



EXCLUSIVE BY CNBC-TV18

United Spirits looks to start deleveraging in two weeks

The company has got offers from two of the world's top five private equity firms to invest \$200-300 million each

BY SHEREEN BHAN
CNBC-TV18

NEW DELHI

The world's third largest spirits maker, **United Spirits Ltd.**, will begin the process of significantly deleveraging its balance sheet within the next two weeks, chairman Vijay Mallya said on Wednesday.

Mallya had said in February that he was looking to deleverage United Spirits in six months.

As to the company's talks with **Diageo Plc.**, the world's largest beer, wine and spirits firm, for a stake sale, Mallya said the discussions are on track and have not been stalled or derailed.

Mallya said he met Paul Walsh, Diageo's chief executive officer, on 22 June to discuss the way forward for the



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Stake sale: *Vijay Mallya is open to placing the firm's treasury stock, not the promoter holding, with either Diageo or private equity firms or both.*

proposed stake sale. The two firms have been in talks since late last year for a proposed deal.

The United Spirits chairman also said the company has received offers from two of the world's top five private equity firms to invest \$200-300 million (Rs970-1,455 crore) each in the company.

The term-sheets have already been submitted but that does not imply he would pick up these amounts from the pri-

private equity firms, he added.

Mallya said he is open to placing United Spirits' treasury stock, and not the promoter holding, with either Diageo or the private equity firms, or both. The treasury stock was created consequent to the mergers of several spirit companies that Mallya had acquired. "We could look at a combination of private equity investment as well as placing treasury stock with Diageo."

cnbctv18@livemint.com