

**DIAGEO**

INDIA

United Spirits Limited

Registered Office:  
UB Tower  
#24 Vittal Mallya Road  
Bengaluru 560 001  
Tel: +91 80 2221 0705  
Fax: +91 80 3985 6862  
www.diageoindia.com

October 04, 2018

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051

BSE Limited  
(Regular Office & Corporate Relations Dept)  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

**Sub: Disclosure under Section 118(1) of the Companies Act, 2013 & Rule 25(1)(b)(i) of the Companies (Management and Administration) Rules, 2014 of proceeding of 19th Annual General Meeting held on September 07, 2018**

Pursuant to the requirements of Section 118(1) of the Companies Act 2013, and rules thereunder; we forward herewith a copy of the Minutes of Proceedings of the 19th Annual General Meeting (AGM) of the Company held on September 07, 2018.

Kindly acknowledge the receipt and take note of the above on your record.

Thanking you,

Yours faithfully  
for **UNITED SPIRITS LIMITED**



V Ramachandran  
Company Secretary

Encl: a/a



## UNITED SPIRITS LIMITED

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

Corporate Identity Number: L01551KA1999PLC024991

Phone: 080 3985 6500; Fax: 080 3985 6862, Website: [www.diageoindia.com](http://www.diageoindia.com)

Email: [investor.India@diageo.com](mailto:investor.India@diageo.com)

### MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON FRIDAY, SEPTEMBER 7, 2018 AT 3.30 P.M. AT THE VIVANTA BY TAJ, M G ROAD, BANGALORE - 560 001

Present:	
MR. MAHENDRA KUMAR SHARMA	Chairman & Independent Director
MR. ANAND KRIPALU	Managing Director and Chief Executive Officer
MR. SANJEEV CHURIWALA	Executive director and chief Financial Officer
MR. V K VISWANATHAN	Independent Director and Audit Committee Chairman
DR.(MRS) INDU SHAHANI	Independent Director and Chairperson of Nomination and Remuneration Committee
MR. D SIVANANDHAN	Non-Executive Independent Director and Chairman of Stakeholder Relationship and General Committee
MR. V. RAMACHANDRAN	Executive Vice President and Company Secretary
MR. AMIT AGARWAL	Partner, Price Waterhouse & Co Chartered Accountants LLP
MR SUDHIR HULYALKAR	Secretarial Auditor
USL BENEFIT TRUST	By their authorised representative Mr Anand Kripalu Mr. V. Ramachandran.
234	MEMBERS PRESENT IN PERSON AND
2	MEMBERS THROUGH PROXY

Relay BV, wholly owned subsidiary of Diageo PLC, holding 54.78 % of the paid up share capital in the Company had authorized Ms Marga Gerichhausen to represent Relay BV for voting at the AGM. Since Diageo PLC through its subsidiary company Relay BV had cast its vote during the permissible period through e-voting facility provided in advance to all shareholders, the authorized persons of Relay BV did not attend the Annual General Meeting in person. The nominee Directors of Diageo PLC namely Mr Anand Kripalu, MD and CEO and Mr Sanjeev Churiwala, ED and CFO were also present in person at this meeting.

In terms of Article 132 of the Articles of Association of United Spirits Limited ('Company' or 'USL'), Mr. Mahendra Kumar Sharma, Chairman, took the Chair and called the Meeting to Order.

Chairman welcomed the Members and introduced the Directors/executives on the dais. The Chairman also stated that four of our Board members viz., Mr. John Thomas Kennedy, Mr. Randall Ingber, Mr. Vinod Rao and Mr. Rajeev Gupta had expressed their inability to attend this meeting due to their prior engagements.

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.

### **Business update:**

Chairman's address to the Members at the 19th Annual General Meeting of the Company is reproduced below:

"Ladies and Gentlemen,

I extend a warm welcome to all of you at this nineteenth Annual General Meeting of your Company. Before we commence the official proceedings, I would like to speak to you on the events of the past year, the key financials of your Company, a brief update on the macro economic scenario, challenges before the Company and the industry, some of the key highlights of the previous year and the general outlook.

On a transformational journey since the last few years, your Company is powered by the vision to become the best performing, most trusted and respected consumer goods Company in India. It has a strategic roadmap, founded on four strategic pillars, to steer its future growth trajectory. The four pillars underpinning the company's growth are:

- Drive Aggressive Market Share gain and category growth
- Unlock pricing by shaping industry evolution to celebrate responsibly
- Driving disruptive cost take outs to deliver profitable growth
- Creating a Winning organization

Your Company is the largest spirits manufacturing company in India and the second largest (by volume) globally, with a strong portfolio of trusted brands across categories. As the world's second most populous nation and fastest growing economy, the opportunity for growth in the Indian spirits market remains highly attractive. Your Company has a strong footprint with access to about 52 manufacturing facilities (including 33 TMUs) spread across majority of states and union territories in India, enabling faster turnaround of products and reduction in exposure to risks related to changes in state policy.

During the year ended March 31, 2018 while overall net sales declined by 4% mainly due to one off impact due to operating model changes as well as due to the adverse impact of highway ban, you will be glad to note that our company improved gross margin to 47.5% and profit after tax of Rs 562 crores grew 2.3 times primarily driven by initiatives to drive productivity, price increases on our products and due to operational efficiencies. The above performance coupled with stringent corporate governance, disclosure and compliance norms followed by the Company has helped in further upgradation of our long term credit rating to AA+, which will enable us to access more economical sources of debt. It is our continuous endeavour to de-leverage the Balance Sheet and reduce the overall size of the debt and to optimise finance costs through improved performance and disposal of non-core assets.

It may not be necessary for me to dwell upon the financials as we have laid them out in the financial statements included as part of the annual report.

As we look back at the last five years, I am proud to say that we have made these achievements despite multiple challenges faced by India's beverage alcohol industry. The Supreme Court's highway ban, GST implementation and the uncertainty caused by route to market changes in certain states this year, disrupted the industry. However, these big changes are now behind us, ushering in what we believe will be a more stable environment next year. The rigid limitations on pricing freedom of our products across most States continues to be a dampener on our performance even though we seek to mitigate the challenge by judicious cost control.

The overall economy appears to be positive to your Company's growth trajectory in spite of the threat of prohibition in certain states. Going by the past trends the prohibition could not survive long as the prohibition has its own ill effects on the society such as increase in consumption of illicit liquor, increase in use of drugs etc., apart from putting strain on the revenues of the State Governments. As a responsible corporate citizen your Company is promoting responsible drinking in the Society and aiding some of the NGOs who are helping in educating the younger population on responsible drinking and in de-addiction.

The foundation for the next phase of Diageo India's performance trajectory is strong. However, we still need to resolve several legacy issues to achieve our true potential, reduce our financial leverage by repaying interest bearing debt by disposal of noncore/ surplus assets. We are determined to make India the crown jewel for Diageo.

Your Company has taken various other initiatives as part of its commitment to the welfare of the society at large, even though your Company was not bound to spend under the applicable laws, as part of its Corporate Social responsibility program. I feel proud to state herein some of the initiatives taken by your Company:

1. Partnering with NDTV and Institute of Road Traffic Education to create awareness about Road Safety, drunk driving and underage drinking.

2. Training of drivers and educating them on perils of driving under the influence of alcohol in various states including Karnataka through Institute of Road Traffic Education and Ministry of Road transport and Highways, Government of India.
3. Partnering with IIT Delhi and BITS Pilani Goa on Road safety awareness amongst young students.
4. Life skills program, digital classrooms and infrastructure for schools as part of our support to the education sector.
5. Promoting sports in Karnataka by supporting Basketball Federation of India.
6. Water replenishment projects in Alwar; water and soil conservation projects in Madhya Pradesh and installation of RO water systems in Rajasthan, Madhya Pradesh and Maharashtra and
7. Women empowerment through support for Security, Health and Empowerment (SHE) Projects and training in hospitality areas in various locations.

Your Company believes in integrating its corporate social responsibility into your Company's core business to create value for society and to all our stakeholders.

On the energy front your Company expanded its footprint on green energy by expanding solar power installation in a few manufacturing facilities and moving to Bio mass based boiler fuel. In addition, your Company has significantly upgraded its manufacturing units in the past one year by taking various measures such as safety, security, health and sanitation apart from improving amenities to workers.

Your Company has also taken steps to improve the shareholders services by constantly monitoring the investor's grievances and I am happy to inform you that the ratings given by shareholders, during the year is at 3.1 on a scale of 4. We will continue to strive to improve on a continuous basis on this parameter.

On behalf of the Board of Directors and every one of you, I take this opportunity to thank all our stakeholders-Shareholders, employees, vendors, governments, regulators, banks and communities for their continued support and encouragement.

Thank You."

**Agenda:**

- With the permission of the members present, the Notice convening the Meeting was taken as read.
- Since there were no qualifications, observations or comments in the Auditor's Report as well as Secretarial Audit Report, the said reports were not read out at the meeting.

The Chairman informed the Members that:-

- a. In compliance with the provisions of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided e-voting facility to the Members of the Company. The e-voting commenced at 9.00 am on September 4, 2018 and ended at 5.00 pm on September 6, 2018. Mr. Sudhir V Hulyalkar, Company Secretary in Practice (CP-6137), was appointed as the Scrutinizer for scrutinizing the e-voting process and that the report will be submitted by him after considering the results of voting at this Annual General Meeting ('AGM').
- b. In order to enable those shareholders who did not have access to e-voting facility or who had not exercised their vote through e-voting, opportunity had been given at the AGM venue for them to vote through on-line facility through 'insta-poll'. The Chairman also stated that in case of any technical glitch voting could also be done through polling paper which will be distributed upon request to the members pursuant to Section 107 to 109 of the Companies Act, 2013 and the rules framed thereunder.
- c. The Chairman also stated that
- (i) As per the Companies Act, passing of resolution by show of hands is not permitted.
  - (ii) A member who had voted through e-voting facility is not entitled to vote again at this meeting.
  - (iii) In case voting is done through ballot paper, the ballot boxes had been kept in the meeting hall and the members could deposit the duly completed polling papers in the respective boxes. Shareholders were informed that at the end of the meeting, the polling papers will be collected for counting the votes in case insta poll did not work.

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 the Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2018, and the Reports of the Directors and Auditors thereon.	Ordinary
2	Appointment of a Director in place of Mr John Kennedy (DIN: 07529946), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary

The Chairman invited comments from Members for each item of the Agenda.

Following Members spoke at the meeting and while thanking them for their valuable suggestions their questions regarding payment of dividend, losses in subsidiary companies, and clarification on some news reports were explained by the Chairman.

1. Mr. Sadananda Sastry
2. Mr. Ashok Chakravarty

Thereafter, the Chairman appointed Mr Sudhir V Hulyalkar, Company Secretary in Practice as the Scrutinizer for conducting the insta-poll / poll process in a fair and transparent manner and stated that the combined results of the voting (both e-voting and on-line voting (insta-poll)/ Poll at the meeting) on both the 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 also on website of Central Depository Services Limited and also the result of the AGM will be intimated to the respective stock exchanges pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the Scrutinizer's Reports received on both e-voting and insta-poll, the following Ordinary Resolutions were approved by the Members with requisite majority. The result of the e-voting and insta poll in respect of Item Nos.1 and 2 of the Notice are as detailed in Annexure which forms part of this proceedings.

Details of the resolutions are as follows:-

**Item No.1            Adoption of the Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2018, and the Reports of the Directors and Auditors thereon:**

**As an Ordinary Resolution:**

**“RESOLVED** that the Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2018 and the Reports of the Directors and Auditors thereon, be and are hereby adopted.”

**Item No.2            Appointment of a Director in place of Mr John Kennedy (DIN: 07529946), who retires by rotation and being eligible, offers himself for re-appointment:**

**As an Ordinary Resolution:**

**“RESOLVED** that **Mr. John Thomas Kennedy (DIN: 07529946)**, who retires by rotation and being eligible, offers himself for reappointment, be and is hereby appointed as a Director of the Company”.

The Meeting started at 3.30 p.m. and ended at 4.45 p.m.

**M K Sharma**  
**Chairman**

**United Spirits Limited**

**Date of preparation- Sep 25, 2018**

**Date of Signing- Sep 26, 2018**

**Place of Signing- Mumbai**



## Annexure I

### **RESULTS OF E-VOTING AND POLL AT THE 19<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON SEPTEMBER 07, 2018**

The combined results of the voting (both e-voting and physical voting at the meeting) on the following 2 resolutions as per the Scrutinizer's Reports dated September 07, 2018, on e-voting and poll, are 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 the Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2018, and the Reports of the Directors and Auditors thereon	<b>55,58,95,334</b>	99.99	<b>69,049</b>	0.01	20,138
2	Appointment of a Director in place of Mr John Kennedy (DIN: 07529946), who retires by rotation and being eligible, offers himself for re-appointment	<b>55,55,48,231</b>	98.73	<b>71,32,727</b>	1.27	20,138