that serves the needs of the beverage alcohol industry and its consumers, through the HipBar Mobile Wallet and Delivery App.

Diageo India is committed to transforming the beverage alcohol industry and with this investment, the company will support HipBar's digital ambition and help expand its footprint across more markets. HipBar unlocks the industry's need to provide better experiences, promote responsible consumption and digitally connect brands, retail stores and consumers through a common digital platform.

With the HipBar app, age verified consumers can browse a range of alcoholic beverages, select a brand of their choice and make payment using the mobile wallet to have the product delivered at their doorstep (where permitted) or pick it up from a retail store at their convenience. HipBar has developed a stringent age verification process as well as highly compliant standard operating procedures to ensure that the company's delivery service fosters a safe drinking environment in India.

On B2B front, HipBar works closely with the beverage alcohol industry and the government to custom build software and deploy technology projects that will help the category to move forward in a compliant and sustainable manner. Some of these digital initiatives include last mile alcohol delivery platform, SaaS based e-governance module for use by Governments, HipBar Point-of-Sale (POS) for standalone licensed retail stores and HipBar Pay for government controlled retail stores. Founded in 2015, currently HipBar operates in Bengaluru and Chennai.

**Talking about its investment in HipBar, Anand Kripalu, CEO and Managing Director, Diageo India said,** "E-commerce is making an impact on just about every industry imaginable, and the beverage alcohol industry is set to be the next sector to be disrupted by the continued shift to digital. At Diageo India, we have been innovating and meeting consumer trends by offering new products and formats. This investment allows us to discover ideas that anticipate shifts in consumer behaviour and enables us to remain at the forefront of trends. We believe that HipBar is creating the right conduit for all players across the industry as it opens up a new and convenient route to reach consumers within the industry's complex regulatory environment. HipBar will continue to run as an independent enterprise driven by its founding team."

**Sharing his views on the recent investment by Diageo India, Mr. Prasanna Natarajan, Founder of HipBar said:** "We are glad to welcome Diageo India as an investor in HipBar and it shows the industry's commitment and need for digital transformation. As a business, our interests will always be subservient to how HipBar is performing in the social sphere and if it is indeed bringing the intended benefits of technology to help people drink more responsibly. We hope to bring in the global best practices and build sustainable partnerships with governments, the trade and all the players in the industry to drive this category evolution."

Diageo has acquired a 26% equity stake in HipBar for INR 270 Million.



## About Diageo India

Diageo India is the country's leading beverage alcohol company and a subsidiary of global leader Diageo plc. The company manufactures, sells and distributes an outstanding portfolio of premium brands such as Johnnie Walker, Black Dog, Black & White, VAT 69, Antiquity, Signature, Royal Challenge, McDowell's No.1, Smirnoff, Captain Morgan and Four Seasons.

Headquartered in Bengaluru, our wide footprint is supported by a committed team of over 5000 employees, 60 manufacturing facilities across states and union territories in India, a strong distribution network and a state-of-the-art Technical Centre.

Incorporated in India as United Spirits Limited (USL), the company is listed on both the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. For more information about Diageo India, our people, our brands, and performance, visit us at [www.diageoindia.com](http://www.diageoindia.com). Promoting responsible consumption of alcohol is at the core of our business. Visit Diageo's global responsible drinking resource, [www.DRINKiQ.com](http://www.DRINKiQ.com), for information, initiatives, and ways to share best practices.

Celebrating life, every day, everywhere.

