

## UNITED SPIRITS LIMITED

Regd. Office: UB Tower, #24 Vittal Mallya Road, Bangalore 560 001

Corporate Identity Number: L01551KA1999PLC024991

**PROCEEDINGS OF THE SIXTEENTH ANNUAL GENERAL MEETING OF  
THE MEMBERS OF THE COMPANY HELD ON TUESDAY, NOVEMBER  
24, 2015 AT 2.30 P.M. AT LEVEL 1, UB TOWER, #24, VITTAL MALLYA  
ROAD, BANGALORE 560 001**

Present:	
DR. VIJAY MALLYA	Chairman & Member
MR. NICHOLAS BODO BLAZQUEZ	Director
MR. MAHENDRANKUMAR SHARMA	Director & Chairman – Audit Committee
MR. D. SIVANANDHAN	Director & Chairman – Stakeholders Relationship Committee
MR. SUDHAKAR RAO	Director
DR.(MRS) INDU SHAHANI	Director & Chairman – Nomination and Remuneration Committee
MR. RAVI RAJAGOPAL	Director
MR. ANAND KRIPALU	Managing Director and Chief Executive Officer
MR. SUNIL GAGGAR	Partner BSR & Co. LLP, Statutory Auditors
MR. SUDHIR V HULYALKAR	Secretarial Auditor
UNITED BREWERIES (HOLDINGS) LIMITED	By their authorised representative Ms. Radhika
KINGFISHER FINVEST INDIA LIMITED	By their authorised representative Mr. P Subramoni
MALLYA PRIVATE LIMITED	By their authorised representative Mr. Anil Pisharody
USL BENEFIT TRUST	By their authorised representative Mr. V. Ramachandran
ROSSI & ASSOCIATES PRIVATE LIMITED	By their authorised representative Mr. P.G. Govindan
DEVI INVESTMENTS PRIVATE LIMITED	By their authorised representative Mr. P.G. Govindan
VITTAL INVESTMENTS PRIVATE LIMITED	By their authorised representative Mr. Anil Pisharody
RELAY B.V.	By their authorised representative Mr. Antonio Chan

**Certified True Copy  
For UNITED SPIRITS LIMITED**

  
**V. RAMACHANDRAN**  
Company Secretary

AND	
184	Members Present in Person and
20	Members through Proxy holding 90,107,032 shares on the cut-off date of Nov 18, 2015 and 90,075,199 shares on October 23, 2015 (Date for despatch of Annual Report and Notice for AGM)

In terms of Article 132 of the Articles of Association of the Company, Dr. Vijay Mallya, Chairman, took the Chair and as the requisite quorum was present, called the Meeting to Order.

The Chairman mentioned that the Registers viz., auditor's report, secretarial audit report, other registers and documents as per the Statutory Requirements were laid open at the Meeting.

The Chairman welcomed the Members and addressed the gathering. He introduced all the Directors and officers of the Company present on the dais. The Chairman also updated the Members about the appointment of new Directors on the Board viz., Mr. Rajeev Gupta, Mr. Nicholas Bodo Blazquez and Mr. Mahendra Kumar Sharma. The Chairman also stated that Mr. Rajeev Gupta could not attend the meeting due to prior engagements.

**Change in Management:**

The Chairman updated the Members about the changes that took place in the Management, which are given below:

- Mr. Anand Kripalu was appointed Chief Executive Officer in May 2014 and additionally as Managing Director in August 2014.
- Mr. P. A. Murali, Executive Director and Chief Financial Officer resigned from the company in April 2015 and Mr. Vinod Rao, Finance Director – Asia Pacific Diageo was appointed as the interim Head of Finance. In November, 2015, USL appointed Mr. Sanjeev Churiwala as our new Chief Financial Officer.

- Mr. V. S. Venkataraman, Company Secretary retired in March, 2015 and Mr. V Ramachandran was appointed as the Company Secretary in May 2015.

**Business update:**

The Chairman updated the Members about Diageo's acquisition of further stake of 26% of equity capital of Company through open offer to shareholders by which the aggregate shareholding of Diageo rose to 54.78% and the Company became a part of Diageo Group.

The Chairman also stated that from April 2015, the Company started integrating Diageo India's business, brands and people with the Company.

The Chairman also mentioned that during the year under review, the Company has sold its entire shareholding in the Whyte and Mackay, a wholly owned subsidiary of the Company, along with its subsidiaries to Emperador Inc, a Singapore based Company and hived off its manufacturing unit located at Poonamallee, Chennai to Enrica Enterprises Private Limited.

**Business outlook and performance:**

The Chairman, inter alia, gave an overview of the Alcobev beverage industry, brief details of the performance of the Company including that of the millionaire brands during the year under review.

The Chairman stated that the size of the Indian beverages market is about ₹5.3 billion and is expected to grow at 8-10% CAGR over the next five years. Growth is expected to be led by the higher priced Indian Made Foreign Liquor (IMFL) premium whisky and premium Scotch that are set to see high growth at 14% and 28% CAGR respectively.

The Chairman stated that the spirits category is projected to accelerate in the mid- to long-term, fuelled by GDP growth forecast at 6-8% and by favourable demographics. The outlook for the beverage alcohol

sector is very positive with increase in disposable incomes and transformation in lifestyles.

The Chairman stated that the financial performance of the company was mixed in Financial Year 2015. The Company achieved a sales volumes of over 117.1 million cases. Sales of brands in the Prestige and above segment grew by 8%. However gross margins were under pressure driven by rising input cost inflation, price repositioning on key Prestige brands and restricted pricing freedom. This has been mitigated by improvement in mix and productivity.

The Chairman stated that the company also took an exceptional charge during the year on certain 'one off' items. The overall shape of the P&L reflects our growth oriented strategy with upfront investments in our brands and organisation. The Chairman also highlighted the growth, during the year, of key brands of the Company and also highlighted the challenges being faced by the industry which continues to be the most regulated in India.

The Chairman also informed the Members that there are many exciting plans for the Company and its brands for the next year. He added that the current financial year has begun well as can be seen from the half yearly results for Financial year 2015-16 announced earlier and the Company hopes to continue to build on the momentum.

**Agenda:**

With the permission of the members present, the Notice convening the Meeting was taken as read.

Since there were qualifications, observations or comments in the Auditor's Report as well as Secretarial Audit Report, the Chairman asked the Company Secretary to read out the relevant qualifications, observations or comments in the Auditor's Report as well as Secretarial Audit Report as required by Section 145 of the Companies Act, 2013. After the Company Secretary read out the relevant portions, the Chairman read out the printing error in Pages 112-115, 120 – 145, 148 – 160, 164 - 167, 172, 175, 177, 178, 180 – 189, 191 – 195, 197 – 204 & 207 of the annual report 2014-15 and

the correction thereof: Where the words 'C' Million wherever occurring should be read as 'Rs. Million'

The Chairman informed the Members that:-

- a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement with the Stock Exchanges, the Company extended the e-voting facility to the Members of the Company in respect of businesses to be transacted at the Annual General Meeting.
- b) The e-voting period commenced at 9.00 am on November 20, 2015 and ended at 5.00 pm on November 23, 2015 and
- c) Mr.Sudhir Hulyalkar, Company Secretary in Practice was appointed as the Scrutinizer for scrutinizing the e-voting process and that he will be submitting his report after considering the results of voting at the Annual General Meeting.

The Chairman further stated that:

- a) To enable those shareholders who did not have access to e-voting facility or who had not exercised their vote through e-voting, opportunity was being given at the meeting for them to convey their assent or dissent in writing for all the 7 resolutions through the polling paper which had been distributed to the members.
- b) Hence, passing of resolution by show of hands was not applicable.
- c) A member who had voted through e-voting facility would not be entitled to vote at the meeting.
- d) The Ballot box was kept on the side of the dais and the members, if they so desired, could commence their voting and deposit the polling papers, duly completed, in the Ballot box.

The Chairman then briefed the members present of the summary of all the Resolutions contained in the Notice as mentioned below.

<b>Item No</b>	<b>Particulars</b>	<b>Type of Resolution</b>
1	Adoption of Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2015 and the Reports of the Directors and Auditors thereon	<b>Ordinary</b>
2	Appointment of Mr. Ravi Rajagopal (DIN: 00067073) as a Director	<b>Ordinary</b>
3	Ratification of appointment of auditors of the Company	<b>Ordinary</b>
4	Appointment of Dr. Nicholas Bodo Blazquez (DIN: 06995779) as a Director	<b>Ordinary</b>
5	Appointment of Mr. Rajeev Gupta (DIN: 00241501) as an Independent Director.	<b>Ordinary</b>
6	Appointment of Mr. Mahendra Kumar Sharma (DIN: 00327684) as an Independent Director.	<b>Ordinary</b>
7	Revision in the terms of remuneration payable to Mr. Anand Kripalu, Managing Director and Chief Executive Officer	<b>Special</b>

Thereafter, the Chairman took up the items on the Agenda as per the Notice of the Meeting, *ad seriatim*. The Chairman invited comments from Members for each item of the Agenda.

Following Members recorded their accolades on certain new initiatives brought by the Company and raised certain queries, the gist of which are stated below:

1. Mr. Ramamurthy
2. Mr. Sadanand Shastry
3. Mr. M.N. Sinha
4. Mr. Mani Sundaram
5. Ms. Nirmala Lingappa
6. Mr. Abishek

7. Dr. Ashok
8. Mr. D.R. Prakash

**a. Non-Declaration of Dividend**

The Members raised that no dividends were paid both for the financial year under review and for last year and requested the Chairman and the Board to evaluate payment of Dividend/Interim Dividend.

**b. Initiative on Road to Safety:**

The Members appreciated the initiative taken by the Company for having conducted a campaign on 'road to safety'. The Members also placed on record their appreciation of the inclusion of women director on the Board of Directors and suggested that more women should be given opportunity in Company's Board to exhibit their talent. The Members also recommended setting up a detoxification centre and to take steps to explain the ill-effects of drinking.

**c. Women empowerment:**

The Members also recorded their accolades for establishing the "Young Women Social Entrepreneurship Development Programme" by the Company.

**d. Revision in the remuneration to be paid to Mr. Anand Kripalu:**

Members sought clarifications on the revision in the remuneration to be paid to Mr. Anand Kripalu, CEO and MD.

The Chairman after listening to all the aforesaid queries responded as follows:

Company incurred a loss in the financial year under review primarily on account of the exceptional provisions that were required to be made by the Company. The Company has been consistently making profits during the preceding years and the

aforesaid two years (FY 2013-14 & 2014-15) have been exceptional years from the point of view of these exceptional items provided for in the financial statements. The Company has operating profits as demonstrated through the financial results for the quarter ended June 30, 2015 and September 30, 2015.

The Chairman also added that the revision in the remuneration of Mr. Anand Kripalu was approved by the Board of Directors of the Company, which they considered to be in line with market standing of the Company commensurate with the size, scale and complexity of business.

Thereafter, the Chairman appointed Mr Sudhir V Hulyalkar, Company Secretary in Practice as the Scrutinizer for conducting the poll process at this meeting in a fair and transparent manner and stated that the combined results of the voting (both e-voting and physical voting at this meeting) on all the 7 resolutions would be announced within two days and the results along with the Scrutinizers Report would be placed on the website of the Company and that of Central Depository Services Limited and also intimated to the respective stock exchanges.

Based on the Scrutinizer's Reports received on both e-voting and poll, the following Ordinary/Special Resolutions were approved by the Members with requisite majority. The result of the e-voting and poll in respect of Item Nos.1 to 7 of the Notice (as per format attached in Annexure I), forms part of the proceedings.

<b>Item No.1</b>	<b>Adoption of Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2015 and the Reports of the Directors and Auditors thereon:</b>
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**As an Ordinary Resolution:**

**"RESOLVED** that the Audited Financial Statements (including Consolidated Financial Statements) for the



financial year ended March 31, 2015 and the Reports of the Directors and Auditors thereon, be and are hereby adopted."

**Item Appointment of Mr. Ravi Rajagopal (DIN:  
No.2 00067073) as a Director:**

**As an Ordinary Resolution:**

"**RESOLVED** that **Mr. Ravi Rajagopal (DIN 00067073)**, who retires by rotation and being eligible, offers himself for reappointment, be and is hereby appointed as a Director of the Company."

**Item Ratification of appointment of auditors of the  
No.3 Company**

**As an Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, pursuant to the recommendation of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the annual general meeting (AGM) held on September 30, 2014, the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as the auditors of the Company, to hold office until the conclusion of the twentieth AGM, subject to ratification of the appointment by the members at every AGM in accordance with the Companies Act, 2013, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors.

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**Item Appointment of Dr Nicholas Bodo Blazquez  
No.4 (DIN: 06995779) as a Director.**

**As an Ordinary Resolution:**

**RESOLVED THAT** Dr. Nicholas Bodo Blazquez (DIN: 06995779), who was appointed as an additional director of the Company and whose period of office expires on the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable for retirement by rotation.

**Item No.5 Appointment of Mr Rajeev Gupta (DIN: 00241501) as an Independent Director.**

**As an Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013, Mr. Rajeev Gupta (DIN: 00241501), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, who shall not be liable to retire by rotation, to hold office for an initial term of five consecutive years from December 23, 2014.

**Item No.6 Appointment of Mr Mahendra Kumar Sharma (DIN: 00327684) as an Independent Director.**

**As an Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read

with Schedule IV to the Companies Act, 2013, Mr. Mahendra Kumar Sharma (DIN: 00327684), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company who shall not be liable to retire by rotation to hold office for an initial term of five consecutive years from April 1, 2015.

Item **Revision in the terms of remuneration**  
No.7 **payable to Mr Anand Kripalu as Managing**  
**Director and Chief Executive Officer**

**As a Special Resolution:**

RESOLVED THAT in partial modification of the Resolution No. 12, passed at the 15th Annual General Meeting of the Company held on September 30, 2014, the terms of remuneration of Mr. Anand Kripalu, Managing Director and Chief Executive Officer, be and are hereby revised as under, with effect from July 1, 2015, and shall remain in force till the end of his tenure as Managing Director and Chief Executive Officer, unless otherwise revised before the completion of his tenure by obtaining the approval of the members by way of special resolution and that all other terms and conditions of the Resolution No. 12, passed at the 15th Annual General Meeting of the Company held on September 30, 2014 shall continue unaltered.

**1 Salary**

Basic Salary of Rs.21,42,000/- per month (as against Rs.26,33,890/- per month previously approved), with such increments as may be determined by the Board of Directors of the Company from time to time, in the salary range of Rs. 20,00,000/- to Rs. 35,00,000/- per month and with proportionate increase in

all benefits related to the quantum of salary.

**2 Special Allowance**

Special Allowance at the rate of 50% of the proposed basic salary per month. This will be taken into account for calculation of Provident Fund, Gratuity, Superannuation Benefits and Annual Incentive Plan or equivalent.

**3 Personal Allowance**

Rs.9,44,400/- per month (as against Rs. 9,53,400/- per month previously approved) in the range of Rs. 9,00,000/- to Rs. 16,00,000/- per month.

**4 Annual Incentive Plan (AIP) or equivalent**

As per the rules framed by the Company in this regard and is variable in nature depending on individual and company performance parameters. Target payout is Rs. 24,94,440/- per month.

**5 Long Term Incentive Plan (LTIP) or equivalent**

Diageo Executive Long Term Incentive Plan (DELTIP), or equivalent; target of Rs. 2,40,58,944/- and United Spirits Stock Appreciation Rights Plan target of Rs. 1,20,75,000/- as per the rules framed by the Company in this regard.

**6 Perquisites**

i) Housing – Furnished/unfurnished residential accommodation or house rent allowance of maximum of 50% of basic salary in lieu thereof. The expenditure incurred by the Company on gas, electricity and water shall

be valued as per the Income Tax Rules, 1962.

ii) House Maintenance, Repairs and Painting at actuals as per the Company's policy.

iii) LTA of Rs.15,500/- per month as per Rules of the Company, as applicable.

iv) National Pension Scheme (NPS) - Contribution or allowance of 10% Basic Salary per month as per the Company's rules.

v) Medical Reimbursement – Expenses incurred for Mr.Kripalu and his family on actuals, as per the rules of the Company, as applicable.

vi) Club Fees – Fees of clubs subject to a maximum of two clubs. This will include admission and corporate annual membership fees.

vii) Group Mediciclaim Policy – Hospitalisation expenses for Mr.Kripalu and his family on actuals as per rules of the Company and as applicable to employees of his grade.

viii) Group Term Life Insurance – Life insurance for Mr.Kripalu as applicable to employees of his grade and as per rules of the Company.

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ix) Personal Accident Insurance – Accident Insurance for Mr. Kripalu as applicable to employees of his grade and as per rules of the Company.

x) Provident Fund – The Company's contribution to Provident Fund shall be as per the Scheme of the Company, as applicable.

xi) Superannuation/Annuity Fund – The Company's contribution to Superannuation or Annuity Fund shall be in accordance with the Scheme of the Company, as applicable.

xii) Gratuity – Payable in accordance with the Rules of the approved Fund of the Company, as applicable.

xiii) Encashment of leave not availed – As per the Rules of the Company, as applicable.

xiv) Provision of cars, cell phone and telephone (at the residence) – Provision of two Company cars with drivers and actual fuel; two mobile phones' expenditure, two telephones at residence including internet broadband expenditure as per the Company's policy.

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xv) Tax preparation services – Consulting services cost for

filing tax returns payable at actuals.

xvi) Such other benefits, amenities, facilities and perquisites as per the rules of the Company, as applicable and as may be permitted by the Board of Directors of the Company.

Provided that the remuneration payable to Mr. Kripalu (including salary, Special Allowance, Personal Allowance, Annual Incentive Plan (AIP) or equivalent Long Term Incentive Plan (LTIP) or equivalent, Perquisites, Benefits, Amenities and Facilities) shall be subject to the provisions laid down in Section 197 and Schedule V of the Companies Act, 2013 or any other statutory provisions, modifications and re-enactments thereof.

**FURTHER RESOLVED THAT** the remuneration as aforesaid by way of Salary, Special Allowance, Personal Allowance, Annual Incentive Plan (AIP) or equivalent, Long Term Incentive Plan (LTIP) or equivalent, perquisites, benefits, amenities and facilities shall be paid and provided as "minimum remuneration" to Mr. Anand Kripalu notwithstanding the absence or inadequacy of profits in any financial year of the Company during the tenure of his office as the Managing Director of the Company, subject to all approval(s) as may be necessary.

The combined results of the e-voting and poll were announced on November 25, 2015 at the Registered Office of the Company and the results along with the Scrutinizer's Report were also placed on the website of the Company and that of Central Depository Services Limited.

The Meeting started at 2.30 p.m and ended at 3.45 p.m

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**Sd/-**  
**DR. VIJAY MALLYA,**  
**CHAIRMAN**

## Annexure I

### RESULTS OF E-VOTING AND POLL AT THE 16<sup>th</sup> Annual General Meeting held on November 24, 2015

The combined results of the voting (both e-voting and physical voting at the meeting) on the following 7 resolutions as per the Scrutinizer's Reports dated November 25, 2015, on e-voting and poll, is as follows:

Item No	Resolutions proposed at the AGM	Votes in favour		Votes against		Invalid votes
		No of Shares	%	No of Shares	%	No of Shares
1	Adoption of Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2015 and the Reports of the Directors and Auditors thereon	9,33,38,505	84.51	1,71,10,586	15.49	8,75,925
2	Appointment of Mr. Ravi Rajagopal (DIN: 00067073) as a Director	11,05,59,958	99.01	11,00,858	0.99	8,75,925
3	Ratification of appointment of auditors of the Company	10,56,36,751	94.66	59,57,305	5.34	8,75,925
4	Appointment of Dr. Nicholas Bodo Blazquez (DIN: 06995779) as a Director	11,03,63,373	98.84	12,97,442	1.16	8,75,925
5	Appointment of Mr. Rajeev Gupta (DIN: 00241501) as an Independent Director.	10,57,11,213	94.67	59,49,603	5.33	8,75,925



6	Appointment of Mr. Mahendra Kumar Sharma (DIN: 00327684) as an Independent Director.	10,55,24,893	94.50	61,35,923	5.50	8,75,925
7	Revision in the terms of remuneration payable to Mr. Anand Kripalu, Managing Director and Chief Executive Officer	10,57,10,960	100	503	0.00	8,75,925

Sd/-  
**CHAIRMAN**

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