

USL raises Rs 1,600 cr in QIP

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United Spirits (USL), a UB Group company, has raised close to Rs 1,600 crore through the qualified institutional placement (QIP) route. This is the second time that the company has raised funds in a four-month period. The first one was when the company raised Rs 950 crore through an open market sale in July. The QIP route was necessitated after USL's discussions with global private equity players, including KKR and Capital International, fell through early this month.

Company executives said up to Rs 1,300 crore from the QIP proceeds would be used to settle debts. The rest would be used for business expansion. USL had used the entire Rs 950 crore which it raised earlier to settle part of the Rs 7,100-crore debt — a leverage of three times. USL had raised close to Rs 3,000 crore to acquire Whyte & Mackay for Rs 5,730 crore in 2007.

This year, USL had to repay Rs 549 crore.

In May, USL made a payment of Rs 215 crore and, on top of that, made an additional Rs 334-crore payment during July. USL subsequently paid back Rs 950 crore and intends to top that with around Rs 1,300 crore from the fresh proceeds, thus settling a total of Rs 2,800 crore of its debt, bringing down the burden to Rs 4,200 crore. USL's stock gained 7.13 per cent at Rs 987.10 by close of Thursday's trade on the BSE.